

We've begun work on a GovTrack 2.0 . . . Previews in April 2011 . . . Stay tuned for details . . .

[Congress](#) > [Legislation](#) > 2011-2012 (112th Congress) > [S. 804](#)

## Text of S. 804: Social Security Solvency and Sustainability Act

Apr 13, 2011 - Introduced in Senate. This is the original text of the bill as it was written by its sponsor and submitted to the Senate for consideration. This is the latest version of the bill currently available on GovTrack.

S 804 IS

112th CONGRESS

1st Session

S. 804

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

**April 13, 2011**

Mr. GRAHAM (for himself, Mr. PAUL, and Mr. LEE) 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.

*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 Solvency and Sustainability Act'.

### SEC. 2. ADJUSTMENT TO NORMAL AND EARLY RETIREMENT AGE.

Section 216(l) of the Social Security Act ([42 U.S.C. 416 \(l\)](#)) is amended--

(1) in paragraph (1), by striking subparagraph (D) and inserting the following new subparagraphs:

'(D) with respect to an individual who attains early retirement age after December 31, 2016, and before January 1,

2021, 66 years plus the number of months in the age increase factor (as determined under paragraph (5)(A)) for the calendar year in which such individual attains early retirement age;

'(E) with respect to an individual who-

-

'(i) attains 62 years of age after December 31, 2020, and before January 1, 2028, such individual's early retirement age (as determined under paragraph (2)(A)(ii)) plus 60 months; or

'(ii) receives a benefit described in paragraph (2)(B) and attains 60 years of age after December 31, 2020, and before January 1, 2028, 66 years plus the number of months in the age increase factor (as determined under paragraph (5)(B)) for the calendar year in which such individual attains 60 years of age;

'(F) with respect to an individual who-

-

'(i) attains 62 years of age after December 31, 2027, and before January 1, 2029, 69 years of age; or

'(ii) receives a benefit described in paragraph (2)(B) and attains 60 years of age after December 31, 2027, and before January 1, 2029, 69 years of age;

'(G) with respect to an individual who

--

'(i) attains 62 years of age after December 31, 2028, and before January 1, 2032, 66 years of age plus the number of months in the age increase factor (as determined under paragraph (5)(C)); or

'(ii) receives a benefit described in paragraph (2)(B) and attains 60 years of age after December 31, 2028, and before January 1, 2032, 66 years of age plus the number of months in the age increase factor (as determined under paragraph (5)(B));

'(H) with respect to an individual who

--

'(i) attains 62 years of age after December 31, 2031, and before January 1, 2033, 70 years of age; or

'(ii) receives a benefit described in paragraph (2)(B) and attains 60 years of age after

December 31, 2031, and before  
January 1, 2033, 70 years of age; and

‘(I) with respect to an individual who-

‘(i) attains 62 years of age  
after December 31, 2032, 70  
years of age plus the number of  
months in the age increase factor (as  
determined under paragraph (6)); or

‘(ii) receives a benefit  
described in paragraph (2)(B)  
and attains 60 years of age after  
December 31, 2032, 70 years of age  
plus the number of months in the age  
increase factor (as determined under  
paragraph (6)).’;

(2) by amending paragraph (2) to read as  
follows:

‘(2) The term ‘early retirement age’ means--

‘(A) in the case of an old-age, wife’s,  
or husband’s insurance benefit--

‘(i) 62 years of age with  
respect to an individual who  
attains such age before January 1,  
2021;

‘(ii) with respect to an  
individual who attains 62  
years of age after December 31,  
2020, and before January 1, 2028, 62  
years of age plus the number of  
months in the age increase factor (as  
determined under paragraph (4)) for  
the calendar year in which such  
individual attains 62 years of age; and

‘(iii) with respect to an  
individual who attains age 62  
after December 31, 2027, 64 years of  
age; or

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

(3) by striking paragraph (3) and inserting the  
following new paragraphs:

‘(3) With respect to an individual who attains  
early retirement age in the 5-year period  
consisting of the calendar years 2000 through 2004,  
the age increase factor shall be equal to two-twelfths  
of the number of months in the period beginning with  
January 2000 and ending with December of the year  
in which the individual attains early retirement age.

