Information on the Windfall Elimination Provision (WEP)

Building for your Retirement

Understanding the Windfall Elimination Provision (WEP)

All employees who participate in the University of Alaska (UA) Retirement Plan can be subject to the Windfall Elimination Provision (WEP). While employed at UA, neither you nor the University of Alaska System pays Social Security taxes. Because Social Security taxes haven't been withheld and the Public Employees Retirement System (PERS), Teachers Retirement System (TRS), and Optional Retirement Plan (ORP) are considered full Social Security plan replacements, you are subject to WEP and your social security benefit may be reduced.

Why you may be subject to WEP

You may subject to WEP because:

1. During your years at University of Alaska, you and your employer did not pay into Social Security
2. At retirement, you will receive your benefit from PERS, TRS or ORP

Things to know:

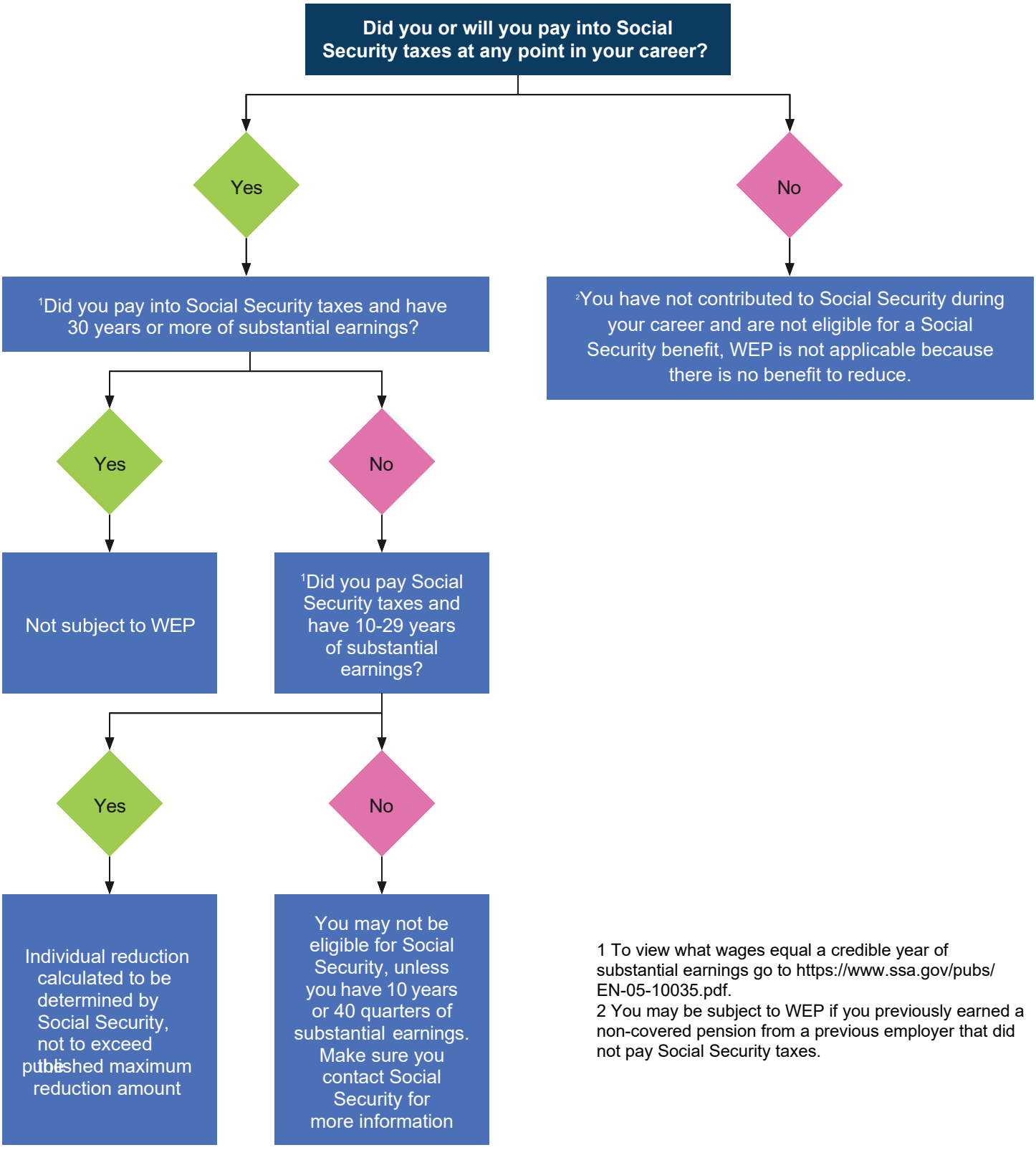
- You must have 40 quarters of substantial earnings paid into Social Security to qualify for a minimum Social Security benefit.
- While employed at the University of Alaska, you earn a higher retirement benefit from PERS, TRS, and ORP, but do not contribute to Social Security.
- Any reduction from WEP would be to your Social Security benefit, not your University of Alaska Retirement Plan (PERS, TRS, and ORP)
- The WEP may not apply if you have 30 or more years of substantial earnings in employment where you paid Social Security taxes. If you had between 10-29 years of substantial earnings covered by Social Security, the WEP will apply. Please contact the Social Security Administration directly at 1-800-772-1213 to see if the WEP will apply to you. The University of Alaska cannot provide advice on your Social Security contributions or on whether or not you qualify for the WEP.
- The WEP is applied to the first of the following events:
    - You begin to draw from your PERS,TRS, ORP or any other non-covered pension or pension equivalent. If you withdraw $1, rollover funds into another qualified account outside of the PERS, TRS, or ORP accounts, annuitize the accounts, or start any pension payments, the WEP will be applied.
    - When you reach the Required Minimum Distribution age (when you are forced to draw down on your retirement accounts).
- You are required to accurately self-report to the Social Security Administration (SSA) when you apply for SSA benefits.
- If you have already started receiving benefits from PERS, TRS, or ORP, you should report your distribution from these accounts to the SSA as soon as possible to avoid overpayment of SSA benefits.
- Spouses and widow/widower benefits may be subject to Government Pension Offset (GPO), which is a different calculation than WEP, but related. See the fact sheet at https://www.ssa.gov/pubs/EN-05-10007.pdf.

Shape your future with these resources

Need help understanding WEP and how it affects you? These resources can provide more information:

- Windfall Elimination Provision FAQ at www.ssa.gov/pubs/EN-05-10045.pdf.
- WEP Retirement Planner at www.ssa.gov/benefits/retirement/planner/wep.html including an online calculator and examples of how WEP is enacted.
- You can schedule an appointment with a local Social Security Office or call to speak with a local representative.
- TIAA financial consultants can also help you understand your retirement benefits. Schedule an appointment at www.TIAA.org/schedulenow.

Present or Past Plan Participants



1 To view what wages equal a credible year of substantial earnings go to https://www.ssa.gov/pubs/EN-05-10035.pdf.
2 You may be subject to WEP if you previously earned a non-covered pension from a previous employer that did not pay Social Security taxes.

For questions about your University of Alaska ORP plan, call TIAA at **800–842–2252**, weekdays, 4 a.m. to 6 p.m. (AK). Go to www.TIAA.org/schedule now to schedule a 1:1 with a TIAA financial consultant. We look forward to helping you as you plan for—and live well in—retirement.

For questions about your PERS or TRS plans, call the State of Alaska at 1–800–821–2251.

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