

110TH CONGRESS
1ST SESSION

H. R. 581

To amend title II of the Social Security Act to establish a Social Security Surplus Protection Account in the Federal Old-Age and Survivors Insurance Trust Fund to hold the Social Security surplus, to provide for suspension of investment of amounts held in the Account until enactment of legislation providing for investment of the Trust Fund in investment vehicles other than obligations of the United States, and to establish a Social Security Investment Commission to make recommendations for alternative forms of investment of the Social Security surplus in the Trust Fund.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 2007

Mrs. BLACKBURN (for herself, Mr. AKIN, Mr. WESTMORELAND, and Mr. GINGREY) 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 establish a Social Security Surplus Protection Account in the Federal Old-Age and Survivors Insurance Trust Fund to hold the Social Security surplus, to provide for suspension of investment of amounts held in the Account until enactment of legislation providing for investment of the Trust Fund in investment vehicles other than obligations of the United States, and to establish a Social Security Investment Commission to make recommendations for alternative forms of investment of the Social Security surplus in the Trust Fund.

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 “Savings for Seniors
 5 Act of 2007”.

6 **SEC. 2. INTERIM PROTECTIONS FOR SOCIAL SECURITY**
 7 **TRUST FUND SURPLUS.**

8 (a) IN GENERAL.—Section 201(d) of the Social Secu-
 9 rity Act (42 U.S.C. 402(d)) is amended—

10 (1) by striking “It shall be the duty” and in-
 11 serting “(1) Except as provided in paragraph (2), it
 12 shall be the duty”; and

13 (2) by adding at the end the following new
 14 paragraph:

15 “(2)(A) There is established in the Federal Old-Age
 16 and Survivors Insurance Trust Fund a Social Security
 17 Surplus Protection Account. As soon as practicable after
 18 each fiscal year after fiscal year 2009, the Managing
 19 Trustee shall transfer to the Account, from amounts oth-
 20 erwise available in the Trust Fund, amounts equivalent
 21 to the social security surplus for such fiscal year. Such
 22 amounts shall be transferred from time to time to the Ac-
 23 count, such amounts to be determined on the basis of esti-
 24 mates by the Managing Trustee, and proper adjustments
 25 shall be made in amounts subsequently transferred to the

1 extent prior estimates were in excess of or were less than
2 the correct amount.

3 “(B) For purposes of subparagraph (A), the term ‘so-
4 cial security surplus’ means, for any fiscal year, the excess,
5 if any, of—

6 “(i) the sum of—

7 “(I) the taxes imposed for such fiscal year
8 by chapter 21 (other than sections 3101(b) and
9 3111(b)) of the Internal Revenue Code of 1986
10 with respect to wages (as defined in section
11 3121 of such Code) reported to the Secretary of
12 the Treasury or his delegates pursuant to sub-
13 title F of such Code, as determined by the Sec-
14 retary of the Treasury by applying the applica-
15 ble rates of tax under such chapter 21 (other
16 than sections 3101(b) and 3111(b)) to such
17 wages, less the amounts specified in clause (1)
18 of subsection (b) of this section for such fiscal
19 year,

20 “(II) the taxes imposed by chapter 2
21 (other than section 1401(b)) of the Internal
22 Revenue Code of 1986 with respect to self-em-
23 ployment income (as defined in section 1402 of
24 such Code) reported to the Secretary of the
25 Treasury on tax returns under subtitle F of

1 such Code, as determined by the Secretary of
2 the Treasury be applying the applicable rate of
3 tax under such chapter (other than section
4 1401(b)) to such self-employment income, less
5 the amounts specified in clause (2) of sub-
6 section (b) of this section for such fiscal year,
7 and

8 “(III) the amount equivalent to the aggre-
9 gate increase in tax liabilities under chapter 1
10 of the Internal Revenue Code of 1986 which is
11 attributable to the application of sections 86
12 and 871(a)(3) of such Code to payments from
13 the Trust Fund, over

14 “(ii) the sum of—

15 “(I) benefits paid from the Trust Fund
16 during the fiscal year, and

17 “(II) amounts authorized to be made avail-
18 able from the Trust Fund under subsection (g)
19 of this section which are paid from the Trust
20 Fund during such fiscal year.

