

107TH CONGRESS  
1ST SESSION

# H. R. 2

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## AN ACT

To establish a procedure to safeguard the surpluses  
of the Social Security and Medicare hospital in-  
surance trust funds.



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To establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Social Security and  
3 Medicare Lock-Box Act of 2001”.

4 **SEC. 2. FINDINGS AND PURPOSE.**

5       (a) FINDINGS.—The Congress finds that—

6           (1) the Balanced Budget Act of 1997 and  
7 strong economic growth have ended decades of def-  
8 icit spending;

9           (2) the Government is able to meet its current  
10 obligations without using the social security and  
11 medicare surpluses;

12           (3) fiscal pressures will mount as an aging pop-  
13 ulation increases the Government’s obligations to  
14 provide retirement income and health services;

15           (4) social security and medicare hospital insur-  
16 ance surpluses should be used to reduce the debt  
17 held by the public until legislation is enacted that re-  
18 forms social security and medicare;

19           (5) preserving the social security and medicare  
20 hospital insurance surpluses would restore con-  
21 fidence in the long-term financial integrity of social  
22 security and medicare; and

23           (6) strengthening the Government’s fiscal posi-  
24 tion through debt reduction would increase national  
25 savings, promote economic growth, and reduce its in-  
26 terest payments.

1 (b) PURPOSE.—It is the purpose of this Act to—

2 (1) prevent the surpluses of the social security  
3 and medicare hospital insurance trust funds from  
4 being used for any purpose other than providing re-  
5 tirement and health security; and

6 (2) use such surpluses to pay down the national  
7 debt until such time as medicare and social security  
8 reform legislation is enacted.

9 **SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE**  
10 **SURPLUSES.**

11 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-  
12 CARE SURPLUSES.—Title III of the Congressional Budget  
13 Act of 1974 is amended by adding at the end the following  
14 new section:

15 “LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL  
16 INSURANCE SURPLUSES

17 “SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY  
18 AND HOSPITAL INSURANCE SURPLUSES.—

19 “(1) CONCURRENT RESOLUTIONS ON THE  
20 BUDGET.—

21 “(A) IN GENERAL.—It shall not be in  
22 order in the House of Representatives or the  
23 Senate to consider any concurrent resolution on  
24 the budget, or an amendment thereto or con-  
25 ference report thereon, that would set forth a  
26 surplus for any fiscal year that is less than the

1 surplus of the Federal Hospital Insurance  
2 Trust Fund for that fiscal year.

3 “(B) EXCEPTION.—(i) Subparagraph (A)  
4 shall not apply to the extent that a violation of  
5 such subparagraph would result from an as-  
6 sumption in the resolution, amendment, or con-  
7 ference report, as applicable, of an increase in  
8 outlays or a decrease in revenue relative to the  
9 baseline underlying that resolution for social se-  
10 curity reform legislation or medicare reform leg-  
11 islation for any such fiscal year.

12 “(ii) If a concurrent resolution on the  
13 budget, or an amendment thereto or conference  
14 report thereon, would be in violation of sub-  
15 paragraph (A) because of an assumption of an  
16 increase in outlays or a decrease in revenue rel-  
17 ative to the baseline underlying that resolution  
18 for social security reform legislation or medi-  
19 care reform legislation for any such fiscal year,  
20 then that resolution shall include a statement  
21 identifying any such increase in outlays or de-  
22 crease in revenue.

23 “(2) SPENDING AND TAX LEGISLATION.—

24 “(A) IN GENERAL.—It shall not be in  
25 order in the House of Representatives or the

1 Senate to consider any bill, joint resolution,  
2 amendment, motion, or conference report if—

3 “(i) the enactment of that bill or reso-  
4 lution, as reported;

5 “(ii) the adoption and enactment of  
6 that amendment; or

7 “(iii) the enactment of that bill or res-  
8 olution in the form recommended in that  
9 conference report,  
10 would cause the surplus for any fiscal year cov-  
11 ered by the most recently agreed to concurrent  
12 resolution on the budget to be less than the sur-  
13 plus of the Federal Hospital Insurance Trust  
14 Fund for that fiscal year.

15 “(B) EXCEPTION.—Subparagraph (A)  
16 shall not apply to social security reform legisla-  
17 tion or medicare reform legislation.

18 “(b) ENFORCEMENT.—

19 “(1) BUDGETARY LEVELS WITH RESPECT TO  
20 CONCURRENT RESOLUTIONS ON THE BUDGET.—For  
21 purposes of enforcing any point of order under sub-  
22 section (a)(1), the surplus for any fiscal year shall  
23 be—

24 “(A) the levels set forth in the later of the  
25 concurrent resolution on the budget, as re-

ported, or in the conference report on the concurrent resolution on the budget; and

“(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii)).

