

119TH CONGRESS
1ST SESSION

S. 2614

To amend title II of the Social Security Act and the Internal Revenue Code of 1986 to make improvements in the old-age, survivors, and disability insurance program.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2025

Ms. HIRONO (for herself, Ms. SMITH, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title II of the Social Security Act and the Internal Revenue Code of 1986 to make improvements in the old-age, survivors, and disability insurance program.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Protecting and Preserving Social Security Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—COST-OF-LIVING INCREASES

Sec. 101. Consumer Price Index for Elderly Consumers.

Sec. 102. Computation of cost-of-living increases.

TITLE II—CONTRIBUTION AND BENEFIT FAIRNESS

Sec. 201. Determination of wages and self-employment income above contribution and benefit base after 2025.

Sec. 202. Inclusion of surplus earnings in Social Security benefit formula.

TITLE I—COST-OF-LIVING INCREASES

SEC. 101. CONSUMER PRICE INDEX FOR ELDERLY CONSUMERS.

(a) IN GENERAL.—The Bureau of Labor Statistics of the Department of Labor shall prepare and publish an index for each calendar month to be known as the “Consumer Price Index for Elderly Consumers” that indicates changes over time in expenditures for consumption which are typical for individuals in the United States who are 62 years of age or older.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to calendar months ending on or after July 31 of the calendar year following the calendar year in which this Act is enacted.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

SEC. 102. COMPUTATION OF COST-OF-LIVING INCREASES.

(a) IN GENERAL.—Section 215(i)(1) of the Social Security Act (42 U.S.C. 415(i)(1)) is amended by adding at the end the following new subparagraph:

1 “(H) the term ‘Consumer Price Index’
 2 means the Consumer Price Index for Elderly
 3 Consumers (CPI–E, as published by the Bu-
 4 reau of Labor Statistics of the Department of
 5 Labor).”.

6 (b) APPLICATION TO PRE-1979 LAW.—

7 (1) IN GENERAL.—Section 215(i)(1) of the So-
 8 cial Security Act as in effect in December 1978, and
 9 as applied in certain cases under the provisions of
 10 such Act as in effect after December 1978, is
 11 amended by adding at the end the following new
 12 subparagraph:

13 “(D) the term ‘Consumer Price Index’
 14 means the Consumer Price Index for Elderly
 15 Consumers (CPI–E, as published by the Bu-
 16 reau of Labor Statistics of the Department of
 17 Labor).”.

18 (2) CONFORMING AMENDMENT.—Section
 19 215(i)(4) of the Social Security Act (42 U.S.C.
 20 415(i)(4)) is amended by inserting “and by section
 21 102 of the Protecting and Preserving Social Security
 22 Act” after “1986”.

23 (c) NO EFFECT ON ADJUSTMENTS UNDER OTHER
 24 LAWS.—Section 215(i) of the Social Security Act (42

1 U.S.C. 415(i)) is amended by adding at the end the fol-
2 lowing:

3 “(6) Any provision of law (other than in this
4 title or title XVI) which provides for adjustment of
5 an amount based on a change in benefit amounts re-
6 sulting from a determination made under this sub-
7 section shall be applied and administered without re-
8 gard to the amendments made by section 102 of the
9 Protecting and Preserving Social Security Act.”.

10 (d) NO EFFECT ON ELIGIBILITY FOR SSI AND MED-
11 ICAID.—Any increase to an individual’s monthly benefit
12 amount under title II of the Social Security Act as a result
13 of the amendments made by this section shall not be re-
14 garded as income or resources for any subsequent month,
15 for purposes of determining the eligibility of the recipient
16 (or the recipient’s spouse or family) for benefits or assist-
17 ance, or the amount or extent of benefits or assistance,
18 under the Supplemental Security Income program or the
19 Medicaid program.

20 (e) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to determinations made with re-
22 spect to cost-of-living computation quarters (as defined in
23 section 215(i)(1)(B) of the Social Security Act (42 U.S.C.
24 415(i)(1)(B))) ending on or after September 30 of the sec-

1 ond calendar year following the calendar year in which this
2 Act is enacted.

