

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4275

To amend title II of the Social Security Act to assure that the social security system remains viable for the baby boom generation and that the level of social security taxation remains affordable for their children.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1994

Mr. PICKLE 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 assure that the social security system remains viable for the baby boom generation and that the level of social security taxation remains affordable for their children.

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 AND TABLE OF CONTENTS.**

4        This Act may be cited as the “Social Security Entitle-  
5        ment Reform Amendments of 1994”.

### TABLE OF CONTENTS

- Sec. 1. Short title and table of contents.
- Sec. 2. Gradual increase in retirement age to age 70 by the year 2029.
- Sec. 3. Reductions in benefits for early retirement.
- Sec. 4. Repeal of further increases in delayed retirement credit.
- Sec. 5. Permanently establishing age 65 as conversion age from entitlement to disability benefits to entitlement to old-age retirement benefits.

- Sec. 6. Phased reduction in spousal benefits other than survivor's benefits to one-third of primary insurance amount.
- Sec. 7. Coverage of State and local employees hired after 1999.
- Sec. 8. Repeal of limitation on drop out years for disabled workers.
- Sec. 9. Cost-of-living adjustments first payable in July and effective on biennial basis unless annual adjustment would exceed 4 percent.
- Sec. 10. Repeal of limitation on widow's and widower's insurance benefits by reason of early retirement of the deceased spouse.
- Sec. 11. Adjustment in reduction of widow's and widower's insurance benefits upon attainment of age 85 after calendar year 2019.
- Sec. 12. General increase in benefits for individuals attaining age 85 or more years of age after calendar year 2019.
- Sec. 13. Increase in surviving child's insurance benefits.
- Sec. 14. Gradual reduction in age necessary for eligibility for supplemental security income benefits on the basis of age.

1 **SEC. 2. GRADUAL INCREASE IN RETIREMENT AGE TO AGE**  
 2 **70 BY THE YEAR 2029.**

3 (a) IN GENERAL.—Section 216(l) of the Social Secu-  
 4 rity Act (42 U.S.C. 416(l)) is amended—

5 (1) by striking subparagraphs (B) through (E)  
 6 of paragraph (1) and inserting the following:

7 “(B) with respect to an individual who attains  
 8 early retirement age after December 31, 1999, and  
 9 before January 1, 2029, 65 years of age plus the  
 10 number of months in the age increase factor (as de-  
 11 termined under paragraph (3)) for the calendar year  
 12 in which such individual attains early retirement  
 13 age; and

14 “(C) with respect to an individual who attains  
 15 early retirement age after December 31, 2028, 70  
 16 years of age.”;

17 and

1           (2) by striking paragraph (3) and inserting the  
2 following:

3           “(3) The age increase factor for any individual who  
4 attains early retirement age in the 30-year period consist-  
5 ing of calendar years 2000 through 2029 shall be equal  
6 to  $\frac{2}{12}$  of the number of months in the period beginning  
7 with January 2000 and ending with December of the year  
8 in which the individual attains early retirement age.”.

9           (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply with respect to benefits of individ-  
11 uals attaining early retirement age (as defined in section  
12 216(l)(2) of the Social Security Act) after 1999.

13 **SEC. 3. REDUCTIONS IN BENEFITS FOR EARLY RETIRE-**  
14 **MENT.**

15           (a) IN GENERAL.—Section 202(q)(1) of the Social  
16 Security Act (42 U.S.C. 402(q)(1)) is amended to read  
17 as follows:

18           “(q)(1) If the first month for which an individual is  
19 entitled to an old-age, wife’s, husband’s, widow’s, or wid-  
20 ower’s insurance benefit is a month before the month in  
21 which such individual attains retirement age, the amount  
22 of such benefit for such month and for any subsequent  
23 month shall, subject to the succeeding paragraphs of this  
24 subsection, be reduced by a percentage of such amount,  
25 consisting of the sum of the primary reduction percentage

1 for such benefit and (if any) the second, third, and fourth  
2 reduction percentages for such benefit, determined as fol-  
3 lows:

4           “(A) The primary reduction percentage for a  
5 benefit is the product derived by multiplying—

6                   “(i) the monthly reduction percentage for  
7 such benefit for the primary reduction phase for  
8 such benefit, by

9                   “(ii) the number of months in such pri-  
10 mary reduction phase.

11           “(B) The second reduction percentage for such  
12 benefit is the product derived by multiplying—

13                   “(i) the monthly reduction percentage for  
14 such benefit for the second reduction phase for  
15 such benefit, by

16                   “(ii) the number of months in such second  
17 reduction phase.

18           “(C) The third reduction percentage for such  
19 benefit is the product derived by multiplying—

20                   “(i) the monthly reduction percentage for  
21 such benefit for the third reduction phase for  
22 such benefit, by

23                   “(ii) the number of months in such third  
24 reduction phase.

1           “(D) The fourth reduction percentage for such  
2 benefit is the product derived by multiplying—

3                   “(i) the monthly reduction percentage for  
4 such benefit for the fourth reduction phase for  
5 such benefit, by

6                   “(ii) the number of months in such fourth  
7 reduction phase.”.

8           (b) REDUCTION PHASES AND REDUCTION PERCENT-  
9 AGES FOR SUCH PHASES.—Section 202(q) of such Act  
10 (42 U.S.C. 402(q)) is further amended—

11                   (1) by striking paragraph (9);

12                   (2) by redesignating paragraphs (6), (7), and  
13 (8) as paragraphs (7), (8), and (9), respectively; and

14                   (3) by inserting after paragraph (5) the follow-  
15 ing new paragraph:

16           “(6)(A) For purposes of this subsection—

17                   “(i) in the case of an old-age insurance bene-  
18 fit—

19                           “(I) the primary reduction phase consists  
20 of the last 36 months of the reduction period  
21 (determined under paragraph (7)), and the  
22 monthly reduction percentage for such phase is  
23  $\frac{5}{9}$  of 1 percent,

24                           “(II) the second reduction phase consists  
25 of the months in such reduction period, not ex-

1           ceeding 12 in number, which precede the pri-  
2           mary reduction phase, and the monthly reduc-  
3           tion percentage for such phase is  $\frac{5}{12}$  of 1 per-  
4           cent,

5           “(III) the third reduction phase consists of  
6           the months in such reduction period, not ex-  
7           ceeding 24 in number, which precede the second  
8           reduction phase, and the monthly reduction per-  
9           centage for such phase is  $\frac{1}{3}$  of 1 percent, and

10           “(IV) the fourth reduction phase consists  
11           of the months in such reduction period which  
12           precede the third reduction phase, and the  
13           monthly reduction percentage for such phase is  
14            $\frac{7}{24}$  of 1 percent,

15           “(ii) in the case of a wife’s or husband’s insur-  
16           ance benefit—

17           “(I) the primary reduction phase consists  
18           of the last 36 months in the reduction period  
19           (determined under paragraph (7)), and the  
20           monthly reduction percentage for such phase is  
21            $\frac{25}{36}$  of 1 percent,

22           “(II) the second reduction phase consists  
23           of the months in such reduction period, not ex-  
24           ceeding 12 in number, which precede the pri-  
25           mary reduction phase, and the monthly reduc-

