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S. 3234

To adjust the normal and early retirement ages for receipt of benefits under the Social Security program, increase the maximum age for delayed retirement credit, and provide for progressive price indexing of benefits.

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 2020

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To adjust the normal and early retirement ages for receipt of benefits under the Social Security program, increase the maximum age for delayed retirement credit, and provide for progressive price indexing of benefits.

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 “Social Security Sol-
5 vency and Sustainability Act”.

1 **SEC. 2. ADJUSTMENT TO NORMAL AND EARLY RETIRE-**
 2 **MENT AGE.**

3 Section 216(l) of the Social Security Act (42 U.S.C.
 4 416(l)) is amended—

5 (1) in paragraph (1)—

6 (A) in subparagraph (D), by striking
 7 “and” at the end;

8 (B) in subparagraph (E), by striking the
 9 period at the end and inserting “; and”; and

10 (C) by adding at the end the following new
 11 subparagraphs:

12 “(F) with respect to an individual who—

13 “(i) attains 62 years of age after De-
 14 cember 31, 2029, and before January 1,
 15 2037, such individual’s early retirement
 16 age (as determined under paragraph
 17 (2)(A)(ii)) plus 60 months; or

18 “(ii) receives a benefit described in
 19 paragraph (2)(B) and attains 60 years of
 20 age after December 31, 2029, and before
 21 January 1, 2037, 67 years plus the num-
 22 ber of months in the age increase factor
 23 (as determined under paragraph (5)(A))
 24 for the calendar year in which such indi-
 25 vidual attains 60 years of age;

26 “(G) with respect to an individual who—

1 “(i) attains 62 years of age after De-
2 cember 31, 2036, and before January 1,
3 2038, 69 years of age; or

4 “(ii) receives a benefit described in
5 paragraph (2)(B) and attains 60 years of
6 age after December 31, 2036, and before
7 January 1, 2038, 69 years of age;

8 “(H) with respect to an individual who—

9 “(i) attains 62 years of age after De-
10 cember 31, 2037, and before January 1,
11 2041, 67 years of age plus the number of
12 months in the age increase factor (as de-
13 termined under paragraph (5)(B)); or

14 “(ii) receives a benefit described in
15 paragraph (2)(B) and attains 60 years of
16 age after December 31, 2037, and before
17 January 1, 2041, 67 years of age plus the
18 number of months in the age increase fac-
19 tor (as determined under paragraph
20 (5)(A));

21 “(I) with respect to an individual who—

22 “(i) attains 62 years of age after De-
23 cember 31, 2040, and before January 1,
24 2042, 70 years of age; or

1 “(ii) receives a benefit described in
 2 paragraph (2)(B) and attains 60 years of
 3 age after December 31, 2040, and before
 4 January 1, 2042, 70 years of age; and
 5 “(J) with respect to an individual who—

6 “(i) attains 62 years of age after De-
 7 cember 31, 2041, 70 years of age plus the
 8 number of months in the age increase fac-
 9 tor (as determined under paragraph (6));
 10 or

11 “(ii) receives a benefit described in
 12 paragraph (2)(B) and attains 60 years of
 13 age after December 31, 2041, 70 years of
 14 age plus the number of months in the age
 15 increase factor (as determined under para-
 16 graph (6)).’;

17 (2) by amending paragraph (2) to read as fol-
 18 lows:

19 “(2) The term ‘early retirement age’ means—
 20 “(A) in the case of an old-age, wife’s, or
 21 husband’s insurance benefit—

22 “(i) 62 years of age with respect to an
 23 individual who attains such age before
 24 January 1, 2030;

1 “(ii) with respect to an individual who
2 attains 62 years of age after December 31,
3 2029, and before January 1, 2037, 62
4 years of age plus the number of months in
5 the age increase factor (as determined
6 under paragraph (4)) for the calendar year
7 in which such individual attains 62 years
8 of age; and

9 “(iii) with respect to an individual
10 who attains age 62 after December 31,
11 2036, 64 years of age; or

12 “(B) in the case of a widow’s or widower’s
13 insurance benefit, 60 years of age.”; and

14 (3) by adding at the end the following new
15 paragraphs:

16 “(4) For purposes of paragraph (2)(A)(ii), the
17 age increase factor shall be equal to three-twelfths of
18 the number of months in the period beginning with
19 January 2030 and ending with December of the
20 year in which the individual attains 62 years of age.

21 “(5) The age increase factor shall be equal to
22 three-twelfths of the number of months in the period
23 beginning with January 2030 and ending with De-
24 cember of the year in which—

1 “(A) for purposes of paragraphs (1)(F)(ii)
2 and (1)(H)(ii), the individual attains 60 years
3 of age; or

4 “(B) for purposes of paragraph (1)(H)(i),
5 the individual attains 62 years of age.