‘(4) For purposes of paragraph (2)(A)(ii), the  
age increase factor shall be equal to three-  
twelfths of the number of months in the period  
beginning with January 2021 and ending with  
December of the year in which the individual attains  
62 years of age.

'(5) The age increase factor shall be equal to three-twelfths of the number of months in the period beginning with January 2017 and ending with December of the year in which--

'(A) for purposes of paragraph (1)(D), the individual attains early retirement age;

'(B) for purposes of paragraphs (1)(E)(ii) and (1)(G)(ii), the individual attains 60 years of age; or

'(C) for purposes of paragraph (1)(G)(i), the individual attains 62 years of age.

'(6) The Commissioner of Social Security shall determine (using reasonable actuarial assumptions) and publish on or before November 1 of each calendar year after 2031 the number of months (rounded, if not a multiple of one month, to the next lower multiple of one month) by which life expectancy as of October 1 of such calendar year of an individual attaining early retirement age on such October 1 exceeds the life expectancy as of October 1, 2032, of an individual attaining early retirement age on October 1, 2032. With respect to an individual who attains early retirement in the calendar year following any calendar year in which a determination is made under this paragraph, the age increase factor shall be the number of months determined under this paragraph as of October 1 of such calendar year in which such determination is made.'

### **SEC. 3. INCREASE IN MAXIMUM AGE FOR DELAYED RETIREMENT CREDIT.**

(a) In General- Subsection (w) of section 202 of the Social Security Act ([42 U.S.C. 402](#)) is amended--

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

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

'(7) For purposes of paragraphs (2)(A) and (3), the 'maximum delayed retirement age' shall be equal to--

'(A) during the period before January 1, 2017, 70 years of age for an individual who has attained early retirement age (as determined under section 216(l)(2)) during such period; and

'(B) during the period after December 31, 2016, the sum of--

'(i) the retirement age for such calendar year, as determined under section 216(l)(1), for an individual who has attained age 62 (for purposes of section 216(l)(2)(A)) or who has attained age 60 (for purposes of section 216(l)(2)(B)) during such calendar year; and

'(ii) 4 years.'

(b) Effective Date- The amendment made by subsection (a) shall take effect on January 1, 2017.

**SEC. 4. PROGRESSIVE INDEXING OF BENEFITS FOR OLD-AGE, WIFE'S, AND HUSBAND'S INSURANCE BENEFITS.**

(a) In General- Section 215(a) of the Social Security Act ([42 U.S.C. 415\(a\)](#)) is amended--

(1) by striking 'The' in paragraph (1)(A) and inserting 'In the case of any benefit other than an applicable benefit to which paragraph (2) applies, the'; and

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

'(2)(A) In the case of an applicable benefit with respect to any individual who initially becomes eligible for old-age insurance benefits or who dies (before becoming eligible for such benefits) in calendar year 2018 or later, the primary insurance amount of the individual shall be equal to the sum of--

'(i) 90 percent of the individual's average indexed monthly earning (determined under subsection (b)) to the extent that such earnings do not exceed the amount established for purposes of paragraph (1)(A)(i) by paragraph (1)(B);

'(ii) 32 percent of the individual's average indexed monthly earnings to the extent that such earnings exceed the amount established for purposes of paragraph (1)(A)(i) by paragraph (1)(B) but do not exceed the amount established for purposes of this clause by subparagraph (B);

'(iii) 32 percent (reduced as provided in subparagraph (C)) of the individual's average indexed monthly earnings to the extent that such earnings exceed the amount established for purposes of clause (ii) but do not exceed the amount established for purposes of paragraph (1)(A)(ii) by paragraph (1)(B); and

'(iv) 15 percent (reduced as provided in subparagraph (C)) of the individual's average indexed monthly earnings to the extent that such earnings exceed the amount established for purposes of paragraph (1)(A)(ii) by paragraph (1)(B).