1           tion percentage for such phase is  $\frac{5}{12}$  of 1 per-  
2           cent,

3           “(III) the third reduction phase consists of  
4           the months in such reduction period, not ex-  
5           ceeding 24 in number, which precede the second  
6           reduction phase, and the monthly reduction per-  
7           centage for such phase is  $\frac{1}{3}$  of 1 percent, and

8           “(IV) the fourth reduction phase consists  
9           of the months in such reduction period which  
10          precede the third reduction phase, and the  
11          monthly reduction percentage for such phase is  
12           $\frac{7}{24}$  of 1 percent, and

13          “(iii) in the case of a widow’s or widower’s in-  
14          surance benefit—

15          “(I) the primary reduction phase consists  
16          of the last 60 months in such reduction period  
17          (determined under paragraph (7)), and the  
18          monthly reduction percentage for such phase is  
19           $\frac{19}{40}$  of 1 percent,

20          “(II) the second reduction phase consists  
21          of the months in such reduction period, not ex-  
22          ceeding 12 in number, which precede the pri-  
23          mary reduction phase, and the monthly reduc-  
24          tion percentage for such phase is  $\frac{1}{4}$  of 1 per-  
25          cent,

1           “(III) the third reduction phase consists of  
2           the months in such reduction period, not ex-  
3           ceeding 12 in number, which precede the second  
4           reduction phase, and the monthly reduction per-  
5           centage for such phase is  $\frac{5}{24}$  of 1 percent, and

6           “(IV) the fourth reduction phase consists  
7           of the months in such reduction period which  
8           precede the third reduction phase, and the  
9           monthly reduction percentage for such phase is  
10           $\frac{1}{6}$  of 1 percent.

11          “(B) Effective with any individual’s benefit (i) for the  
12          month in which such individual attains age 62, and (ii)  
13          for the month in which such individual attains retirement  
14          age (as defined in section 216(l)) and for each month (if  
15          earlier) in which such individual attains age 65, 66, 67,  
16          68, or 69, if the number of months in the adjusted reduc-  
17          tion period for such benefit (determined under paragraph  
18          (8) as of the end of such month) is less than the number  
19          of months in the reduction period (determined under para-  
20          graph (7)), then each reference to the reduction period  
21          in subparagraph (A) shall be deemed a reference to such  
22          adjusted reduction period (as so determined).”.

23          (c) TREATMENT OF WIDOW’S AND WIDOWER’S IN-  
24          SURANCE BENEFITS BASED ON DISABILITY.—Section

1 202(q)(3) of such Act (42 U.S.C. 402(q)(3)) is amended  
2 by adding at the end the following new subparagraph:

3 “(F) In the case of any individual who is entitled to  
4 a widow’s or widower’s insurance benefit for the month  
5 in which such individual attains age 60 and such individ-  
6 ual was entitled to a widow’s or widower’s insurance bene-  
7 fit for a month within the 1-year period preceding the  
8 month in which such individual attains age 60, the amount  
9 of the reduction for early retirement applicable under this  
10 subsection to such widow’s or widower’s insurance benefit  
11 for a month ending after such individual attains age 60  
12 shall not exceed the amount of the reduction which would  
13 be determined under this subsection if such individual had  
14 attained age 60 in such individual’s first month of entitle-  
15 ment to a widow’s or widower’s insurance benefit (based  
16 on the same wages and self-employment income).”.

17 (d) TREATMENT OF OLD-AGE INSURANCE BENEFITS  
18 AFTER CONVERSION FROM DISABILITY INSURANCE BEN-  
19 EFITS.—Section 202(q)(3) of such Act (as amended by  
20 subsection (c)) is further amended by adding at the end  
21 the following new subparagraph:

22 “(G) In the case of any individual whose first month  
23 of entitlement to an old-age insurance benefit is the month  
24 in which such individual attains age 65 and who was enti-  
25 tled to a disability insurance benefit for the preceding

1 month, the amount of the reduction for early retirement  
2 applicable under this subsection to such old-age insurance  
3 benefit shall not exceed the amount of the reduction which  
4 would be determined under this subsection if such individ-  
5 ual had attained age 65 in such individual's first month  
6 of entitlement to such disability insurance benefit.”.

7 (e) ADJUSTMENT TO MOTHER'S AND FATHER'S IN-  
8 SURANCE BENEFITS.—

9 (1) IN GENERAL.—Section 202(g)(2) of such  
10 Act (42 U.S.C. 402(g)(2)) is amended to read as fol-  
11 lows:

12 “(2) Except as provided in paragraph (4) of this sub-  
13 section, such mother's or father's insurance benefit for  
14 each month shall be equal to the amount which would be  
15 the amount of such individual's widow's or widower's in-  
16 surance benefit for such month, if such individual had be-  
17 come entitled to such widow's or widower's insurance ben-  
18 efit in such individual's first month of entitlement to such  
19 mother's or father's insurance benefit and had attained  
20 age 60 in that month.”.

21 (2) CONFORMING AMENDMENT.—Section  
22 202(g)(1)(C) of such Act (42 U.S.C 402(g)(1)(C)) is  
23 amended by striking “three-fourths of the primary  
24 insurance amount of such individual” and inserting  
25 “the amount which would be determined under para-

1 graph (2) for such month upon entitlement under  
2 this subsection for such month”.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 202(q)(4) of such Act (42 U.S.C.  
5 402(q)(4)) is amended by striking “paragraph (7)”  
6 and inserting “paragraph (8)”.

7 (2) Section 202(q)(8) of such Act (as redesignig-  
8 nated by subsection (b)(2)) is amended by striking  
9 “paragraph (6)” and inserting “paragraph (7)”.

10 (3) Section 202(q)(10) of such Act (42 U.S.C.  
11 402(q)(10)) is amended by striking “paragraph (8)”  
12 and inserting “paragraph (9)”.

13 (4) Section 202(s)(1) of such Act (42 U.S.C.  
14 402(s)(1)) is amended by striking “(q)(7)” and in-  
15 serting “(q)(8)”.

16 (g) EFFECTIVE DATES.—

17 (1) The amendments made by subsections (a),  
18 (b), (c), (d), and (f) shall apply with respect to bene-  
19 fits of individuals attaining early retirement age (as  
20 defined in section 216(l)(2) of the Social Security  
21 Act) after 1999.

22 (2) The amendments made by subsection (e)  
23 shall apply with respect to benefits for which individ-  
24 uals first become eligible after December 1999. For  
25 purposes of this paragraph, an individual shall be

1 treated as “eligible” for a mother’s or father’s insur-  
2 ance benefit under section 202(g) of the Social Secu-  
3 rity Act if such individual meets all requirements for  
4 entitlement to such benefit under such section (as  
5 amended by subsection (c)) except the filing of an  
6 application for such benefit.

7 **SEC. 4. REPEAL OF FURTHER INCREASES IN DELAYED RE-**  
8 **TIREMENT CREDIT.**

9 Section 202(w)(6) of the Social Security Act (42  
10 U.S.C. 402(w)(6)) is amended—

11 (1) in subparagraph (C), by striking “2005”  
12 and inserting “1993”; and

13 (2) in subparagraph (D), by striking “ $\frac{2}{3}$  of 1  
14 percent” and inserting “ $\frac{3}{8}$  of 1 percent”, and by  
15 striking “2004” and inserting “1992”.

