

105TH CONGRESS  
1ST SESSION

# H. R. 45

To amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 and to whom applies the 15-year period of transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 (and related beneficiaries) and to provide prospectively for increases in their benefits accordingly.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

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

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## A BILL

To amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 and to whom applies the 15-year period of transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 (and related beneficiaries) and to provide prospectively for increases in their benefits accordingly.

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 Notch  
3 Act of 1997”.

4 **SEC. 2. NEW GUARANTEED MINIMUM PRIMARY INSUR-**  
5 **ANCE AMOUNT WHERE ELIGIBILITY ARISES**  
6 **DURING TRANSITIONAL PERIOD.**

7 Section 215(a) of the Social Security Act (42 U.S.C.  
8 415(a)) is amended—

9 (1) in paragraph (4)(B), by inserting “(with or  
10 without the application of paragraph (8))” after  
11 “would be made”; and

12 (2) by adding at the end the following:

13 “(8)(A) In the case of an individual described in  
14 paragraph (4)(B) (subject to subparagraph (F) of this  
15 paragraph), the amount of the individual’s primary insur-  
16 ance amount as computed or recomputed under paragraph  
17 (1) shall be deemed equal to the sum of—

18 (i) such amount, and

19 (ii) the applicable transitional increase amount  
20 (if any).

21 “(B) For purposes of subparagraph (A)(ii), the term  
22 ‘applicable transitional increase amount’ means, in the  
23 case of any individual, the product derived by  
24 multiplying—

25 (i) the difference under old law, by

1               “(ii) the applicable percentage of the difference  
 2       under old law to be added under subparagraph (A),  
 3       as determined, in relation to the year in which the  
 4       individual becomes eligible for old-age insurance ben-  
 5       efits, by the following table:

| <b>“If the individual<br/>becomes eligible for<br/>such benefits in:</b> | <b>The percentage of<br/>the difference under<br/>old law to be added is:</b> |
|--|---|
| 1979 .....   | 70 percent  |
| 1980 .....   | 50 percent  |
| 1981 .....   | 40 percent  |
| 1982 .....   | 35 percent  |
| 1983 .....   | 35 percent.   |

6               “(C) For purposes of subparagraph (B), the term  
 7       ‘difference under old law’ means, in the case of any indi-  
 8       vidual, the excess of—

9               “(i) the applicable old law primary insurance  
 10      amount, over

11               “(ii) the amount which would be such individ-  
 12      ual’s primary insurance amount if computed or re-  
 13      computed under this section without regard to this  
 14      paragraph and paragraphs (4), (5), and (6).

15               “(D) For purposes of subparagraph (C)(i), the term  
 16      ‘applicable old law primary insurance amount’ means, in  
 17      the case of any individual, the amount which would be  
 18      such individual’s primary insurance amount if it were—

19               “(i) computed or recomputed (pursuant to  
 20      paragraph (4)(B)(i)) under section 215(a) as in ef-  
 21      fect in December 1978, or

1           “(ii) computed or recomputed (pursuant to  
2           paragraph (4)(B)(ii)) as provided by subsection (d),  
3 (as applicable) and modified as provided by subparagraph  
4 (E).

5           “(E) In determining the amount which would be an  
6 individual’s primary insurance amount as provided in sub-  
7 paragraph (D)—

8           “(i) subsection (b)(4) shall not apply;

9           “(ii) section 215(b) as in effect in December  
10          1978 shall apply, except that section 215(b)(2)(C)  
11          (as then in effect) shall be deemed to provide that  
12          an individual’s ‘computation base years’ may include  
13          only calendar years in the period after 1950 (or  
14          1936 if applicable) and ending with the calendar  
15          year in which such individual attains age 61, plus  
16          the 3 calendar years after such period for which the  
17          total of such individual’s wages and self-employment  
18          income is the largest; and

19           “(iii) subdivision (I) in the last sentence of  
20          paragraph (4) shall be applied as though the words  
21          ‘without regard to any increases in that table’ in  
22          such subdivision read ‘including any increases in  
23          that table’.

1       “(F) This paragraph shall apply in the case of any  
2 individual only if such application results in a primary in-  
3 surance amount for such individual that is greater than  
4 it would be if computed or recomputed under paragraph  
5 (4)(B) without regard to this paragraph.”.

6 **SEC. 3. EFFECTIVE DATE AND RELATED RULES.**

7       (a) APPLICABILITY OF AMENDMENTS.—

8           (1) IN GENERAL.—Except as provided in para-  
9 graph (2), the amendments made by this Act shall  
10 be effective as though they had been included or re-  
11 flected in section 201 of the Social Security Amend-  
12 ments of 1977.

13           (2) PROSPECTIVE APPLICABILITY.—No monthly  
14 benefit or primary insurance amount under title II  
15 of the Social Security Act shall be increased by rea-  
16 son of such amendments for any month before the  
17 month in which this Act is enacted.

18       (b) RECOMPUTATION TO REFLECT BENEFIT IN-  
19 CREASES.—In any case in which an individual is entitled  
20 to monthly insurance benefits under title II of the Social  
21 Security Act for the month before the month in which this  
22 Act is enacted, if such benefits are based on a primary  
23 insurance amount computed—

