

Social Security Begins Sending Out Retroactive Payments

Cross References

- <https://blog.ssa.gov>

On February 25, 2025, the Social Security Administration announced it is immediately beginning to pay retroactive benefits and will increase monthly benefit payments to people whose benefits have been affected by the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provisions under the Social Security Fairness Act of 2023.

These provisions reduced or eliminated the Social Security benefits for over 3.2 million people who receive a pension based on work that was not covered by Social Security (a “non-covered pension”) because they did not pay Social Security taxes.

“Social Security’s aggressive schedule to start issuing retroactive payments in February and increase monthly benefit payments beginning in April supports President Trump’s priority to implement the Social Security Fairness Act as quickly as possible,” said Lee Dudek, Acting Commissioner of Social Security. “The agency’s original estimate of taking a year or more now will only apply to complex cases that cannot be processed by automation. The American people deserve to get their due benefits as quickly as possible.”

People who will benefit from the new law include some teachers, firefighters, and police officers in many states; federal employees covered by the Civil Service Retirement System; and people whose work had been covered by a foreign social security system.

Many beneficiaries will be due a retroactive payment because the WEP and GPO offset no longer apply as of January 2024. Most people will receive their one-time retroactive payment by the end of March, which will be deposited into their bank account on record with Social Security.

Many of these people will also receive higher monthly benefits, which will first be reflected in the benefit payment they receive in April. Depending on factors such as the type of Social Security benefit received and the amount of the person’s pension, the change in payment amount will vary from person to person.

Anyone whose monthly benefit is adjusted, or who will get a retroactive payment, will receive a mailed notice from Social Security explaining the benefit change or retroactive payment. Most people will receive their retroactive payment two to three weeks before they receive their notice in the mail, because the President understands how important it is to pay people what they are due right away. Social Security is expediting payments using automation and will continue to handle many complex cases that must be done manually, on an individual case-by-case basis. Those complex cases will take additional time to update the beneficiary record and pay the correct benefits.

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Social Security urges beneficiaries to wait until April to ask about the status of their retroactive payment, since these payments will process incrementally into March. Since the new monthly payment amount will begin with the April payment, beneficiaries should wait until after receiving their April payment, before contacting Social Security with questions about their monthly benefit amount.

Visit the agency's Social Security Fairness Act webpage at <https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html> to learn more and stay up to date on its progress. Visitors can subscribe to be alerted when the webpage is updated.

Also see the Social Security Fairness Act of 2023 news article posted on January 7, 2025 by TheTaxBook on its Tax Industry News webpage.