16 **SEC. 5. PERMANENTLY ESTABLISHING AGE 65 AS CONVER-**  
17 **SION AGE FROM ENTITLEMENT TO DISABIL-**  
18 **ITY BENEFITS TO ENTITLEMENT TO OLD-AGE**  
19 **RETIREMENT BENEFITS.**

20 (a) **SUBSTITUTION OF AGE 65 FOR RETIREMENT**  
21 **AGE WITH RESPECT TO TERMINATION OF DISABILITY**  
22 **INSURANCE BENEFITS.**—Section 223(a)(1) of the Social  
23 Security Act (42 U.S.C. 423(a)(1)) is amended, in sub-  
24 paragraph (B) and in the matter following subparagraph

1 (D), by striking “retirement age (as defined in section  
2 216(l))” each place it appears and inserting “age 65”.

3 (b) TRANSITION FROM ENTITLEMENT TO DISABIL-  
4 ITY INSURANCE BENEFITS TO ENTITLEMENT TO OLD-  
5 AGE INSURANCE BENEFITS AT AGE 65.—Section  
6 202(a)(3) of such Act (42 U.S.C. 402(a)(3)) is amended  
7 by striking “retirement age (as defined in section 216(l))”  
8 and inserting “age 65”.

9 (c) DISABILITY INSURANCE BENEFIT LIMITED TO  
10 OLD-AGE INSURANCE BENEFIT AMOUNT COMPUTED AS  
11 IF MONTH OF ONSET OF DISABILITY WERE MONTH OF  
12 ATTAINMENT OF AGE 65.—Section 223(a)(2) of such Act  
13 (42 U.S.C. 423(a)(2)) is amended—

14 (1) by redesignating subparagraphs (A) and  
15 (B) as clauses (i) and (ii), respectively;

16 (2) by striking “(2) Except” and inserting  
17 “(2)(A) Except”;

18 (3) by inserting “and subparagraph (B) of this  
19 paragraph” after “section 215(b)(2)(A)(ii)”;

20 (4) in the last sentence, by striking “subpara-  
21 graph (A) or (B)” and inserting “clause (i) or (ii)”;  
22 and

23 (5) by adding at the end the following new sub-  
24 paragraph:

1       “(B) The amount determined under subparagraph  
2 (A) shall not exceed the amount which would be such indi-  
3 vidual’s old-age insurance benefit if—

4               “(i) such individual were entitled to an old-age  
5 insurance benefit equal (without the application of  
6 section 202(q) to such old-age insurance benefit) to  
7 such individual’s disability insurance benefit as de-  
8 termined under subparagraph (A), and

9               “(ii) section 202(q) were applied to such old-  
10 age insurance benefit as if such individual had at-  
11 tained age 65 in the first month, described in clause  
12 (i) or (ii) of subparagraph (A), which is applicable  
13 under subparagraph (A) in determining such individ-  
14 ual’s benefit.”.

15       (d) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to any disability insurance benefit  
17 if the first month applicable under clause (i) or (ii) of sec-  
18 tion 223(a)(2)(A) of the Social Security Act (as amended  
19 by this section) in the case of such benefit occurs after  
20 July 2003.

1 **SEC. 6. PHASED REDUCTION IN SPOUSAL BENEFITS OTHER**  
 2 **THAN SURVIVOR’S BENEFITS TO 33 PERCENT**  
 3 **OF PRIMARY INSURANCE AMOUNT.**

4 (a) WIFE’S INSURANCE BENEFITS.—Section  
 5 202(b)(2) of the Social Security Act (42 U.S.C. 402(b)(2))  
 6 is amended to read as follows:

7 “(2)(A) Except as provided in subsection (q) and  
 8 paragraph (4) of this subsection, such wife’s insurance  
 9 benefit for each month shall be equal to the applicable per-  
 10 centage of the primary insurance amount of her husband  
 11 (or, in the case of a divorced wife, her former husband)  
 12 in connection with the calendar year in which such individ-  
 13 ual becomes eligible for such benefit, as specified in the  
 14 following table:

<b>“If the calendar year in which the individual becomes eligible is:</b>	<b>The applicable percentage shall be:</b>
Before calendar year 2000 .....	50 percent
Calendar year 2000 .....	49 percent
Calendar year 2001 .....	48 percent
Calendar year 2002 .....	47 percent
Calendar year 2003 .....	46 percent
Calendar year 2004 .....	45 percent
Calendar year 2005 .....	44 percent
Calendar year 2006 .....	43 percent
Calendar year 2007 .....	42 percent
Calendar year 2008 .....	41 percent
Calendar year 2009 .....	40 percent
Calendar year 2010 .....	39 percent
Calendar year 2011 .....	38 percent
Calendar year 2012 .....	37 percent
Calendar year 2013 .....	36 percent
Calendar year 2014 .....	35 percent
Calendar year 2015 .....	34 percent
After calendar year 2015 .....	33 percent.”.

15 “(B) For purposes of subparagraph (A)—

1           “(i) an individual shall be treated as eligible for  
2           a wife’s insurance benefit if such individual meets  
3           the requirements of subparagraphs (B), (C), and  
4           (D) of paragraph (1), and

5           “(ii) in determining when an individual becomes  
6           eligible for a wife’s insurance benefit, any break in  
7           eligibility of less than 12 consecutive months shall  
8           not be taken into account.”.

9           (b) HUSBAND’S INSURANCE BENEFITS.—Section  
10          202(c)(3) of such Act (42 U.S.C. 402(c)(3)) is amended  
11          to read as follows:

12          “(3)(A) Except as provided in subsection (q) and  
13          paragraph (2) of this subsection, such husband’s insur-  
14          ance benefit for each month shall be equal to the applica-  
15          ble percentage of the primary insurance amount of his wife  
16          (or, in the case of a divorced husband, his former wife)  
17          in connection with the calendar year in which such individ-  
18          ual becomes eligible for such benefit, as specified in the  
19          following table:

<b>“If the calendar year in which the individual becomes eligible is:</b>	<b>The applicable percentage shall be:</b>
Before calendar year 2000 .....	50 percent
Calendar year 2000 .....	49 percent
Calendar year 2001 .....	48 percent
Calendar year 2002 .....	47 percent
Calendar year 2003 .....	46 percent
Calendar year 2004 .....	45 percent
Calendar year 2005 .....	44 percent
Calendar year 2006 .....	43 percent
Calendar year 2007 .....	42 percent
Calendar year 2008 .....	41 percent
Calendar year 2009 .....	40 percent

<b>“If the calendar year in which the individual becomes eligible is:</b>	<b>The applicable percentage shall be:</b>
Calendar year 2010 .....	39 percent
Calendar year 2011 .....	38 percent
Calendar year 2012 .....	37 percent
Calendar year 2013 .....	36 percent
Calendar year 2014 .....	35 percent
Calendar year 2015 .....	34 percent
After calendar year 2015 .....	33 percent.”.

