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U.S. House of Representatives

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June 27, 2007

The Honorable Howard L. Berman
U.S. House of Representatives
Washington, DC 20515

Dear Howard:

Thank you for meeting with me last month to discuss the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). I very much appreciated the chance to discuss these matters with you and Reg Weaver, President of the National Education Association. I agree that the impact of these provisions on retired public servants raises some very serious issues that Congress should review.

As Chairman of the Committee on Ways and Means, I am keenly aware of the concerns of public employees about these provisions, and the problems that have been created by the WEP and GPO. Therefore, as we discussed, I have asked the Subcommittee on Social Security to schedule a hearing on these provisions.

The Social Security benefit reductions that apply to workers whose employers do not participate in Social Security often come as a surprise to hardworking public servants who are about to retire. Moreover, the GPO and the WEP are widely acknowledged to be "blunt instruments." That is, they can produce undesirable, unpredictable, and inequitable results that vary based on the individual circumstances of workers and their families. Finally, they often leave workers with less than they had anticipated in

Letter to the Honorable Howard L. Berman

June 27, 2007

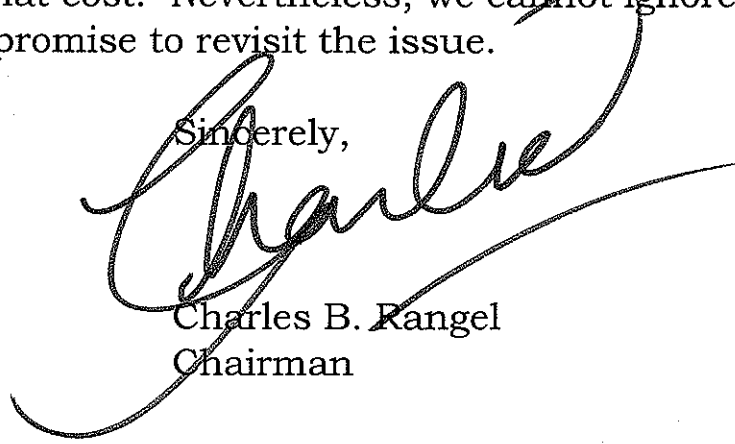
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retirement – and can even leave people with too little to make ends meet.

The issue is particularly salient now as many more of these affected employees are reaching retirement age without having been aware of the impact on their potential Social Security benefits of being employed by an entity which does not participate in Social Security.

Given the widespread interest in this legislation among Members of Congress, and the intense constituent concern, your bill to repeal these provisions deserves to be examined. As you know, the repeal of these provisions would cost approximately \$62 billion over ten years, and we are not considering at this time an increase in taxes to make up for that cost. Nevertheless, we cannot ignore these inequities and I promise to revisit the issue.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Charles". The signature is written over the typed name and title below it.

Charles B. Rangel
Chairman