3 **TITLE II—CONTRIBUTION AND** 4 **BENEFIT FAIRNESS**

5 **SEC. 201. DETERMINATION OF WAGES AND SELF-EMPLOY-** 6 **MENT INCOME ABOVE CONTRIBUTION AND** 7 **BENEFIT BASE AFTER 2025.**

8 (a) DETERMINATION OF WAGES ABOVE CONTRIBU-
9 TION AND BENEFIT BASE AFTER 2025.—

10 (1) AMENDMENTS TO THE INTERNAL REVENUE
11 CODE OF 1986.—Section 3121 of the Internal Rev-
12 enue Code of 1986 is amended—

13 (A) in subsection (a)(1), by inserting “the
14 applicable percentage (determined under sub-
15 section (c)(1)) of” before “that part of the re-
16 muneration”, and

17 (B) in subsection (c), by striking “(c) IN-
18 CLUDED AND EXCLUDED SERVICE.—For pur-
19 poses of this chapter, if” and inserting the fol-
20 lowing:

21 “(c) SPECIAL RULES FOR WAGES AND EMPLOY-
22 MENT.—

23 “(1) APPLICABLE PERCENTAGE OF REMUNERA-
24 TION IN DETERMINING WAGES.—For purposes of
25 paragraph (1) of subsection (a), the applicable per-

1 centage for a calendar year, in connection with any
 2 calendar year referred to in such paragraph, shall be
 3 the percentage determined in accordance with the
 4 following table:

“In the case of:	The applicable percentage is:
Calendar year 2026	86
Calendar year 2027	71
Calendar year 2028	57
Calendar year 2029	43
Calendar year 2030	29
Calendar year 2031	14
Calendar years after 2031	0.

5 “(2) INCLUDED AND EXCLUDED SERVICE.—For
 6 purposes of this chapter, if”.

7 (2) AMENDMENTS TO THE SOCIAL SECURITY
 8 ACT.—Section 209 of the Social Security Act (42
 9 U.S.C. 409) is amended—

10 (A) in subsection (a)(1)—

11 (i) in subparagraph (I)—

12 (I) by inserting “and before
 13 2026” after “1974”; and

14 (II) by inserting “and” after the
 15 semicolon; and

16 (ii) by adding at the end the following
 17 new subparagraph:

18 “(J) The applicable percentage (deter-
 19 mined under subsection (I)) of that part of re-
 20 muneration which, after remuneration (other
 21 than remuneration referred to in the succeeding

1 subsections of this section) equal to the con-
 2 tribution and benefit base (determined under
 3 section 230) with respect to employment has
 4 been paid to an individual during any calendar
 5 year after 2025 with respect to which such con-
 6 tribution and benefit base is effective, is paid to
 7 such individual during such calendar year;”;
 8 and

9 (B) by adding at the end the following new
 10 subsection:

11 “(l) For purposes of subparagraph (J) of subsection
 12 (a)(1), the applicable percentage for a calendar year, in
 13 connection with any calendar year referred to in such sub-
 14 paragraph, shall be the percentage determined in accord-
 15 ance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2026	86
Calendar year 2027	71
Calendar year 2028	57
Calendar year 2029	43
Calendar year 2030	29
Calendar year 2031	14
Calendar years after 2031	0.”.

16 (3) EFFECTIVE DATE.—The amendments made
 17 by this subsection shall apply with respect to remu-
 18 neration paid in calendar years after 2025.

19 (b) DETERMINATION OF SELF-EMPLOYMENT IN-
 20 COME ABOVE CONTRIBUTION AND BENEFIT BASE AFTER
 21 2025.—

1 (1) AMENDMENTS TO THE INTERNAL REVENUE
 2 CODE OF 1986.—Section 1402 of the Internal Rev-
 3 enue Code of 1986 is amended—

4 (A) in subsection (b)(1), by inserting “an
 5 amount equal to the applicable percentage (as
 6 determined under subsection (d)(2)) of” before
 7 “that part of the net earnings from self-employ-
 8 ment”, and

9 (B) in subsection (d)—

10 (i) by striking “(d) EMPLOYEE AND
 11 WAGES.—The term” and inserting the fol-
 12 lowing:

13 “(d) RULES AND DEFINITIONS.—

14 “(1) EMPLOYEE AND WAGES.—The term”, and

15 (ii) by adding at the end the fol-
 16 lowing:

17 “(2) APPLICABLE PERCENTAGE OF NET EARN-
 18 INGS FROM SELF-EMPLOYMENT IN DETERMINING
 19 SELF-EMPLOYMENT INCOME.—For purposes of para-
 20 graph (1) of subsection (b), the applicable percent-
 21 age for a taxable year beginning in any calendar
 22 year referred to in such paragraph shall be the per-
 23 centage determined in accordance with the following
 24 table:

“In the case of:	The applicable percentage is:
Calendar year 2026	86

“In the case of:	The applicable percentage is:
Calendar year 2027	71
Calendar year 2028	57
Calendar year 2029	43
Calendar year 2030	29
Calendar year 2031	14
Calendar years after 2031	0.”.