1 “(B) For purposes of subparagraph (A)—

2 “(i) an individual shall be treated as eligible for  
3 a husband’s insurance benefit if such individual  
4 meets the requirements of subparagraphs (B), (C),  
5 and (D) of paragraph (1), and

6 “(ii) in determining when an individual becomes  
7 eligible for a husband’s insurance benefit, any break  
8 in eligibility of less than 12 consecutive months shall  
9 not be taken into account.”.

10 **SEC. 7. COVERAGE OF STATE AND LOCAL EMPLOYEES**

11 **HIRED AFTER 1999.**

12 (a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

13 (1) IN GENERAL.—Paragraph (7) of section  
14 210(a) of the Social Security Act (42 U.S.C.  
15 410(a)(7)) is amended to read as follows:

16 “(7) Service described in subsection (r) (relat-  
17 ing to excluded State or local government employ-  
18 ment);”.

19 (2) EXCLUDED STATE OR LOCAL GOVERNMENT  
20 EMPLOYMENT.—

1           (A) IN GENERAL.—Section 210 of such  
2           Act (42 U.S.C. 410) is amended by adding at  
3           the end the following new subsection:

4           “(r) EXCLUDED STATE OR LOCAL GOVERNMENT  
5 EMPLOYMENT.—(1) IN GENERAL.—Service is described  
6 in this subsection if such service is performed in the em-  
7 ploy of a State, of any political subdivision thereof, or of  
8 any instrumentality of any one or more of the foregoing  
9 which is wholly owned thereby, and—

10           “(A)(i) such service would be excluded from the  
11 term ‘employment’ for purposes of this title if sub-  
12 sections (a)(7) and (h) as in effect in March 1994  
13 had remained in effect, and (ii) the requirements of  
14 paragraph (2) are met with respect to such service,  
15 or

16           “(B) the requirements of paragraph (3) are met  
17 with respect to such service.

18           “(2) EXCEPTION FOR CURRENT EMPLOYMENT  
19 WHICH CONTINUES.—

20           “(A) IN GENERAL.—The requirements of this  
21 paragraph are met with respect to service for any  
22 employer if such service is performed by an individ-  
23 ual who continuously performs service described in  
24 paragraph (1)(A)(i) since December 31, 1999.

1           “(B) ALLOWABLE BREAKS IN SERVICE.—For  
2 purposes of this clause—

3           “(i) if an individual performing service de-  
4 scribed in paragraph (1)(A)(i) returns to the  
5 performance of such service after being sepa-  
6 rated therefrom for a period of less than 366  
7 consecutive days, regardless of whether the pe-  
8 riod begins before, on, or after December 31,  
9 1999, then such service shall be considered con-  
10 tinuous, and

11           “(ii) if an individual performing service de-  
12 scribed in paragraph (1)(A)(i) returns to the  
13 performance of such service after performing  
14 service as a member of a uniformed service (in-  
15 cluding, for purposes of this clause, service in  
16 the National Guard and temporary service in  
17 the Coast Guard Reserve) and after exercising  
18 restoration or reemployment rights as provided  
19 under chapter 43 of title 38, United States  
20 Code, then the service so performed as a mem-  
21 ber of a uniformed service shall be considered  
22 service described in paragraph (1)(A)(i).

23           “(C) TREATMENT OF MULTIPLE JURISDIC-  
24 TIONS.—For purposes of subparagraph (A), under  
25 regulations (consistent with regulations established

1 under section 3121(t)(2)(C) of the Internal Revenue  
2 Code of 1986)—

3 “(i) MULTIPLE AGENCIES AND INSTRU-  
4 MENTALITIES.—All agencies and instrumentality-  
5 ties of a State (as defined in section 218(b))  
6 and of the political subdivisions thereof shall be  
7 treated as a single employer, and all agencies  
8 and instrumentalities of the District of Colum-  
9 bia shall be treated as a single employer.

10 “(ii) MULTIPLE STATES.—If an individual,  
11 after separation from service described in para-  
12 graph (1)(A)(I) for any State, commences serv-  
13 ice described in paragraph (1)(A)(I) for any  
14 other State and such service for such other  
15 State does not consist of service covered under  
16 an agreement entered into under section 218,  
17 such commencement of such service for such  
18 other State shall be treated as a return to the  
19 performance of the service from which such sep-  
20 aration occurred. For purposes of this clause,  
21 the term ‘service’ for a State means service—

22 “(I) for such State (as defined in sec-  
23 tion 218(b)),

24 “(II) for any political subdivision (as  
25 so defined) of such State, or

1                   “(III) for any agency or instrumental-  
2                   ity of such State or political subdivision.

3                   For purposes of subclauses (I) and (III), the  
4                   term ‘State’ includes the District of Columbia.

5                   “(3) EXCEPTION FOR CERTAIN SERVICES.—

6                   “(A) IN GENERAL.—The requirements of this  
7                   paragraph are met with respect to service if such  
8                   service is performed—

9                   “(i) by an individual who is employed by a  
10                  State or political subdivision thereof to relieve  
11                  such individual from unemployment,

12                  “(ii) in a hospital, home, or other institu-  
13                  tion by a patient or inmate thereof as an em-  
14                  ployee of a State or political subdivision thereof  
15                  or of the District of Columbia,

16                  “(iii) by an individual, as an employee of  
17                  a State or political subdivision thereof or of the  
18                  District of Columbia, serving on a temporary  
19                  basis in case of fire, storm, snow, earthquake,  
20                  flood, or other similar emergency,

21                  “(iv) by any individual as an employee in-  
22                  cluded under section 5351(2) of title 5, United  
23                  States Code (relating to certain interns, student  
24                  nurses, and other student employees of hos-  
25                  pitals of the District of Columbia Government),

1 other than as a medical or dental intern or a  
2 medical or dental resident in training,

3 “(v) by an election official or election  
4 worker if the remuneration paid in a calendar  
5 year for such service is less than \$100, except  
6 to the extent that service by such election offi-  
7 cial or election worker is included in employ-  
8 ment under an agreement under section 218, or

9 “(vi) by an employee in a position com-  
10 pensated solely on a fee basis which is treated  
11 pursuant to section 211(c)(2)(E) as a trade or  
12 business for purposes of inclusion of such fees  
13 in net earnings from self-employment.

14 “(B) DEFINITIONS.—As used in this para-  
15 graph, the terms ‘State’ and ‘political subdivision’  
16 have the meanings given those terms in section  
17 218(b).”.

18 (3) CONFORMING AMENDMENTS.—

19 (A) Subsection (k) of section 210 of such  
20 Act (42 U.S.C. 410(k)) (relating to covered  
21 transportation service) is repealed.

22 (B) Section 210(p) of such Act (42 U.S.C.  
23 410(p)) is amended—

24 (i) in paragraph (2), by striking  
25 “service is performed” and all that follows

1 and inserting “service is service described  
2 in subsection (r)(3)(A).”; and

3 (ii) in paragraph (3)(A), by inserting  
4 “under subsection (a)(7) as in effect in  
5 March 1994 and applicable with respect to  
6 service performed before January 1,  
7 2000,” after “section”.

8 (C) Section 218(c)(6) of such Act (42  
9 U.S.C. 418(c)(6)) is amended—

10 (i) by striking subparagraph (C);

11 (ii) by redesignating subparagraphs  
12 (D) and (E) as subparagraphs (C) and  
13 (D), respectively; and

14 (iii) by striking subparagraph (F) and  
15 inserting the following:

16 “(E) service which is included as employment  
17 under section 210(a).”

