

## STRONGER COUNTIES. STRONGER OHIO.

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## House Pensions Committee House Concurrent Resolution 6 – Proponent Testimony Chris Abbuhl, Tuscarawas County Commissioner

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Chairman Young, Vice Chair King, Ranking Member Lightbody, and members of the House Pensions Committee, thank you for the opportunity to testify in support of House Concurrent Resolution 6 (HCR 6) on behalf of the County Commissioners Association of Ohio (CCAO). My name is Chris Abbuhl and I serve as a Tuscarawas County Commissioner and as the CCAO 1st Vice President.

HCR 6 urges Congress to repeal the Windfall Elimination Provision (WEP) in the Social Security Program. The WEP is a modified benefit formula that reduces the Social Security benefit amount for some retired or disabled workers that have earned pensions from earnings not covered by Social Security. The WEP mainly affects state and local government workers that are covered by alternative retirement systems. It does not affect private sector employees who have alternative retirement systems. According to the Congressional Research Service report, as of December 2021, roughly 2 million people are affected by the WEP.

However, those same employees who have worked in the private sector at some point in their life and have contributed to Social Security during their working career at some level (if fewer than 30 years) have earned the eligibility and should receive a retirement benefit under Social Security based on actual years of contribution. Penalizing employees that have worked in both the private and public sectors because they changed careers midlife and have contributed to two different pension systems, one private and one public, is a hindrance to those wanting to enter a public service career. Public servants are crucial to the operation of county government in Ohio and across the nation, and the WEP punishes individuals who choose public service for a portion of their careers.

Under the WEP, workers with mixed-service careers and fewer than 30 years of substantial covered employment in Social Security have a reduced first factor in the Social Security benefit formula. The current WEP formula is one-size-fits-all and does not allow for any exceptions. Many individuals are unaware of the impact WEP has on their retirement plans until they are at a point where it is more difficult to adapt.

Additionally, because the WEP is applied in the first bracket of the Social Security benefit formula, it causes a proportionally larger reduction in benefits for workers with lower benefit amounts, thus affecting low-income workers.







According to the Congressional Research Service updated report from September 19, 2022: in 2021 OCACT the (US Social Security Office of the Chief Actuary) estimated that "In the long run (75 years), the projected program cost would increase by an amount equal to 0.02% of taxable payroll, and the projected program income would increase by the same amount with transfers from the General Fund, thus having no significant effect on the combined trust funds' actuarial balance."

I, along with my colleagues Shelby County Commissioner Julie Ehemann and Clermont County Commissioner David Painter, sponsored a resolution through the National Association of Counties supporting the reform or elimination of the WEP. Counties are experiencing the same workforce challenges as other employers in today's economy, and the WEP is another hindrance to hiring practices. I want to thank Vice Chair King and Representative Plummer for introducing this important resolution. While this issue requires a fix from Congress, we would appreciate the support of the General Assembly in urging the elimination of the WEP.

Thank you for your time today. I would be happy to answer any questions.