

107TH CONGRESS
2D SESSION

H. R. 5541

To reject proposals to partially or completely divert funds, which normally would be designated for the Social Security trust fund, into private savings accounts as a substitute for the lifelong, guaranteed, inflation-protected insurance benefits provided through Social Security.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2002

Mr. SHOWS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reject proposals to partially or completely divert funds, which normally would be designated for the Social Security trust fund, into private savings accounts as a substitute for the lifelong, guaranteed, inflation-protected insurance benefits provided through Social Security.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rejecting Social Secu-
5 rity Privatization Act of 2002”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) 117 Members of Congress signed a letter on
2 May 24, 2001, to the President's Commission to
3 Strengthen Social Security, urging the Commission
4 to develop a plan to partially privatize Social Secu-
5 rity by diverting funds away from the Social Secu-
6 rity trust funds and instituting Personal Retirement
7 Accounts.

8 (2) The Commission developed three alternative
9 plans that would partially privatize Social Security
10 by diverting substantial monies from the Social Se-
11 curity trust funds to pay for the private accounts,
12 which threatens benefits for current beneficiaries by
13 significantly weakening the financial condition of the
14 trust funds.

15 (3) These reductions in guaranteed benefits
16 apply to all workers, regardless of whether they
17 choose to have an individual account or not.

18 (4) Substituting private accounts for guaran-
19 teed Social Security benefits increases financial risk
20 for retirees, disabled workers, and their families; re-
21 duces Social Security protections for women, low-in-
22 come workers, and many members of minority
23 groups; and erodes benefits for the dependent chil-
24 dren of workers who retire, become disabled, or die.

1 (5) Private investments in the stock market of
2 funds that have been diverted away from the Social
3 Security trust funds are an inherent risk to Ameri-
4 cans who currently depend upon secure Social Secu-
5 rity trust funds, or anticipate receiving their earned
6 benefits as they approach retirement.

7 **SEC. 3. REJECTION OF PRIVATIZATION.**

8 The Congress hereby commits to preserve the guar-
9 anteed, lifelong, inflation-protected benefits provided
10 under title II of the Social Security Act to retirees, dis-
11 abled workers, and their families, and the survivors of de-
12 ceased workers, by rejecting plans to institute Personal
13 Retirement Accounts, or any other forms of private ac-
14 counts, which would divert or remove all or portions of
15 monies from the Social Security trust funds and reduce
16 the retirement security of current and future beneficiaries,
17 and which would reduce guaranteed Social Security bene-
18 fits for retirees, disabled workers, and survivors.