18 (b) AMENDMENTS TO THE INTERNAL REVENUE  
19 CODE OF 1986.—

20 (1) IN GENERAL.—Paragraph (7) of section  
21 3121(b) of the Internal Revenue Code of 1986 (re-  
22 lating to employment) is amended to read as follows:

23 “(7) service described in subsection (t) (relating  
24 to excluded State or local government employ-  
25 ment);”.

1           (2) EXCLUDED STATE OR LOCAL GOVERNMENT  
2           EMPLOYMENT.—Section 3121 of such Code is  
3           amended by inserting after subsection (s) the follow-  
4           ing new subsection:

5           “(t) EXCLUDED STATE OR LOCAL GOVERNMENT EM-  
6           PLOYMENT.—

7           “(1) IN GENERAL.—Service is described in this  
8           subsection if such service is performed in the employ  
9           of a State, of any political subdivision thereof, or of  
10          any instrumentality of any one or more of the fore-  
11          going which is wholly owned thereby, and—

12                  “(A)(i) such service would be excluded  
13                  from the term ‘employment’ for purposes of this  
14                  chapter if the provisions of subsections (b)(7)  
15                  and (j) as in effect in March 1994 had re-  
16                  mained in effect, and (ii) the requirements of  
17                  paragraph (2) are met with respect to such  
18                  service, or

19                  “(B) the requirements of paragraph (3)  
20                  are met with respect to such service.

21          “(2) EXCEPTION FOR CURRENT EMPLOYMENT  
22          WHICH CONTINUES.—

23                  “(A) IN GENERAL.—The requirements of  
24                  this paragraph are met with respect to service  
25                  for any employer if such service is performed by

1 an individual who continuously performs service  
2 described in paragraph (1)(A)(i) since Decem-  
3 ber 31, 1999.

4 “(B) ALLOWABLE BREAKS IN SERVICE.—

5 For purposes of this clause—

6 “(i) if an individual performing serv-  
7 ice described in paragraph (1)(A)(i) re-  
8 turns to the performance of such service  
9 after being separated therefrom for a pe-  
10 riod of less than 366 consecutive days, re-  
11 gardless of whether the period begins be-  
12 fore, on, or after December 31, 1999, then  
13 such service shall be considered continu-  
14 ous, and

15 “(ii) if an individual performing serv-  
16 ice described in paragraph (1)(A)(i) re-  
17 turns to the performance of such service  
18 after performing service as a member of a  
19 uniformed service (including, for purposes  
20 of this clause, service in the National  
21 Guard and temporary service in the Coast  
22 Guard Reserve) and after exercising res-  
23 toration or reemployment rights as pro-  
24 vided under chapter 43 of title 38, United  
25 States Code, then the service so performed

1 as a member of a uniformed service shall  
2 be considered service described in para-  
3 graph (1)(A)(i).

4 “(C) TREATMENT OF MULTIPLE AGENCIES  
5 AND INSTRUMENTALITIES.—For purposes of  
6 subparagraph (A), under regulations:

7 “(i) MULTIPLE AGENCIES AND IN-  
8 STRUMENTALITIES WITHIN STATES.—All  
9 agencies and instrumentalities of a State  
10 (as defined in section 218(b) of the Social  
11 Security Act) and of the political subdivi-  
12 sions thereof shall be treated as a single  
13 employer, and all agencies and instrumen-  
14 talities of the District of Columbia shall be  
15 treated as a single employer.

16 “(ii) MULTIPLE STATES.—If an indi-  
17 vidual, after separation from service de-  
18 scribed in paragraph (1)(A)(I) for any  
19 State, commences service described in  
20 paragraph (1)(A)(I) for any other State  
21 and such service for such other State does  
22 not consist of service covered under an  
23 agreement entered into under section 218  
24 of the Social Security Act, such commence-  
25 ment of such service for such other State

1 shall be treated as a return to the perform-  
2 ance of the service from which such separa-  
3 tion occurred. For purposes of this  
4 clause, the term ‘service’ for a State means  
5 service—

6 “(I) for such State (as defined in  
7 section 218(b) of the Social Security  
8 Act),

9 “(II) for any political subdivision  
10 (as so defined) of such State, or

11 “(III) for any agency or instru-  
12 mentality of such State or political  
13 subdivision.

14 For purposes of subclauses (I) and (III),  
15 the term ‘State’ includes the District of  
16 Columbia.

17 “(3) EXCEPTION FOR CERTAIN SERVICES.—

18 “(A) IN GENERAL.—The requirements of  
19 this paragraph are met with respect to service  
20 if such service is performed—

21 “(i) by an individual who is employed  
22 by a State or political subdivision thereof  
23 to relieve such individual from unemploy-  
24 ment,

1           “(ii) in a hospital, home, or other in-  
2           stitution by a patient or inmate thereof as  
3           an employee of a State or political subdivi-  
4           sion thereof or of the District of Columbia,

5           “(iii) by an individual, as an employee  
6           of a State or political subdivision thereof  
7           or of the District of Columbia, serving on  
8           a temporary basis in case of fire, storm,  
9           snow, earthquake, flood, or other similar  
10          emergency,

11          “(iv) by any individual as an employee  
12          included under section 5351(2) of title 5,  
13          United States Code (relating to certain in-  
14          terns, student nurses, and other student  
15          employees of hospitals of the District of  
16          Columbia Government), other than as a  
17          medical or dental intern or a medical or  
18          dental resident in training,

19          “(v) by an election official or election  
20          worker if the remuneration paid in a cal-  
21          endar year for such service is less than  
22          \$100, except to the extent that service by  
23          such election official or election worker is  
24          included in employment under an agree-

1           ment under section 218 of the Social Secu-  
2           rity Act, or

3           “(vi) by an employee in a position  
4           compensated solely on a fee basis which is  
5           treated pursuant to section 1402(c)(2)(E)  
6           as a trade or business for purposes of in-  
7           clusion of such fees in net earnings from  
8           self-employment.

9           “(B) DEFINITIONS.—As used in this para-  
10          graph, the terms ‘State’ and ‘political subdivi-  
11          sion’ have the meanings given those terms in  
12          section 218(b) of the Social Security Act.”.

13          (3) CONFORMING AMENDMENTS.—

14                (A) Subsection (j) of such section 3121  
15                (relating to covered transportation service) is  
16                repealed.

17                (B) Paragraph (2) of section 3121(u) of  
18                such Code (relating to application of hospital  
19                insurance tax to Federal, State, and local em-  
20                ployment) is amended—

21                    (i) in subparagraph (B), by striking  
22                    “service is performed” in clause (ii) and all  
23                    that follows through the end of such sub-  
24                    paragraph and inserting “service is service  
25                    described in subsection (t)(3)(A).”; and

1 (ii) in subparagraph (C)(i), by insert-  
2 ing “under subsection (b)(7) as in effect in  
3 March 1994 and applicable with respect to  
4 service performed before January 1,  
5 2000,” after “chapter”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply with respect to service performed  
8 after December 31, 1999.