6 “(6) The Commissioner of Social Security shall
7 determine (using reasonable actuarial assumptions)
8 and publish on or before November 1 of each cal-
9 endar year after 2040 the number of months
10 (rounded, if not a multiple of one month, to the next
11 lower multiple of one month) by which life expect-
12 ancy as of October 1 of such calendar year of an in-
13 dividual attaining early retirement age on such Octo-
14 ber 1 exceeds the life expectancy as of October 1,
15 2041, of an individual attaining early retirement age
16 on October 1, 2041. With respect to an individual
17 who attains early retirement in the calendar year fol-
18 lowing any calendar year in which a determination
19 is made under this paragraph, the age increase fac-
20 tor shall be the number of months determined under
21 this paragraph as of October 1 of such calendar year
22 in which such determination is made.”.

1 **SEC. 3. INCREASE IN MAXIMUM AGE FOR DELAYED RETIRE-**
 2 **MENT CREDIT.**

3 (a) IN GENERAL.—Subsection (w) of section 202 of
 4 the Social Security Act (42 U.S.C. 402) is amended—

5 (1) in paragraphs (2)(A) and (3), by striking
 6 “age 70” each place it appears and inserting “the
 7 maximum delayed retirement age (as determined
 8 pursuant to paragraph (7))”;

9 (2) by adding at the end the following new
 10 paragraph:

11 “(7) For purposes of paragraphs (2)(A) and
 12 (3), the ‘maximum delayed retirement age’ shall be
 13 equal to—

14 “(A) during the period before January 1,
 15 2030, 70 years of age for an individual who has
 16 attained early retirement age (as determined
 17 under section 216(l)(2)) during such period;
 18 and

19 “(B) during the period after December 31,
 20 2029, the sum of—

21 “(i) the retirement age for such cal-
 22 endar year, as determined under section
 23 216(l)(1), for an individual who has at-
 24 tained age 62 (for purposes of section
 25 216(l)(2)(A)) or who has attained age 60

1 (for purposes of section 216(l)(2)(B)) dur-
 2 ing such calendar year; and
 3 “(ii) 3 years.”.

4 (b) EFFECTIVE DATE.—The amendment made by
 5 subsection (a) shall take effect on January 1, 2030.

6 **SEC. 4. PROGRESSIVE INDEXING OF BENEFITS FOR OLD-**
 7 **AGE, WIFE’S, AND HUSBAND’S INSURANCE**
 8 **BENEFITS.**

9 (a) IN GENERAL.—Section 215(a) of the Social Secu-
 10 rity Act (42 U.S.C. 415(a)) is amended—

11 (1) by striking “The” in paragraph (1)(A) and
 12 inserting “In the case of any benefit other than an
 13 applicable benefit to which paragraph (2) applies,
 14 the”; and

15 (2) by redesignating paragraphs (2) through
 16 (7) as paragraphs (3) through (8), respectively, and
 17 by inserting after paragraph (1) the following new
 18 paragraph:

19 “(2)(A) In the case of an applicable benefit with re-
 20 spect to any individual who initially becomes eligible for
 21 old-age insurance benefits or who dies (before becoming
 22 eligible for such benefits) in calendar year 2027 or later,
 23 the primary insurance amount of the individual shall be
 24 equal to the sum of—

1 “(i) 90 percent of the individual’s average in-
2 dexed monthly earning (determined under subsection
3 (b)) to the extent that such earnings do not exceed
4 the amount established for purposes of paragraph
5 (1)(A)(i) by paragraph (1)(B);

6 “(ii) 32 percent of the individual’s average in-
7 dexed monthly earnings to the extent that such
8 earnings exceed the amount established for purposes
9 of paragraph (1)(A)(i) by paragraph (1)(B) but do
10 not exceed the amount established for purposes of
11 this clause by subparagraph (B);

12 “(iii) 32 percent (reduced as provided in sub-
13 paragraph (C)) of the individual’s average indexed
14 monthly earnings to the extent that such earnings
15 exceed the amount established for purposes of clause
16 (ii) but do not exceed the amount established for
17 purposes of paragraph (1)(A)(ii) by paragraph
18 (1)(B); and

19 “(iv) 15 percent (reduced as provided in sub-
20 paragraph (C)) of the individual’s average indexed
21 monthly earnings to the extent that such earnings
22 exceed the amount established for purposes of para-
23 graph (1)(A)(ii) by paragraph (1)(B).

24 “(B)(i) For purposes of subparagraph (A)(ii), the
25 amount established under this subparagraph for calendar

1 year 2025 shall be the level of average indexed monthly
2 earnings determined by the Chief Actuary of the Social
3 Security Administration under clause (ii) as being at the
4 40th percentile for the period of calendar years 2016
5 through 2018.