21 “(C) Notwithstanding paragraph (1), the balance in
22 the Account shall not be available for investment by the
23 Managing Trustee.

24 “(D)(i) The preceding provisions of this paragraph
25 shall not apply with respect to fiscal years commencing

1 with or after the first fiscal year, after fiscal year 2009,
2 for which a provision of law Federal law takes effect and
3 authorizes, for amounts in the Trust Fund, an investment
4 vehicle other than obligations of the United States result-
5 ing in the transfer of Trust Fund assets to the general
6 fund of the Treasury.

7 “(ii) A provision of Federal law shall be deemed to
8 meet the requirements of clause (i) if such provision in-
9 cludes the the following: ‘This Act shall be considered to
10 be a provision of Federal law meeting the requirements
11 of section 201(d)(2)(D)(i) of the Social Security Act.’”.

12 **SEC. 3. SOCIAL SECURITY INVESTMENT COMMISSION.**

13 (a) ESTABLISHMENT.—There is established in the ex-
14 ecutive branch of the Government a Social Security Invest-
15 ment Commission.

16 (b) STUDY AND REPORT.—As soon as practicable
17 after the date of the enactment of this Act, the Commis-
18 sion shall conduct a study to ascertain the most effective
19 vehicles for investment of the Federal Old-Age and Sur-
20 vivors Insurance Trust Fund, other than investment in the
21 form of obligations of the United States resulting in the
22 transfer of Trust Fund assets to the general fund of the
23 Treasury. Not later than October 1, 2009, the Commis-
24 sion shall submit a report to the President and to each
25 House of the Congress setting forth its recommendations

1 for such vehicles for investment, together with proposals
2 for such administrative and legislative changes as the
3 Commission determines necessary to authorize and imple-
4 ment such recommendations.

5 (c) COMPOSITION.—The Commission shall be com-
6 posed of—

7 (1) 3 members appointed by the President, of
8 whom 1 shall be designated by the President as
9 Chairman;

10 (2) 2 members appointed by the Speaker of the
11 House of Representatives;

12 (3) 1 member appointed by the minority leader
13 of the House of Representatives;

14 (4) 2 members appointed by the majority leader
15 of the Senate; and

16 (5) 1 members appointed by the minority leader
17 of the Senate.

18 (d) MEMBERSHIP REQUIREMENTS.—Members of the
19 Commission shall have substantial experience, training,
20 and expertise in the management of financial investments
21 and pension benefit plans.

22 (e) LENGTH OF APPOINTMENTS.—Members of the
23 Commission shall serve for the life of the Commission. A
24 vacancy on the Commission shall be filled in the manner
25 in which the original appointment was made and shall be

1 subject to any conditions that applied with respect to the
2 original appointment.

3 (f) ADMINISTRATIVE PROVISIONS.—

4 (1) MEETINGS.—The Commission shall meet—

5 (A) not less than once during each month;

6 and

7 (B) at additional times at the call of the
8 Chairman.

9 (2) EXERCISE OF POWERS.—

10 (A) IN GENERAL.—The Commission shall
11 perform the functions and exercise the powers
12 of the Commission on a majority vote of a
13 quorum of the Commission. Three members of
14 the Commission shall constitute a quorum for
15 the transaction of business.

16 (B) VACANCIES.—A vacancy on the Com-
17 mission shall not impair the authority of a
18 quorum of the Commission to perform the func-
19 tions and exercise the powers of the Commis-
20 sion.

21 (g) COMPENSATION.—

22 (1) IN GENERAL.—Each member of the Com-
23 mission who is not an officer or employee of the
24 Federal Government shall be compensated at the
25 daily rate of basic pay for level IV of the Executive

1 Schedule for each day during which such member is
2 engaged in performing a function of the Commis-
3 sion.

4 (2) EXPENSES.—A member of the Commission
5 shall be paid travel, per diem, and other necessary
6 expenses under subchapter I of chapter 57 of title
7 5, United States Code, while traveling away from
8 such member's home or regular place of business in
9 the performance of the duties of the Commission.

10 (h) TERMINATION.—The Commission shall terminate
11 90 days after the date of the submission of its report pur-
12 suant to subsection (b).

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