9 **SEC. 8. REPEAL OF LIMITATION ON DROP OUT YEARS FOR**  
10 **DISABLED WORKERS.**

11 (a) IN GENERAL.—Section 215(b)(2)(A) of the Social  
12 Security Act (42 U.S.C. 415(b)(2)(A)) is amended to read  
13 as follows:

14 “(2)(A) The number of an individual’s benefit com-  
15 putation years equals the number of elapsed years reduced  
16 by 5 years, except that the number of an individual’s bene-  
17 fit computation years shall in no case be less than two.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to any disability insurance benefit  
20 if the first month applicable under clause (i) or (ii) of sec-  
21 tion 223(a)(2)(A) of the Social Security Act (as amended  
22 by section 5) in the case of such benefit occurs after July  
23 2003.

1 **SEC. 9. COST-OF-LIVING ADJUSTMENTS FIRST PAYABLE IN**  
2 **JULY AND EFFECTIVE ON BIENNIAL BASIS**  
3 **UNLESS ANNUAL ADJUSTMENT WOULD EX-**  
4 **CEED 4 PERCENT.**

5 (a) ADJUSTMENTS PAYABLE IN JULY RATHER THAN  
6 JANUARY.—

7 (1) IN GENERAL.—Section 215(i)(2) of the So-  
8 cial Security Act (42 U.S.C. 415(i)(2)) is amend-  
9 ed—

10 (A) in subparagraph (A)(ii), by striking  
11 “December” and inserting “June”;

12 (B) in subparagraph (A)(iii), by striking  
13 “November” and inserting “May”; and

14 (C) in subparagraph (B), by striking “No-  
15 vember” each place it appears and inserting  
16 “May”.

17 (2) BASE QUARTER.—Section 215(i)(1)(A) of  
18 such Act (42 U.S.C. 415(i)(1)(A)) is amended by  
19 striking “September 30” and inserting “March 31”,  
20 and by striking “1982” and inserting “1998”.

21 (3) CONFORMING AMENDMENTS.—

22 (A) Section 215(i)(5)(A) of such Act (42  
23 U.S.C. 415(i)(5)(A)) is amended, in the matter  
24 following clause (ii), by striking “December”  
25 and inserting “June”.

1 (B) Section 203(f)(8)(A) of such Act (42  
2 U.S.C. 403(f)(8)(A)) is amended by striking  
3 “December” and inserting “June”.

4 (C) Section 230(a) of such Act (42 U.S.C.  
5 430(a)) is amended by striking “December”  
6 and inserting “June”.

7 (4) PRIOR APPLICABLE LAW.—

8 (A) IN GENERAL.—

9 (i) Section 215(i) of such Act as in ef-  
10 fect in December 1978, and as applied in  
11 certain cases under the provisions of such  
12 Act as in effect after December 1978, is  
13 amended by striking “December” in sub-  
14 paragraph (A)(ii) and inserting “June”,  
15 and by striking “November” each place it  
16 appears and inserting “May”.

17 (ii) Section 215(i)(1)(A) of such Act  
18 as in effect in December 1978, and as ap-  
19 plied in certain cases after December  
20 1978, is amended by striking “September  
21 30” and inserting “March 31”, and by  
22 striking “1982” and inserting “1998”.

23 (iii) Section 215(i)(4) of such Act (42  
24 U.S.C. 415(i)(4)) is amended—

1 (I) by striking “and by section  
2 9001” and inserting “, by section  
3 9001”; and

4 (II) by inserting “and by section  
5 7 of the Social Security Entitlement  
6 Reform Amendments of 1994,” after  
7 “1986.”.

8 (B) MINIMUM BENEFITS.—Section 202(m)  
9 of such Act (as it applies in certain cases by  
10 reason of section 2 of Public Law 97–123) is  
11 amended by striking “November” and inserting  
12 “May”.

13 (5) EFFECTIVE DATE.—

14 (A) IN GENERAL.—The amendments made  
15 by this subsection shall apply with respect to in-  
16 creases under section 215(i) of the Social Secu-  
17 rity Act which take effect with months after  
18 December 1998.

19 (B) TRANSITION RULE.—For purposes of  
20 section 215(i) of the Social Security Act (or  
21 section 215(i) of such Act as in effect in De-  
22 cember 1978, and as applied in certain cases  
23 under the provisions of such Act as in effect  
24 after December 1978), notwithstanding any  
25 provision to the contrary in such section, the

1 “base quarter” (as defined in paragraph  
2 (1)(A)(i) of such section as amended by para-  
3 graph (2) or (4)) in the calendar year 1999  
4 shall not be a “cost-of-living computation quar-  
5 ter” within the meaning of such section.

6 (b) ADJUSTMENTS EFFECTIVE ON BIENNIAL BASIS  
7 UNLESS ANNUAL ADJUSTMENT WOULD EXCEED 4 PER-  
8 CENT.—

9 (1) IN GENERAL.—Section 215(i)(1)(B) of such  
10 Act (42 U.S.C. 415(i)(1)(B)) is amended to read as  
11 follows:

12 “(B) the term ‘cost-of-living computation quar-  
13 ter’ means a base quarter, as defined in subpara-  
14 graph (A)(i); except that there shall be no cost-of-  
15 living computation quarter in any calendar year—

16 “(i) if the base quarter, as defined in sub-  
17 paragraph (A)(i), in the prior calendar year was  
18 a cost-of-living computation quarter, and the  
19 applicable increase percentage (as determined  
20 under subclause (I) or (II), as applicable, of  
21 subparagraph (C)(i)) does not exceed 4 percent,  
22 or

23 “(ii) if in the year prior to such year a law  
24 has been enacted providing a general benefit in-  
25 crease under this title or if in such prior year

1           such a general benefit increase becomes effective;”.

2  
3           (2) RULES APPLICABLE IN CASES OF INITIAL  
4           ELIGIBILITY.—

5                   (A) INITIAL APPLICABILITY OF IN-  
6           CREASES.—Section 215(i)(2)(A)(iii) of such Act  
7           (42 U.S.C. 415(i)(2)(A)(iii)) is amended to  
8           read as follows:

9           “(iii)(I) Except as otherwise provided in this clause,  
10          in the case of an individual who becomes eligible for an  
11          old-age or disability insurance benefit (or who dies prior  
12          to becoming so eligible) in any year, the individual’s pri-  
13          mary insurance amount (without regard to the time of en-  
14          titlement to that benefit) shall be increased only by appli-  
15          cable increases provided under clause (ii) in years subse-  
16          quent to such year, and only with respect to benefits pay-  
17          able for months after June of the year following such year.

18          “(II) Subclause (I) shall not apply with respect to  
19          increases other than those provided under this subsection.

20          “(III) With respect to a primary insurance amount  
21          determined under subsection (a)(1)(C)(i)(I) in the case of  
22          an individual to whom that subsection (as in effect in De-  
23          cember 1981) applied, subclause (I) shall apply subject to  
24          the provisions of subsection (a)(1)(C)(i) and clauses (iv)  
25          and (v) of this subparagraph (as then in effect).”.