1 (2) AMENDMENTS TO THE SOCIAL SECURITY
2 ACT.—Section 211 of the Social Security Act (42
3 U.S.C. 411) is amended—

4 (A) in subsection (b)—

5 (i) in paragraph (1)(I)—

6 (I) by striking “or” after the
7 semicolon; and

8 (II) by inserting “and before
9 2026” after “1974”;

10 (ii) by redesignating paragraph (2) as
11 paragraph (3); and

12 (iii) by inserting after paragraph (1)
13 the following new paragraph:

14 “(2) For any taxable year beginning in any cal-
15 endar year after 2025, an amount equal to the appli-
16 cable percentage (as determined under subsection
17 (l)) of that part of net earnings from self-employ-
18 ment which is in excess of (A) an amount equal to
19 the contribution and benefit base (determined under
20 section 230) that is effective for such calendar year,

1 minus (B) the amount of the wages paid to such in-
 2 dividual during such taxable year; or”; and

3 (B) by adding at the end the following:

4 “(1) For purposes of paragraph (2) of subsection (b),
 5 the applicable percentage for a taxable year beginning in
 6 any calendar year referred to in such paragraph, shall be
 7 the percentage determined in accordance with the fol-
 8 lowing table:

“In the case of:	The applicable percentage is:
Calendar year 2026	86
Calendar year 2027	71
Calendar year 2028	57
Calendar year 2029	43
Calendar year 2030	29
Calendar year 2031	14
Calendar years after 2031	0.”.

9 (3) EFFECTIVE DATE.—The amendments made
 10 by this subsection shall apply with respect to taxable
 11 years beginning during or after calendar year 2026.

12 **SEC. 202. INCLUSION OF SURPLUS EARNINGS IN SOCIAL SE-**
 13 **CURITY BENEFIT FORMULA.**

14 (a) INCLUSION OF SURPLUS AVERAGE INDEXED
 15 MONTHLY EARNINGS IN DETERMINATION OF PRIMARY
 16 INSURANCE AMOUNTS.—

17 (1) IN GENERAL.—Section 215(a)(1)(A) of the
 18 Social Security Act (42 U.S.C. 415(a)(1)(A)) is
 19 amended—

1 (A) in clauses (i), (ii), and (iii), by insert-
 2 ing “basic” before “average indexed monthly
 3 earnings” each place it appears;

4 (B) in clause (ii), by striking “and” at the
 5 end; and

6 (C) by inserting after clause (iii) the fol-
 7 lowing new clauses:

8 “(iv) 3 percent of the individual’s surplus aver-
 9 age indexed monthly earnings to the extent such
 10 surplus average indexed monthly earnings do not ex-
 11 ceed the excess of the amount established for pur-
 12 poses of this clause by subparagraph (B) over $\frac{1}{12}$
 13 of the contribution and benefit base for the last of
 14 such individual’s computation base years, and

15 “(v) 0.25 percent of the sum of the individual’s
 16 surplus average indexed monthly earnings plus $\frac{1}{12}$
 17 of the contribution and benefit base for the last of
 18 such individual’s computation base years, to the ex-
 19 tent such sum exceeds the amount established for
 20 purposes of clause (iv) by subparagraph (B).”.

21 (2) BEND POINT FOR SURPLUS EARNINGS.—
 22 Section 215(a)(1)(B) of such Act (42 U.S.C.
 23 415(a)(1)(B)) is amended—

24 (A) in clause (ii), by striking “the amounts
 25 so established” and inserting “the amounts es-

1 tablished for purposes of clauses (i) and (ii) of
2 subparagraph (A)’’;

3 (B) by redesignating clause (iii) as clause
4 (v);

5 (C) in clause (v) (as redesignated), by in-
6 serting ‘‘or (iv)’’ after ‘‘clause (ii)’’; and

7 (D) by inserting after clause (ii) the fol-
8 lowing new clauses:

9 ‘‘(iii) For individuals who initially become eligible for
10 old-age or disability insurance benefits, or who die (before
11 becoming eligible for such benefits), in the calendar year
12 2026, the amount established for purposes of clause (iv)
13 of subparagraph (A) shall be \$8,933.

