

103^D CONGRESS
2^D SESSION

H. R. 4373

To amend the Social Security Act to provide for limitations on cost-of-living adjustments.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1994

Mr. PENNY (for himself, Ms. MARGOLIES-MEZVINSKY, Mr. MEEHAN, and Mr. LEVY) introduced the following bill; which was referred jointly to the Committees on Ways and Means, Veterans' Affairs, and Energy and Commerce

A BILL

To amend the Social Security Act to provide for limitations on cost-of-living adjustments.

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 COLA
5 Limitation Act of 1994".

6 **SEC. 2. LIMITATIONS ON COST-OF-LIVING ADJUSTMENTS.**

7 (a) IN GENERAL.—

8 (1) REDUCTION IN INCREASES APPLIED TO
9 HIGHER PRIMARY INSURANCE AMOUNTS.—Section

1 215(i)(2)(A) of the Social Security Act (42 U.S.C.
2 415(i)(2)(A)) is amended—

3 (A) by redesignating clause (iii) as clause
4 (vii); and

5 (B) in clause (ii), by striking “The in-
6 crease shall” in the matter following subclause
7 (III) and all that follows through “Any in-
8 crease” and inserting the following:

9 “(iii) With respect to the amounts described in
10 subclauses (I) and (III) of clause (ii), the increase shall
11 be derived by multiplying each of such amounts (including
12 each of those amounts as previously increased under this
13 subparagraph) by the applicable increase percentage.

14 “(iv) With respect to primary insurance amounts de-
15 scribed in subclause (II) of clause (ii), the increase shall
16 be derived by—

17 “(I) multiplying each of such amounts (includ-
18 ing each such amount as previously increased under
19 this subparagraph) by the applicable increase per-
20 centage,

21 “(II) determining among all such amounts as
22 increased under subclause (I) the greatest primary
23 insurance amount which is below the 20th percentile
24 of such amounts, and

1 “(III) reducing each primary insurance amount
2 as increased under subclause (I) to the sum of such
3 amount determined as if there had been no reduc-
4 tion in such amount under this subclause in any pre-
5 ceding year and the amount of the increase under
6 subclause (I) in the primary insurance amount de-
7 scribed in subclause (II).

8 “(v) Any amount increased under clause (iii) or
9 clause (iv) which is not a multiple of \$0.10 shall be de-
10 creased to the next lower multiple of \$0.10.

11 “(vi) Any increase”.

12 (2) CONFORMING AMENDMENT.—The last sen-
13 tence of section 215(a)(4) of such Act (42 U.S.C.
14 415(a)(4)) is amended, in subclause (I), by striking
15 “clause (iii) of subsection (i)(2)(A)” and inserting
16 “clause (vii) of subsection (i)(2)(A)”.

17 (b) CONFORMING AMENDMENTS TO MAINTAIN CUR-
18 RENT LEVELS OF COST-OF-LIVING ADJUSTMENT UNDER
19 OTHER PROGRAMS.—

20 (1) SUPPLEMENTAL SECURITY INCOME FOR
21 THE AGED, BLIND, AND DISABLED.—Section
22 1617(a)(2) of the Social Security Act (42 U.S.C.
23 1382f(a)(2)) is amended by striking “by the same
24 percentage” and all that follows through “percent-
25 age,” and inserting the following: “by the applicable

1 increase percentage (within the meaning of section
2 215(i)(1)(C)) used in determining the amount by
3 which benefit amounts under title II are increased
4 for such month”.

5 (2) SUPPLEMENTARY MEDICAL INSURANCE.—
6 Section 1839(a)(3)(B) of such Act (42 U.S.C.
7 1395r(a)(3)(B)) is amended by striking “by a per-
8 centage” and all that follows through “November 1”
9 and inserting the following: “by the applicable in-
10 crease percentage (within the meaning of section
11 215(i)(1)(C)) used in determining the amount by
12 which benefit amounts under title II are increased
13 for the month of December preceding the year of the
14 promulgation”.

15 (3) CERTAIN VETERAN’S BENEFITS.—Section
16 3112 of title 38, United States Code, is amended—

17 (A) in subsection (a), by striking “by the
18 same percentage by which such benefit amounts
19 are increased” and inserting “by the applicable
20 increase percentage (within the meaning of sec-
21 tion 215(i)(1)(C) of such Act) used in deter-
22 mining the amount by which such benefit
23 amounts are increased”; and

24 (B) in subsection (b)(1), by striking “by
25 the same percentage as the percentage by which

1 such benefit amounts are increased” and insert-
2 ing “by the applicable increase percentage
3 (within the meaning of section 215(i)(1)(C) of
4 such Act) used in determining the amount by
5 which such benefit amounts are increased”.

6 (4) COST-OF-LIVING ADJUSTMENTS TO LIMITA-
7 TIONS ON BENEFITS AND CONTRIBUTIONS UNDER
8 QUALIFIED PLANS.—Subsection (d) of section 415 of
9 the Internal Revenue Code of 1986 (relating to cost-
10 of-living adjustments) is amended by striking “sec-
11 tion 215(i)(2)(A)” and inserting “section
12 215(i)(2)(A)(iii)”.

13 (c) AMENDMENT TO PRIOR APPLICABLE LAW.—Sec-
14 tion 215(i)(4) of the Social Security Act (42 U.S.C.
15 415(i)(4)) is amended by adding at the end the following
16 new sentence: “The Secretary shall provide by regulation
17 for the continued application of this subsection as in effect
18 in December 1978 as provided by the preceding provisions
19 of this paragraph and the amendments referred to therein.
20 Such regulations shall provide for the application of the
21 amendments to the preceding provisions of this subsection
22 made by section 2 of the Social Security Solvency En-
23 hancement Act of 1994 so as to have the same effect on
24 the corresponding provisions of this subsection as in effect

1 in December 1978 and applicable in accordance with this
2 paragraph.”.

3 **SEC. 3. EFFECTIVE DATE.**

4 The amendments made by this Act shall apply with
5 respect to adjustments under section 215(i) of the Social
6 Security Act effective with months after November 1994.

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