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114TH CONGRESS
2D SESSION

H. R. 5295

To amend title II of the Social Security Act to provide annual minimum and maximum cost-of-living increases for Social Security beneficiaries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2016

Mr. HECK of Nevada (for himself and Mr. NOLAN) 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 annual minimum and maximum cost-of-living increases for Social Security beneficiaries, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Safeguarding Economic Needs Important to Our Retirees through Creating an Ongoing Living Adjustment Guarantee (SENIOR COLA Guarantee) Act of 2016".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Monthly Social Security benefits for retired and disabled workers and their families provide critical income and security.

(2) These benefits are generally increased annually by a cost-of-living adjustment (COLA) that is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W).

(3) Since 1975 and until last year, a COLA has been paid in every year except 2010 and 2011.

(4) In 2015, the Social Security Administration announced that due to average inflation as measured by the CPI–W, there would be no COLA for seniors and beneficiaries in 2016.

(5) American seniors, disabled workers, and their families rely on their Social Security benefits and yearly COLA increases to help maintain financial security.

(6) Congress should provide certainty by guaranteeing annual COLA increases for Social Security beneficiaries that will help keep these beneficiaries out of poverty, and provide financial security.

(7) Congress has the power to enact a one-time COLA increase in the event that inflation in a given year exceeds the percentages defined in the amendments made by this Act.

SEC. 3. ANNUAL MINIMUM AND MAXIMUM COST-OF-LIVING INCREASES.

(a) COST-OF-LIVING COMPUTATION QUARTER DEFINED.—Section 215(i)(1)(B) of such Act (42 U.S.C. 415(i)(1)(B)) is amended by striking ", with respect to which the applicable increase percentage is greater than zero".

(b) MINIMUM AND MAXIMUM INCREASES.—Section 215(i)(2)(A) of the Social Security Act (42 U.S.C. 415(i)(2)(A)) is amended—

(1) in clause (ii), by striking "the applicable increase percentage" and inserting "the increase percentage determined under clause (iii)";

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following:

"(iii)(I) The increase percentage determined under this clause shall be equal to the applicable increase percentage, except that in no case may the increase percentage determined under this clause—

"(aa) in the case of an individual with respect to whom such increase applies whose adjusted gross income for the preceding calendar year did not exceed $18,000 (or, in the case of a joint return, $20,000), be less than 3 percent or greater than 4 percent;

"(bb) in the case of such an individual whose adjusted gross income for the preceding calendar year exceeded $18,000 but did not exceed $48,000 (or, in the case of a joint return, $20,000 and $50,000, respectively), be less than 1.5 percent or greater than 3 percent; or

"(cc) in the case of such an individual whose adjusted gross income for the preceding calendar year exceeded $48,000 (or, in the case of a joint return, $50,000), be less than 1 percent or greater than 2 percent.

"(II) In this clause—

"(aa) the term 'adjusted gross income' has the meaning given such term in section 62 of the Internal Revenue Code of 1986; and

"(bb) the term 'joint return' has the meaning given such term in section 6103 of such Code.

"(III) Not later than the end of the 5-year period beginning on the date of the enactment of this clause, and at the end of each subsequent 5-year period, the Commissioner of Social Security shall submit to Congress recommended changes to any of the dollar amounts in subclause (I) as the Commissioner considers appropriate based on relevant factors.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to cost-of-living computation quarters occurring in calendar years after 2015.