6 “(ii) For purposes of clause (i), the average indexed
7 monthly earnings for the period of calendar years 2016
8 through 2018 shall be determined by—

9 “(I) determining the average indexed monthly
10 earnings for each individual who initially became eli-
11 gible for old-age insurance benefits or who died (be-
12 fore becoming eligible for such benefits) during such
13 period, except that in determining such average in-
14 dexed monthly earnings under subsection (b), sub-
15 section (b)(3)(A)(ii)(I) shall be applied by sub-
16 stituting calendar year 2013 for the second calendar
17 year described in such subsection; and

18 “(II) multiplying the amount determined for
19 each individual under subclause (I) by the quotient
20 obtained by dividing the national average wage index
21 (as defined in section 209(k)(1)) for the calendar
22 year 2025 by such index for the calendar year 2013.

23 “(iii) For purposes of subparagraph (A)(ii), the
24 amount established under this subparagraph for any cal-
25 endar year after 2027 shall be equal to the product of

1 the amount in effect under clause (i) with respect to cal-
2 endar year 2027 and the quotient obtained by dividing—

3 “(I) the national average wage index (as de-
4 fined in section 209(k)(1)) for the second calendar
5 year preceding the calendar year for which the de-
6 termination is being made; by

7 “(II) the national average wage index (as so de-
8 fined) for 2025.

9 “(iv) The amount established under this subpara-
10 graph for any calendar year shall be rounded to the near-
11 est \$1, except that any amount so established which is
12 a multiple of \$0.50 but not of \$1 shall be rounded to the
13 next higher \$1.

14 “(C)(i) Except as provided in clause (ii), in the case
15 of any calendar year after 2026, each of the percentages
16 to which this subparagraph applies by reason of clauses
17 (iii) or (iv) of subparagraph (A) shall be a percentage
18 equal to such percentage multiplied by the quotient ob-
19 tained by dividing—

20 “(I) the difference of the maximum CPI-in-
21 dexed benefit amount for such year over the amount
22 determined under this paragraph for an individual
23 whose average indexed monthly earnings are equal
24 to the amount established for purposes of subpara-
25 graph (A)(ii) for such year; by

1 “(II) the difference of the maximum wage-in-
2 dexed benefit amount for such year over the amount
3 determined under this paragraph for an individual
4 whose average indexed monthly earnings are equal
5 to the amount established for purposes of subpara-
6 graph (A)(ii) for such year.

7 “(ii) In the case of any calendar year after 2064,
8 clause (i) shall not apply and each of the percentages to
9 which this subparagraph applies by reason of clause (iii)
10 or (iv) of subparagraph (A) shall be a percentage equal
11 to the percentage determined under this subparagraph for
12 the preceding year (determined after the application of
13 this subparagraph).

14 “(iii) For purposes of clause (i), the maximum wage-
15 indexed benefit amount for any calendar year shall be
16 equal to the amount determined under this paragraph (de-
17 termined without regard to any reduction under this sub-
18 paragraph) for an individual with wages paid in and self-
19 employment income credited to each computation base
20 year in an amount equal to the contribution and benefit
21 base for each calendar year.

22 “(iv) For purposes of clause (i), the maximum CPI-
23 indexed benefit amount for any calendar year shall be an
24 amount equal to the amount determined under clause (iii)
25 for such year multiplied by a fraction—

1 “(I) the numerator of which is the ratio (round-
 2 ed to the nearest one-thousandth of 1 percent) of
 3 the Consumer Price Index for the second preceding
 4 year to such index for 2024; and

5 “(II) the denominator of which is the ratio
 6 (rounded to the nearest one-thousandth of 1 per-
 7 cent) of the national wage index (as defined in sec-
 8 tion 209(k)(1)) for the second year preceding such
 9 year to such index for 2024.

10 “(D) For purposes of this paragraph, rules similar
 11 to the rules of subparagraphs (C) and (D) of paragraph
 12 (1) shall apply.

13 “(E) For purposes of this paragraph, the term ‘appli-
 14 cable benefit’ means any benefit under section 202 other
 15 than—

16 “(i) a child’s insurance benefit under section
 17 202(d) with respect to a child of an individual who
 18 has died; and

19 “(ii) a mother’s and father’s insurance benefit
 20 under section 202(g).”.

21 (b) TREATMENT OF DISABLED BENEFICIARIES.—
 22 Section 215(a) of such Act (as amended by subsection (a))
 23 is amended further by adding at the end the following new
 24 paragraph:

1 “(9)(A) Notwithstanding the preceding provisions of
 2 this subsection, in the case of an individual who has or
 3 has had a period of disability and who initially becomes
 4 eligible for old-age insurance benefits or who dies (before
 5 becoming eligible for such benefits) in any calendar year
 6 in or after 2027, the primary insurance amount of such
 7 individual shall be the sum of—

8 “(i) the amount determined under subpara-
 9 graph (B); and

10 “(ii) the product derived by multiplying—

11 “(I) the excess of the amount determined
 12 under subparagraph (C) over the amount deter-
 13 mined under subparagraph (B); by

14 “(II) the adjustment factor for such indi-
 15 vidual determined under subparagraph (D).