14 ‘‘(iv) For individuals who initially become eligible for
15 old-age or disability insurance benefits, or who die (before
16 becoming eligible for such benefits), in any calendar year
17 after 2026, the amount established for purposes of clause
18 (iv) of subparagraph (A) shall equal the product of the
19 amount established with respect to the calendar year 2026
20 under clause (iii) of this subparagraph and the quotient
21 obtained by dividing—

22 ‘‘(I)(aa) the national average wage index (as de-
23 fined in section 209(k)(1)) for the second calendar
24 year preceding the calendar year for which the de-
25 termination is made, or

1 “(bb) if higher (and if such second calendar
 2 year is after 2026), the highest national average
 3 wage index (as so defined) for any calendar year be-
 4 fore such second calendar year, by

5 “(II) the national average wage index (as so de-
 6 fined) for 2024.”.

7 (b) BASIC AIME AND SURPLUS AIME.—

8 (1) BASIC AIME.—Section 215(b)(1) of such
 9 Act (42 U.S.C. 415(b)(1)) is amended—

10 (A) by inserting “basic” before “average”;

11 and

12 (B) in subparagraph (A), by striking
 13 “paragraph (3)” and inserting “paragraph
 14 (3)(A)” and by inserting before the comma the
 15 following: “to the extent such total does not ex-
 16 ceed the contribution and benefit base for the
 17 applicable year”.

18 (2) SURPLUS AIME.—

19 (A) IN GENERAL.—Section 215(b)(1) of
 20 such Act (as amended by paragraph (1)) is
 21 amended—

22 (i) by redesignating subparagraphs
 23 (A) and (B) as clauses (i) and (ii), respec-
 24 tively;

1 (ii) by inserting “(A)” after “(b)(1)”;

2 and

3 (iii) by adding at the end the fol-
4 lowing new subparagraph:

5 “(B)(i) An individual’s surplus average indexed
6 monthly earnings shall be equal to the quotient obtained
7 by dividing—

8 “(I) the total (after adjustment under para-
9 graph (3)(B)) of such individual’s surplus earnings
10 (determined under clause (ii)) for such individual’s
11 benefit computation years (determined under para-
12 graph (2)), by

13 “(II) the number of months in those years.

14 “(ii) For purposes of clause (i) and paragraph (3)(B),
15 an individual’s surplus earnings for a benefit computation
16 year are the total of such individual’s wages paid in and
17 self-employment income credited to such benefit computa-
18 tion year, to the extent such total (before adjustment
19 under paragraph (3)(B)) exceeds the contribution and
20 benefit base for such year.”.

21 (B) CONFORMING AMENDMENT.—The
22 heading for section 215(b) of such Act is
23 amended by striking “Average Indexed Monthly
24 Earnings” and inserting “Basic Average In-

1 dexed Monthly Earnings; Surplus Average In-
2 dexed Monthly Earnings”.

3 (3) ADJUSTMENT OF SURPLUS EARNINGS FOR
4 PURPOSES OF DETERMINING SURPLUS AIME.—Sec-
5 tion 215(b)(3) of such Act (42 U.S.C. 415(b)(3)) is
6 amended—

7 (A) in subparagraph (A), by striking “sub-
8 paragraph (B)” and inserting “subparagraph
9 (C)” and by inserting “and determination of
10 basic average indexed monthly income” after
11 “paragraph (2)”;

12 (B) by redesignating subparagraph (B) as
13 subparagraph (C); and

14 (C) by inserting after subparagraph (A)
15 the following new subparagraph:

16 “(B) For purposes of determining under paragraph
17 (1)(B) an individual’s surplus average indexed monthly
18 earnings, the individual’s surplus earnings (described in
19 paragraph (2)(B)(ii)) for a benefit computation year shall
20 be deemed to be equal to the product of—

21 “(i) the individual’s surplus earnings for such
22 year (as determined without regard to this subpara-
23 graph), and

24 “(ii) the quotient described in subparagraph
25 (A)(ii).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to individuals who ini-
3 tially become eligible (within the meaning of section
4 215(a)(3)(B) of the Social Security Act) for old-age or dis-
5 ability insurance benefits under title II of the Social Secu-
6 rity Act, or who die (before becoming eligible for such ben-
7 efits), in any calendar year after 2025.

○