

Federal Update 2004-30

November 17, 2004

TO: NCTR Membership

FROM: Cindie Moore, Washington Counsel

RE: Section 419 Social Security Notice Available Very Soon

The Social Security Commissioner approved the notice yesterday. The staff is now working on the final details for posting the notice and its instructions on SSA's website. They hope to finish this process by close of business, Friday, November 19. I'll keep you posted.

By way of background, state and local government employers who hire individuals for non-Social Security covered positions on or after January 1, 2005, must provide them with the "Section 419" notice. The notice explains the possible reduction of their future Social Security benefit because they are taking a non-Social Security covered position. The reductions occur by operation of the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). The individuals must sign the notice. The employer must then send the notice to the retirement system that covers the individuals. Section 419 is the location of the new requirement in the Social Security Protection Act, signed into law on March 2, 2004.