16 “(B) The amount determined under this subpara-
 17 graph is the amount of such individual’s primary insur-
 18 ance amount as determined under this section without re-
 19 gard to this paragraph.

20 “(C) The amount determined under this subpara-
 21 graph is the amount of such individual’s primary insur-
 22 ance amount as determined under this section as in effect
 23 with respect to individuals becoming eligible for old-age
 24 or disability insurance benefits under section 202(a) on

1 the date of the enactment of the Social Security Solvency
2 and Sustainability Act.

3 “(D) The adjustment factor determined under this
4 subparagraph for any individual is the ratio (not greater
5 than 1) of—

6 “(i) the total number of months during which
7 such individual is under a disability (as defined in
8 section 223(d)) during the period beginning on the
9 date the individual attains age 22 and ending on the
10 first day of such individual’s first month of eligibility
11 for old-age insurance benefits under section 202(a)
12 (or, if earlier, the month of such individual’s death);
13 to

14 “(ii) the number of months during the period
15 beginning on the date the individual attains age 22
16 and ending on the first day of such individual’s first
17 month of eligibility for old-age insurance benefits
18 under section 202(a) (or, if earlier, the month of
19 such individual’s death).”.

20 (c) CONFORMING AMENDMENTS.—

21 (1) Subsections (e)(2)(B)(i)(I) and
22 (f)(2)(B)(i)(I) of section 202 of the Social Security
23 Act are each amended by inserting “or section
24 215(a)(2)(B)(iii)” after “section 215(a)(1)(B)(i) and
25 (ii)”.

1 (2) Section 203(a)(10) of such Act is amend-
2 ed—

3 (A) in subparagraph (A)(i), by striking
4 “215(a)(2)(B)(i)” and inserting
5 “215(a)(3)(B)(i)”;

6 (B) in subparagraph (A)(ii), by striking
7 “215(a)(2)(C)” and inserting “215(a)(3)(C)”;
8 and

9 (C) in subparagraph (B)(ii), by striking
10 “215(a)(2)” and inserting “215(a)(3)”.

11 (3) Section 209(k)(1) of such Act is amended
12 by inserting “215(a)(2)(B), 215(a)(2)(C),” after
13 “215(a)(1)(D),”.

14 (4) Section 215(a) of such Act is amended—

15 (A) in paragraph (4)(A), as redesignated
16 by subsection (a)(2), by striking “paragraph
17 (4)” and inserting “paragraph (5)”;

18 (B) in paragraph (4)(B), as redesignated
19 by subsection (a)(2), by striking “paragraph
20 (2)(A)” and inserting “paragraph (3)(A)”;

21 (C) in paragraph (5), as redesignated by
22 subsection (a)(2), by striking “paragraph
23 (3)(A)” and inserting “paragraph (4)(A)”;

1 (D) in paragraph (6)(A), as redesignated
 2 by subsection (a)(2), by striking “paragraph
 3 (4)(B)” and inserting “paragraph (5)(B)”; and

4 (E) in paragraph (8)(B)(ii)(I), as redesign-
 5 nated by subsection (a)(2), by striking “para-
 6 graph (3)(B)” and inserting “paragraph
 7 (4)(B)”.

8 (5) Section 215(d)(3) of such Act is amended—

9 (A) by striking “paragraph (4)(B)(ii)” and
 10 inserting “paragraph (5)(B)(ii)”; and

11 (B) by striking “subsection (a)(7)(C)” and
 12 inserting “subsection (a)(8)(C)”.

13 (6) Subsection 215(f) of such Act is amended—

14 (A) in paragraph (2)(B), by striking “sub-
 15 section (a)(4)(B)” and inserting “subsection
 16 (a)(5)(B)”; and

17 (B) in paragraph (7), by striking “sub-
 18 section (a)(4)(B)” and inserting “subsection
 19 (a)(5)(B)”, and by striking “subsection (a)(6)”
 20 and inserting “subsection (a)(7)”; and

21 (C) in paragraph (9)(A)—

22 (i) by striking “subsection (a)(7)(A)”
 23 and inserting “subsection (a)(8)(A)”; and

24 (ii) by striking “subsection (a)(7)(C)”
 25 and inserting “subsection (a)(8)(C)”; and

1 (D) in paragraph (9)(B), by striking “sub-
2 section (a)(7)” each place it appears and insert-
3 ing “subsection (a)(8)”.

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