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Text of H.R. 219: Social Security Preservation Act of 2011

Jan 7, 2011 - Introduced in House. This is the original text of the bill as it was written by its sponsor and submitted to the House for consideration. This is the latest version of the bill currently available on GovTrack.

HR 219 IH

112th CONGRESS

1st Session

H. R. 219

To amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the Managing Trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit.

IN THE HOUSE OF REPRESENTATIVES

January 7, 2011

Mr. PAUL 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 ensure the integrity of the Social Security trust funds by requiring the Managing Trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit.

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 'Social Security Preservation Act of 2011'.

SEC. 2. INVESTMENT OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) In General- Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended--

(1) by inserting '(1)' after '(d)';

(2) by striking 'Such investments may be made only' and inserting the following: 'Except as provided in paragraph (2), such investments may be made only';

(3) by striking the last sentence; and

(4) by adding at the end the following new paragraph:

'(2)(A) The Managing Trustee shall determine the annual surplus (as defined in subparagraph (B)) for each of the Trust Funds as of the end of each fiscal year. The Managing Trustee shall ensure that such annual surplus is invested, throughout the next following fiscal year, in--

'(i) marketable interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, purchased on original issue or at the market price, or

'(ii) certificates of deposit in insured depository institutions (as defined in section 3(c)(2) of the Federal Deposit Insurance Act).

'(B) For purposes of this paragraph, the 'annual surplus' for either of the Trust Funds as of the end of a fiscal year is the excess (if any) of--

'(i) the sum of--

'(I) in the case of the Federal Old-Age and Survivors Insurance Trust Fund, the amounts appropriated to such Trust Fund under paragraphs (3) and (4) of subsection (a) for the fiscal year,

'(II) in the case of the Federal Disability Insurance Trust Fund, the amounts appropriated to such Trust Fund under paragraphs (1) and (2) of subsection (b) for the fiscal year, and

'(III) in either case, the amount appropriated to such Trust Fund under section 121(e) of the Social Security Amendments of 1983 for the fiscal year, and any amounts otherwise credited to or deposited in such Trust Fund under this title for the fiscal year, over

'(ii) the amounts paid or transferred from such Trust Fund during the fiscal year.'

(b) Effective Date- The amendments made by this section shall apply with respect to annual surpluses as of the end of fiscal years beginning on or after October 1, 2011.

SEC. 3. PROTECTION OF THE SOCIAL SECURITY TRUST FUNDS FROM THE PUBLIC DEBT LIMIT.

(a) Protection of Trust Funds- Notwithstanding any other provision of law--

(1) no officer or employee of the United States may--

(A) delay the deposit of any amount into (or delay the credit of any amount

to) the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund or otherwise vary from the normal terms, procedures, or timing for making such deposits or credits, or

(B) refrain from the investment in public debt obligations of amounts in either of such Trust Funds,

if a purpose of such action or inaction is to not increase the amount of outstanding public debt obligations, and

(2) no officer or employee of the United States may disinvest amounts in either of such Trust Funds which are invested in public debt obligations if a purpose of the disinvestment is to reduce the amount of outstanding public debt obligations.

(b) Protection of Benefits and Expenditures for Administrative Expenses-

(1) IN GENERAL- Notwithstanding subsection (a), during any period for which cash benefits or administrative expenses would not otherwise be payable from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund by reason of an inability to issue further public debt obligations because of the applicable public debt limit, public debt obligations held by such Trust Fund shall be sold or redeemed only for the purpose of making payment of such benefits or administrative expenses and only to the extent cash assets of such Trust Fund are not available from month to month for making payment of such benefits or administrative expenses.

(2) ISSUANCE OF CORRESPONDING DEBT- For purposes of undertaking the sale or redemption of public debt obligations held by the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund pursuant to paragraph (1), the Secretary of the Treasury may issue corresponding public debt obligations to the public, in order to obtain the cash necessary for payment of benefits or administrative expenses from such Trust Fund, notwithstanding the public debt limit.

(3) ADVANCE NOTICE OF SALE OR REDEMPTION- Not less than 3 days prior to the date on which, by reason of the public debt limit, the Secretary of the Treasury expects to undertake a sale or redemption authorized under paragraph (1), the Secretary of the Treasury shall report to each House of the Congress and to the Comptroller General of the United States regarding the expected sale or redemption. Upon receipt of such report, the Comptroller General shall review the extent of compliance with subsection (a) and paragraphs (1) and (2) of this subsection and shall issue such findings and recommendations to each House of the Congress as the Comptroller General considers necessary and appropriate.

(c) Public Debt Obligation- For purposes of this section, the term 'public debt obligation' means any obligation

subject to the public debt limit established under [section 3101](#) of title 31, United States Code.

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