1                   (B) SPECIAL RULE FOR DETERMINING  
2 CERTAIN INITIAL INCREASES.—Section  
3 215(i)(1)(C) of such Act (42 U.S.C.  
4 415(i)(1)(C)) is amended—

5                   (i) by redesignating clauses (i) and  
6                   (ii) as subclauses (I) and (II), respectively;

7                   (ii) by inserting “(i) except as pro-  
8                   vided in clause (ii), ” after “(C)”;

9                   (iii) by inserting “and” after “lower;”  
10                  at the end of subclause (II) (as redesi-  
11                  gnated); and

12                  (iv) by adding at the end the following  
13                  new clause:

14                  “(ii) in the case of the first year in which there  
15                  occurs (in accordance with paragraph (2)(A)(iii)) an  
16                  increase under this subsection in the amounts re-  
17                  ferred to in subclauses (II) and (III) of paragraph  
18                  (2)(A)(ii) with respect to any primary insurance  
19                  amount, if such first year is preceded by a year in  
20                  which no cost-of-living computation quarter occurs  
21                  under this subsection, for purposes of deriving under  
22                  this subsection the increase in such first year in  
23                  such amounts, the term ‘applicable increase percent-  
24                  age’ means the lesser of—

1           “(I) the applicable increase percentage as  
2 defined in clause (i), or

3           “(II) the percentage (rounded to the near-  
4 est one-tenth of percent) by which the  
5 Consumer Price Index for the first calendar  
6 quarter of such first year (as prepared by the  
7 Department of Labor) exceeds such index for  
8 the first calendar quarter for the preceding cal-  
9 endar year;”.

10           (C) CONFORMING AMENDMENTS.—

11           (i) Section 215(i)(2)(D) of such Act  
12 (42 U.S.C. 415(i)(2)(D)) is amended by  
13 striking “a benefit increase is resultantly  
14 required and the percentage thereof” and  
15 inserting “benefit increases are resultantly  
16 required and the percentages thereof”.

17           (ii) Section 215(i)(5)(A) of such Act  
18 (42 U.S.C. 415(i)(5)(A)) is amended—

19           (I) in clause (i), by striking  
20 “under clause (ii) of paragraph (1)(C)  
21 rather than under clause (i) of such  
22 paragraph” and inserting “under  
23 paragraph (1)(C) by applying  
24 subclause (II) of paragraph (1)(C)(i)

1                   rather than subclause (I) thereof’;  
2                   and

3                   (II) in the matter following  
4                   clause (ii), by inserting “with respect  
5                   to which the ‘applicable increase per-  
6                   centage’ was determined as described  
7                   in clause (i)” after “paragraph  
8                   (2)(A)(ii)”.

9                   (3) CONTINUED ANNUAL ADJUSTMENT OF  
10                  EARNINGS TEST EXEMPT AMOUNTS AND CONTRIBU-  
11                  TION AND BENEFIT BASE.—

12                  (A) EXEMPT AMOUNT UNDER EARNINGS  
13                  TEST.—Section 203(f)(8)(A) of such Act (42  
14                  U.S.C. 403(f)(8)(A)) is amended—

15                  (i) by striking “Whenever” and all  
16                  that follows through “in which such quar-  
17                  ter occurs” and inserting “The Secretary  
18                  shall determine and publish in the Federal  
19                  Register on or before November 1 of each  
20                  calendar year”;

21                  (ii) by striking “the calendar year  
22                  after the calendar year in which such bene-  
23                  fit increase is effective” and inserting “the  
24                  subsequent calendar year”; and

1 (iii) by striking “the calendar year  
2 after the calendar year in which the benefit  
3 increase is effective” and inserting “such  
4 subsequent calendar year”.

5 (B) CONTRIBUTION AND BENEFIT BASE.—

6 (i) IN GENERAL.—Section 230(a) of  
7 such Act (42 U.S.C. 430(a)) is amended—

8 (I) by striking “Whenever” and  
9 all that follows through “in which  
10 such quarter occurs” and inserting  
11 “The Secretary shall determine and  
12 publish in the Federal Register on or  
13 before November 1 of each calendar  
14 year”; and

15 (II) by striking “the calendar  
16 year in which such quarter occurs”  
17 and inserting “such calendar year”.

18 (ii) PRIOR APPLICABLE LAW.—Section  
19 230(d) of such Act (42 U.S.C. 430(d)) is  
20 amended by inserting after “except that,”  
21 the following: “for purposes of subsection  
22 (a) of such section 230 as so in effect, the  
23 Secretary shall make the determination  
24 and publication required thereunder on or

1           before November 1 of each calendar year,  
2           and that.”.

3           (4) AMENDMENT RELATING TO PRIOR APPLICA-  
4           BLE LAW GOVERNING COST-OF-LIVING INCREASES.—  
5           Section 215(i)(4) of such Act (42 U.S.C. 415(i)(4))  
6           is amended by adding at the end the following new  
7           sentence: “The Secretary shall provide by regulation  
8           for the continued application of this subsection as in  
9           effect in December 1978 as provided by the preced-  
10          ing provisions of this paragraph and the amend-  
11          ments referred to therein. Such regulations shall  
12          provide for the application of the amendments to the  
13          provisions of this subsection made by section 7 of  
14          the Social Security Entitlement Reform Amend-  
15          ments of 1994 so as to have the same effect on the  
16          corresponding provisions of this subsection as in ef-  
17          fect in December 1978 and applicable in accordance  
18          with this paragraph.”.

19          (5) EFFECTIVE DATE.—The amendments made  
20          by this subsection shall apply with respect to in-  
21          creases under section 215(i) of the Social Security  
22          Act which take effect with the month of June of  
23          years after 2000.

1 **SEC. 10. REPEAL OF LIMITATION ON WIDOW'S AND WIDOW-**  
2 **ER'S INSURANCE BENEFITS BY REASON OF**  
3 **EARLY RETIREMENT OF THE DECEASED**  
4 **SPOUSE.**

5 (a) WIDOW'S INSURANCE BENEFITS.—

6 (1) IN GENERAL.—Section 202(e)(2)(D) of the  
7 Social Security Act (42 U.S.C. 402(e)(2)(D)) is re-  
8 pealed.

9 (2) CONFORMING AMENDMENTS.—Section  
10 202(e) of such Act is further amended—

11 (A) in paragraph (2)(A), by striking “sub-  
12 section (q), paragraph (7) of this subsection,  
13 and subparagraph (D) of this paragraph,” and  
14 inserting “subsection (q) and paragraph (7) of  
15 this subsection,”; and

16 (B) in paragraph (7)(A), by striking “sub-  
17 sections (q) and (k), paragraph (2)(D), and  
18 paragraph (3)” and inserting “subsections (q)  
19 and (k) and paragraph (3)”.

20 (b) WIDOWER'S INSURANCE BENEFITS.—

21 (1) IN GENERAL.—Section 202(f)(3)(D) of such  
22 Act (42 U.S.C. 402(f)(3)(D)) is repealed.

23 (2) CONFORMING AMENDMENTS.—Section  
24 202(f) of such Act is further amended—

25 (A) in paragraph (2)(A), by striking “sub-  
26 sections (q) and (k), paragraph (3)(D), and

1 paragraph (4)” and inserting “subsections (q)  
2 and (k) and paragraph (4)””; and

3 (B) in paragraph (3)(A), by striking “sub-  
4 section (q), paragraph (2) of this subsection,  
5 and subparagraph (D) of this paragraph,” and  
6 inserting “subsection (q) and paragraph (2) of  
7 this subsection,”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply with respect to benefits of individ-  
10 uals attaining early retirement age (as defined in section  
11 216(l)(2) of the Social Security Act) after 1999.