'(B)(i) For purposes of subparagraph (A)(ii), the amount established under this subparagraph for calendar year 2016 shall be the level of average indexed monthly earnings determined by the Chief Actuary of the Social Security Administration under clause (ii) as being at the 40th percentile for the period of calendar years 2007 through 2009.

'(ii) For purposes of clause (i), the average indexed monthly earnings for the period of calendar years 2007 through 2009 shall be determined by--

'(I) determining the average indexed monthly earnings for each individual who initially

became eligible for old-age insurance benefits or who died (before becoming eligible for such benefits) during such period, except that in determining such average indexed monthly earnings under subsection (b), subsection (b)(3)(A)(ii)(I) shall be applied by substituting calendar year 2004 for the second calendar year described in such subsection; and

‘(II) multiplying the amount determined for each individual under subclause (I) by the quotient obtained by dividing the national average wage index (as defined in section 209(k)(1)) for the calendar year 2016 by such index for the calendar year 2004.

‘(iii) For purposes of subparagraph (A)(ii), the amount established under this subparagraph for any calendar year after 2018 shall be equal to the product of the amount in effect under clause (i) with respect to calendar year 2018 and the quotient obtained by dividing--

‘(I) the national average wage index (as defined in section 209(k)(1)) for the second calendar year preceding the calendar year for which the determination is being made, by

‘(II) the national average wage index (as so defined) for 2016.

‘(iv) The amount established under this subparagraph for any calendar year shall be rounded to the nearest \$1, except that any amount so established which is a multiple of \$0.50 but not of \$1 shall be rounded to the next higher \$1.

‘(C)(i) Except as provided in clause (ii), in the case of any calendar year after 2017, each of the percentages to which this subparagraph applies by reason of clauses (iii) or (iv) of subparagraph (A) shall be a percentage equal to such percentage multiplied by the quotient obtained by dividing--

‘(I) the difference of the maximum CPI-indexed benefit amount for such year over the amount determined under this paragraph for an individual whose average indexed monthly earnings are equal to the amount established for purposes of subparagraph (A)(ii) for such year, by

‘(II) the difference of the maximum wage-indexed benefit amount for such year over the amount determined under this paragraph for an individual whose average indexed monthly earnings are equal to the amount established for purposes of subparagraph (A)(ii) for such year.

‘(ii) In the case of any calendar year after 2015, clause (i) shall not apply and each of the percentages to which this subparagraph applies by reason of clause (iii) or (iv) of subparagraph (A) shall be a percentage equal to the percentage determined under this subparagraph for the preceding year (determined after the application of this subparagraph).

‘(iii) For purposes of clause (i), the maximum wage-indexed benefit amount for any calendar year shall be equal to the amount determined under this paragraph (determined without regard to any reduction under this subparagraph) for an individual with wages paid in and self-employment income credited to each computation base year

in an amount equal to the contribution and benefit base for each calendar year.

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

'(I) the numerator of which is the ratio (rounded to the nearest one-thousandth of 1 percent) of the Consumer Price Index for the second preceding year to such index for 2015; and

'(II) the denominator of which is the ratio (rounded to the nearest one-thousandth of 1 percent) of the national wage index (as defined in section 209(k)(1)) for the second year preceding such year to such index for 2015.

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

'(E) For purposes of this paragraph, the term 'applicable benefit' means any benefit under section 202 other than--

'(i) a child's insurance benefit under section 202(d) with respect to a child of an individual who has died; and

'(ii) a mother's and father's insurance benefit under section 202(g).'

(b) Treatment of Disabled Beneficiaries- Section 215(a) of such Act (as amended by subsection (a)) is amended further by adding at the end the following new paragraph:

'(9)(A) Notwithstanding the preceding provisions of this subsection, in the case of an individual who has or has had a period of disability and who initially becomes eligible for old-age insurance benefits or who dies (before becoming eligible for such benefits) in any calendar year in or after 2018, the primary insurance amount of such individual shall be the sum of--

'(i) the amount determined under subparagraph (B); and

'(ii) the product derived by multiplying--

'(I) the excess of the amount determined under subparagraph (C) over the amount determined under subparagraph (B), by

'(II) the adjustment factor for such individual determined under subparagraph (D).

