



**AMERICAN CITIZENS ABROAD**  
**EDUCATE, ADVOCATE AND INFORM**  
**AMERICAN CITIZENS ABROAD**  
*global foundation* FOR EDUCATION AND RESEARCH

August 15, 2022

The Honorable Richard Neal  
Chairman  
Ways and Means Committee  
United States House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Steny Hoyer  
Majority Leader  
United States House of Representatives  
1705 Longworth House Office Building  
Washington, DC 20515

The Honorable Abigail Spanberger  
United States House of Representatives  
1431 Longworth House Office Building  
Washington, DC 20515

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Rodney Davis  
United States House of Representatives  
2079 Rayburn House Office Building  
Washington, DC 20515

RE: HR82 The Social Security Fairness Act

Dear Chairman Neal, Speaker Pelosi, Representative Davis, Representative Hoyer, and Representative Spanberger,

American Citizens Abroad, Inc. (ACA) is a leading advocacy organization representing US citizens living and working overseas. Headquartered in Washington, DC, ACA is nonpartisan, non-profit (section 501(c)(4)), with a 40-plus-year history of advocating on behalf of the community of Americans living and working overseas. Alongside ACA is its sister charitable (section 501(c)(3)) research and education organization American Citizens Global Foundation (ACAGF).

[HR82 the Social Security Fairness Act](#) has attained the 292 votes needed for it to pass to the US House of Representatives for a floor vote. This bill would repeal the [Windfall Elimination Provision \(WEP\)](#).

ACA supports the efforts of Congressman Rodney Davis (R-IL) and Congresswoman Abigail Spanberger (D-VA) in advancing this bi-partisan legislation in Congress. The Social Security Fairness Act would repeal the Windfall Elimination Provision and the Government Pension Offset portions of the Social Security Act which unfairly reduces Social Security benefits for public service sector employees as well as US citizens living and working overseas.

Often times US citizens living and working overseas are overlooked in the legislative process and ACA congratulates the authors of HR82 for ensuring that the repeal of the WEP will also apply to those individuals receiving foreign pensions. US citizens overseas should not have their US Social Security payments reduced simply because they may have worked for a foreign organization or company that did not contribute to US Social Security. US citizens who fulfilled their obligation to contributing to US Social Security should have full access to their benefits and



not have them reduced because they are covered by a pension through foreign employment. These individuals are not “double dipping.” Adding to the problem is that foreign pension benefits must be translated into a US dollar as functional currency. This can have the effect of artificially inflating the actual amount a pensioner will receive from their foreign pension and thus artificially reduce their US Social Security benefits when calculated with WEP.

ACA is aware that there is pressure on the Social Security Administration to manage costs but denying US citizens full rights to the Social Security benefits they contributed to is not the way.

The Windfall Elimination Provision is just one example of where US citizens overseas are affected by US legislation and regulations because the US Congress and the Administration has little information and data on the community. ACA Global Foundation (ACAGF) has recently issued a [second research study](#) on US citizens living and working overseas. This research was done in support of Residence-based taxation (RBT) which would tax US citizens living and working overseas in the same manner as all other industrialized nations. That is to say, [income earned outside of the United States \(foreign\) would not be subject to US taxation](#). ACA developed a [side-by-side comparative](#) showing where changes to the current tax code can be made to adopt Residence-based taxation. Our research indicates that a move to RBT could be done and made revenue neutral.

ACA’s 2022 research study is a follow-up to a study from 2017. This research has been presented to the Joint Committee on Taxation, the US Treasury, IRS and the tax committees for both the House and Senate. ACA has been able to provide data on the size, tax compliance, asset and investment make-up of the community and has provided offices in the Congress and Administration with data they currently lack. In IRS hearings in 2019, [the IRS was unable to say how many US citizens file from overseas and what is the revenue generated from those individuals](#). ACA’s research has been able to help fill in this missing information with its research.

The US State Department estimates the number of US citizens living and working overseas to be 9 million. ACA awaits a freedom of information act to explain the State Department methodology as our research indicates the size as much smaller, 5.1 million with 1.2 million of those being military and 3.9 million civilian citizens, the majority being as tax compliant as domestic US citizens.

As HR82 moves through Congress it is important to keep overseas citizens in mind as they are just as negatively affected by the WEP as US citizens living in the United States. ACA advocates that US citizens overseas continue to be included in HR82. The mere fact that we are advocating for their inclusion in HR82 indicates why it is of the utmost imperative that hearings on all the issues affecting the community of US citizens living and working overseas be held. Without ACA’s advocacy, issues such as how WEP and other US regulations and legislation affect this community may never be heard.

ACA congratulates Congress on taking up this important piece of legislation and reinforces our call to ensure that US citizens living and working overseas are not forgotten in the process.

Regards.

Marylouise Serrato  
Executive Director  
American Citizens Abroad

Charles Bruce  
Legal Counsel  
American Citizens Abroad

Jonathan Lachowitz  
Chairman  
American Citizens Abroad