“(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

“(A) IN GENERAL.—For purposes of enforcing subsection (a)(2), the current levels of the surplus for any fiscal year shall be—

“(i) calculated using the following assumptions—

“(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

“(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to



1 concurrent resolution on the budget;  
2 and

3 “(ii) adjusted for changes in the sur-  
4 plus levels set forth in the most recently  
5 agreed to concurrent resolution on the  
6 budget pursuant to procedures in such res-  
7 olution that authorize adjustments in  
8 budgetary aggregates for updated economic  
9 and technical assumptions in the mid-ses-  
10 sion report of the Director of the Congres-  
11 sional Budget Office.

12 Such revisions shall be included in the first cur-  
13 rent level report on the congressional budget  
14 submitted for publication in the Congressional  
15 Record after the release of such mid-session re-  
16 port.

17 “(B) BUDGETARY TREATMENT.—Outlays  
18 (or receipts) for any fiscal year resulting from  
19 social security or medicare reform legislation in  
20 excess of the amount of outlays (or less than  
21 the amount of receipts) for that fiscal year set  
22 forth in the most recently agreed to concurrent  
23 resolution on the budget or the section 302(a)  
24 allocation for such legislation, as applicable,  
25 shall not be taken into account for purposes of

1 enforcing any point of order under subsection  
2 (a)(2).

3 “(3) DISCLOSURE OF HI SURPLUS.—For pur-  
4 poses of enforcing any point of order under sub-  
5 section (a), the surplus of the Federal Hospital In-  
6 surance Trust Fund for a fiscal year shall be the  
7 levels set forth in the later of the report accom-  
8 panying the concurrent resolution on the budget (or,  
9 in the absence of such a report, placed in the Con-  
10 gressional Record prior to the consideration of such  
11 resolution) or in the joint explanatory statement of  
12 managers accompanying such resolution.

13 “(c) ADDITIONAL CONTENT OF REPORTS ACCOM-  
14 PANYING BUDGET RESOLUTIONS AND OF JOINT EXPLAN-  
15 ATORY STATEMENTS.—The report accompanying any con-  
16 current resolution on the budget and the joint explanatory  
17 statement accompanying the conference report on each  
18 such resolution shall include the levels of the surplus in  
19 the budget for each fiscal year set forth in such resolution  
20 and of the surplus or deficit in the Federal Hospital Insur-  
21 ance Trust Fund, calculated using the assumptions set  
22 forth in subsection (b)(2)(A).

23 “(d) DEFINITIONS.—As used in this section:

24 “(1) The term ‘medicare reform legislation’  
25 means a bill or a joint resolution to save Medicare

1       that includes a provision stating the following: ‘For  
2       purposes of section 316(a) of the Congressional  
3       Budget Act of 1974, this Act constitutes medicare  
4       reform legislation.’.

5           “(2) The term ‘social security reform legisla-  
6       tion’ means a bill or a joint resolution to save social  
7       security that includes a provision stating the fol-  
8       lowing: ‘For purposes of section 316(a) of the Con-  
9       gressional Budget Act of 1974, this Act constitutes  
10      social security reform legislation.’.

11       “(e) WAIVER AND APPEAL.—Subsection (a) may be  
12      waived or suspended in the Senate only by an affirmative  
13      vote of three-fifths of the Members, duly chosen and  
14      sworn. An affirmative vote of three-fifths of the Members  
15      of the Senate, duly chosen and sworn, shall be required  
16      in the Senate to sustain an appeal of the ruling of the  
17      Chair on a point of order raised under this section.

18       “(f) EFFECTIVE DATE.—This section shall cease to  
19      have any force or effect upon the enactment of social secu-  
20      rity reform legislation and medicare reform legislation.”.

21       (b) CONFORMING AMENDMENT.—The item relating  
22      to section 316 in the table of contents set forth in section  
23      1(b) of the Congressional Budget and Impoundment Con-  
24      trol Act of 1974 is amended to read as follows:

“Sec. 316. Lock-box for social security and hospital insurance surpluses.”.

1 **SEC. 4. PRESIDENTS' BUDGET.**

2 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-  
3 CARE SURPLUSES.—If the budget of the United States  
4 Government submitted by the President under section  
5 1105(a) of title 31, United States Code, recommends an  
6 on-budget surplus for any fiscal year that is less than the  
7 surplus of the Federal Hospital Insurance Trust Fund for  
8 that fiscal year, then it shall include a detailed proposal  
9 for social security reform legislation or medicare reform  
10 legislation.

11 (b) EFFECTIVE DATE.—Subsection (a) shall cease to  
12 have any force or effect upon the enactment of social secu-  
13 rity reform legislation and medicare reform legislation as  
14 defined by section 316(d) of the Congressional Budget Act  
15 of 1974.

Passed the House of Representatives February 13,  
2001.

Attest:

*Clerk.*