'(B) The amount determined under this subparagraph is the amount of such individual's primary insurance amount as determined under this section without regard to this paragraph.

'(C) The amount determined under this subparagraph is the amount of such individual's primary insurance amount as determined under this section as in effect with respect to individuals becoming eligible for old-age or disability insurance benefits under section 202(a)

on the date of the enactment of the Social Security Solvency and Sustainability Act.

'(D) The adjustment factor determined under this subparagraph for any individual is the ratio (not greater than 1) of--

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

'(ii) the number of months during the period beginning on the date the individual attains age 22 and ending on the first day of such individual's first month of eligibility for old-age insurance benefits under section 202(a) (or, if earlier, the month of such individual's death).'

(c) Conforming Amendments--

(1) Subsections (e)(2)(B)(i)(I) and (f)(2)(B)(i)(I) of section 202 of the Social Security Act are each amended by inserting 'or section 215(a)(2)(B)(iii)' after 'section 215(a)(1)(B)(i) and (ii)'

(2) Section 203(a)(10) of such Act is amended--

(A) in subparagraph (A)(i), by striking '215(a)(2)(B)(i)' and inserting '215(a)(3)(B)(i)';

(B) in subparagraph (A)(ii), by striking '215(a)(2)(C)' and inserting '215(a)(3)(C)'; and

(C) in subparagraph (B)(ii), by striking '215(a)(2)' and inserting '215(a)(3)'

(3) Section 209(k)(1) of such Act is amended by inserting '215(a)(2)(B), 215(a)(2)(C),' after '215(a)(1)(D)'

(4) Section 215(a) of such Act is amended--

(A) in paragraph (4)(A), as redesignated by paragraph (2), by striking 'paragraph (4)' and inserting 'paragraph (5)';

(B) in paragraph (4)(B), as redesignated by paragraph (2), by striking 'paragraph (2)(A)' and inserting 'paragraph (3)(A)';

(C) in paragraph (5), as redesignated by paragraph (2), by striking 'paragraph (3)(A)' and inserting 'paragraph (4)(A)';

(D) in paragraph (6)(A), as redesignated by paragraph (2), by striking 'paragraph (4)(B)' and inserting 'paragraph (5)(B)'; and

(E) in paragraph (8)(B)(ii)(I), as redesignated by paragraph (2), by



striking 'paragraph (3)(B)' and inserting 'paragraph (4)(B)'.

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

(A) by striking 'paragraph (4)(B)(ii)' and inserting 'paragraph (5)(B)(ii)'; and

(B) by striking 'subsection (a)(7)(C)' and inserting 'subsection (a)(8)(C)'.

(6) Subsection 215(f) of such Act is amended--

(A) in paragraph (2)(B), by striking 'subsection (a)(4)(B)' and inserting 'subsection (a)(5)(B)';

(B) in paragraph (7), by striking 'subsection (a)(4)(B)' and inserting 'subsection (a)(5)(B)', and by striking 'subsection (a)(6)' and inserting 'subsection (a)(7)';

(C) in paragraph (9)(A)--

(i) by striking 'subsection (a)(7)(A)' and inserting 'subsection (a)(8)(A)'; and

(ii) by striking 'subsection (a)(7)(C)' and inserting 'subsection (a)(8)(C)'; and

(D) in paragraph (9)(B), by striking 'subsection (a)(7)' each place it appears and inserting 'subsection (a)(8)'.

---

**407 Banks That Could Fail** If you have cash in any of these banks your savings could be at risk [www.InvestingAnswers.com](http://www.InvestingAnswers.com)

**New Social Security Card** Apply for a new card easily with our assisted application process. [gov-tax.net/SSN-Card](http://gov-tax.net/SSN-Card)

**Disability Applications** We'll figure out what you qualify for, and submit all paperwork! [www.MylerDisability.com](http://www.MylerDisability.com)

---

GovTrack.us is a project of **Civic Impulse, LLC**.