12 **SEC. 11. ADJUSTMENT IN REDUCTION OF WIDOW'S AND**  
13 **WIDOWER'S INSURANCE BENEFITS UPON AT-**  
14 **TAINMENT OF AGE 85 AFTER CALENDAR**  
15 **YEAR 2019.**

16 Section 202(q) of the Social Security Act (42 U.S.C.  
17 402(q)) is amended by adding at the end the following  
18 new paragraph:

19 “(12) In the case of any individual’s widow’s or wid-  
20 ower’s insurance benefit for any month in or after a year  
21 specified in the following table, if such individual has at-  
22 tained 85 years of age as of the end of such month, the  
23 percentage specified in such table in connection with such  
24 year shall be applied in paragraph (1) in lieu of the sum  
25 of reduction percentages specified in paragraph (1):

<b>“If the year is:</b>	<b>The specified percentage shall be:</b>
After 2019 and before 2022 .....	$\frac{5}{12}$ of 1 percent
After 2021 and before 2024 .....	$\frac{1}{3}$ of 1 percent
After 2023 and before 2026 .....	$\frac{1}{4}$ of 1 percent
After 2025 and before 2028 .....	$\frac{1}{6}$ of 1 percent
After 2027 .....	$\frac{1}{12}$ of 1 percent.”.

1 **SEC. 12. GENERAL INCREASE IN BENEFITS FOR INDIVID-**  
 2 **UALS ATTAINING AGE 85 OR MORE YEARS OF**  
 3 **AGE AFTER CALENDAR YEAR 2019.**

4 (a) IN GENERAL.—Section 202 of the Social Security  
 5 Act (42 U.S.C. 402) is amended by adding at the end the  
 6 following new subsection:

7 (y) “GENERAL BENEFIT INCREASE FOR BENE-  
 8 FICIARIES OVER 85 YEARS OF AGE.—(1) The amount of  
 9 a monthly insurance benefit under this section or section  
 10 223 payable to an individual for any month ending after  
 11 such individual attains 85 or more years of age after 2019  
 12 shall be the amount of such benefit as determined without  
 13 regard to this subsection, increased by the applicable per-  
 14 centage increase specified in the following table:

<b>“If the individual attains 85 or more years of age in:</b>	<b>The applicable percentage increase under this subsection in such benefit for each month in such year shall be:</b>
2020 .....	1 percent
2021 .....	2 percent
2022 .....	3 percent
2023 .....	4 percent
2024 or a later year .....	5 percent.”.

15 “(2) This subsection shall be applied after any reduc-  
 16 tion under section 203(a) and any increase under sub-  
 17 section (w).”.

1 (b) ROUNDING.—Section 215(g) of such Act (42  
2 U.S.C. 415(g)) is amended—

3 (1) by striking “and after” and inserting  
4 “after”; and

5 (2) by inserting “, and after any increase  
6 under section 202(y)” after “section 1840(a)(1)”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply with respect to benefits for months  
9 after December 2019.

10 **SEC. 13. INCREASE IN SURVIVING CHILD’S INSURANCE**  
11 **BENEFITS.**

12 Section 202(d)(2) of the Social Security Act (42  
13 U.S.C. 402(d)(2)) is amended—

14 (1) by inserting “(A)” after “(2)”; and

15 (2) by striking the last sentence and inserting  
16 at the end the following new subparagraph:

17 “(B) Such child’s insurance benefit for each month  
18 shall, if the individual on the basis of whose wages and  
19 self-employment income the child is entitled to such bene-  
20 fit has died in or prior to such month, be equal to the  
21 applicable percentage of the primary insurance amount of  
22 such individual in connection with such child’s first month  
23 of entitlement, as set forth in the following table:

<b>“If the first month of entitle- ment occurs:</b>	<b>The applicable percentage of the primary insurance amount is:</b>
Before 2000 .....	75 percent
After 1999 and before 2010 .....	80 percent

<b>“If the first month of entitlement occurs:</b>	<b>The applicable percentage of the primary insurance amount is:</b>
After 2009 and before 2025 .....	85 percent
After 2024 .....	90 percent.”.

1 **SEC. 14. GRADUAL REDUCTION IN AGE NECESSARY FOR**  
 2 **ELIGIBILITY FOR SUPPLEMENTAL SECURITY**  
 3 **INCOME BENEFITS ON THE BASIS OF AGE.**

4 (a) IN GENERAL.—Section 1614(a)(1)(A) of the So-  
 5 cial Security Act (42 U.S.C. 1382c(a)(1)(A)) is amended  
 6 to read as follows:

7 “(A)(i) as of the end of a year specified in the  
 8 following table, attains the age specified in such  
 9 table in connection with such year:

<b>“If the year is:</b>	<b>The specified age is:</b>
Before 2000 .....	65 years
2000 .....	64 years, 9 months
2001 .....	64 years, 6 months
2002 .....	64 years, 3 months
2003 .....	64 years
2004 .....	63 years, 9 months
2005 .....	63 years, 6 months
2006 .....	63 years, 3 months
2007 .....	63 years
2008 .....	62 years, 9 months
2009 .....	62 years, 6 months
2010 .....	62 years, 3 months
After 2010 .....	62 years

10 “(ii) is blind (as determined under paragraph  
 11 (2)), or

12 “(iii) is disabled (as determined under para-  
 13 graph (3)), and”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 1601 of such Act, as in effect pur-  
 16 suant to the amendment made by section 301 of the

1 Social Security Amendments of 1972, (42 U.S.C.  
2 1381) is amended by striking “have attained age 65  
3 or are blind” and inserting “are aged, blind,”.

4 (2) Section 1612(b)(4) of such Act (42 U.S.C.  
5 1382a(b)(4)) is amended—

6 (A) in each of subparagraphs (A) and

7 (B)—

8 (i) by striking “not attained age 65”

9 and inserting “not, as of the end of a year

10 specified in the table set forth in section

11 1614(a)(1)(A)(i), attained the age specified

12 in such table in connection with such

13 year”; and

14 (ii) by striking “he attained age 65”

15 and inserting “such individual attained

16 such age”; and

17 (B) in subparagraph (C), by striking “at-

18 tained age 65” and inserting “, as of the end

19 of a year specified in the table set forth in sec-

20 tion 1614(a)(1)(A)(i), attained the age specified

21 in such table in connection with such year”.

22 (3) Section 1615(a)(1) of such Act (42 U.S.C.  
23 1382d(a)(1)) is amended by striking “not attained  
24 age 65” and inserting “not, as of the end of a year  
25 specified in the table set forth in section

1       1614(a)(1)(A)(i), attained the age specified in such  
2       table in connection with such year”.

3           (4) Section 1620(a)(2) of such Act (42 U.S.C.  
4       1382i(a)(2)) is amended by striking “under age 65”  
5       and inserting “, as of the end of a year specified in  
6       the table set forth in section 1614(a)(1)(A)(i), have  
7       not attained the age specified in such table in con-  
8       nection with such year”.

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