

107TH CONGRESS
1ST SESSION

H. R. 870

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.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2001

Mr. CLEMENT (for himself, Mr. ANDREWS, Mr. FRANK, Mr. BOUCHER, Mr. FILNER, Mr. KIND, Ms. NORTON, Mr. CRAMER, Mr. GORDON, Mr. SANDLIN, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Ways and Means

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 2001”.

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:

| “If the individual becomes eligible for such benefits in: | The percentage of the difference under old law to be added is: |
|--|---|
| 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’.

24 “(F) This paragraph shall apply in the case of any
25 individual only if such application results in a primary in-

1 surance amount for such individual that is greater than
2 it would be if computed or recomputed under paragraph
3 (4)(B) without regard to this paragraph.”.

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

5 (a) APPLICABILITY OF AMENDMENTS.—

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

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

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

22 (1) under section 215 of such Act as in effect
23 (by reason of the Social Security Amendments of
24 1977) after December 1978, or

1 (2) under section 215 of such Act as in effect
2 prior to January 1979 by reason of subsection
3 (a)(4)(B) of such section (as amended by the Social
4 Security Amendments of 1977),
5 the Commissioner of Social Security (notwithstanding sec-
6 tion 215(f)(1) of the Social Security Act) shall recompute
7 such primary insurance amount so as to take into account
8 the amendments made by this Act.

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