

103^D CONGRESS
1ST SESSION

H. R. 3592

To amend title II of the Social Security Act to provide for cost-of-living increases based solely on the percentage increase in the Consumer Price Index and for the establishment of a single annual cost-of-living increase in primary insurance amounts at a uniform flat rate.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 1993

Mr. PENNY 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 title II of the Social Security Act to provide for cost-of-living increases based solely on the percentage increase in the Consumer Price Index and for the establishment of a single annual cost-of-living increase in primary insurance amounts at a uniform flat rate.

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 Flat
5 Rate COLA Act of 1993”.

1 **SEC. 2. FLAT RATE COST-OF-LIVING ADJUSTMENT.**

2 (a) GENERAL RULE.—Section 215(i)(2)(A) of the
3 Social Security Act (42 U.S.C. 415(i)(2)(A)) is amend-
4 ed—

5 (1) by redesignating clause (iii) as clause (v);

6 (2) in the matter in clause (ii) following
7 subclause (III), by striking “The increase” and all
8 that follows through “Any increase” and inserting
9 the following:

10 “(iii) For purposes of subclause (II) of clause (ii),
11 the increase shall be derived by adding to each primary
12 insurance amount described in such subclause (including
13 each such amount as previously increased under this sub-
14 paragraph) the applicable benefit increase amount. Any
15 increase”; and

16 (3) by inserting before clause (v) (as redesign-
17 nated by paragraph (1) of this subsection) the fol-
18 lowing new clause:

19 “(iv) For purposes of subclauses (I) and (III) of
20 clause (ii), the increase shall be derived by multiplying
21 each of the amounts described in such subclauses (includ-
22 ing each of those amounts as previously increased under
23 this subparagraph) by the applicable increase percentage.
24 Any amount so increased which is not a multiple of \$0.10
25 shall be decreased to the next lower multiple of \$0.10.”.

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

3 (1) by striking subparagraphs (C) through (G);

4 (2) by redesignating subparagraph (H) as sub-
5 paragraph (E); and

6 (3) by inserting after subparagraph (B) the fol-
7 lowing new subparagraphs:

8 “(C) the term ‘applicable increase percentage’
9 means, with respect to any cost-of-living computa-
10 tion quarter, the same percentage (rounded to the
11 nearest $\frac{1}{10}$ of 1 percent) as the percentage by which
12 the Consumer Price Index for that cost-of-living
13 computation quarter exceeds such index for the most
14 recent prior calendar quarter which was a base quar-
15 ter under subparagraph (A)(ii), or, if later, the most
16 recent prior cost-of-living computation quarter under
17 subparagraph (B);

18 “(D) the term ‘applicable benefit increase
19 amount’ means, with respect to any increase under
20 this subsection taking effect with the month of De-
21 cember of any year, an amount equal to the product
22 derived by multiplying—

23 “(i) the average of the primary insurance
24 amounts consisting of that 20 percent of the
25 primary insurance amounts, on the basis of

1 which benefits were paid under this title for No-
2 vember of such year, which were the lowest
3 (which average, if not a multiple of \$0.01, shall
4 be rounded to the next lower multiple of \$0.01),
5 by

6 “(ii) the applicable increase percentage,
7 which product, if not a multiple of \$0.10, shall be
8 rounded to the next lower multiple of \$0.10; and”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 215(i) of such Act (42 U.S.C.
11 415(i)) is further amended by striking paragraph
12 (5).

13 (2) The last sentence of section 215(a)(4) of
14 such Act (42 U.S.C. 415(a)(4)) is amended, in
15 subclause (I), by striking “clause (iii) of subsection
16 (i)(2)(A)” and inserting “clause (v) of subsection
17 (i)(2)(A)”.

18 (3) Section 708(c) of such Act (42 U.S.C.
19 909(c)) is amended by striking “, the ‘OASDI fund
20 ratio’ under section 215(i),”.

1 **SEC. 3. CONFORMING AMENDMENTS TO MAINTAIN CUR-**
2 **RENT LEVELS OF COST-OF-LIVING ADJUST-**
3 **MENT BASED ON THE CONSUMER PRICE**
4 **INDEX UNDER OTHER PROGRAMS.**

5 (a) SUPPLEMENTAL SECURITY INCOME FOR THE
6 AGED, BLIND, AND DISABLED.—Section 1617(a)(2) of
7 the Social Security Act (42 U.S.C. 1382f(a)(2)) is amend-
8 ed by striking “by the same percentage” and all that fol-
9 lows through “percentage,” and inserting the following:
10 “by the applicable increase percentage (within the mean-
11 ing of section 215(i)(1)(C)) used in determining the
12 amount by which benefit amounts under title II are in-
13 creased for such month”.

14 (b) SUPPLEMENTARY MEDICAL INSURANCE.—Sec-
15 tion 1839(a)(3)(B) of such Act (42 U.S.C.
16 1395r(a)(3)(B)) is amended by striking “by a percentage”
17 and all that follows through “November 1” and inserting
18 the following: “by the applicable increase percentage
19 (within the meaning of section 215(i)(1)(C)) used in deter-
20 mining the amount by which benefit amounts under title
21 II are increased for the month of December preceding the
22 year of the promulgation”.

23 (c) CERTAIN VETERAN’S BENEFITS.—Section 3112
24 of title 38, United States Code, is amended—

25 (1) in subsection (a), by striking “by the same
26 percentage by which such benefit amounts are in-

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

6 (2) in subsection (b)(1), by striking “by the
7 same percentage as the percentage by which such
8 benefit amounts are increased” and inserting “by
9 the applicable increase percentage (within the mean-
10 ing of section 215(i)(1)(C) of such Act) used in de-
11 termining the amount by which such benefit
12 amounts are increased”.

13 (d) COST-OF-LIVING ADJUSTMENTS TO LIMITATIONS
14 ON BENEFITS AND CONTRIBUTIONS UNDER QUALIFIED
15 PLANS.—Subsection (d) of section 415 of the Internal
16 Revenue Code of 1986 (relating to cost-of-living adjust-
17 ments) is amended by striking “section 215(i)(2)(A)” and
18 inserting “section 215(i)(2)(A)(iv)”.

19 **SEC. 4. EFFECTIVE DATE.**

20 The amendments made by this Act shall apply with
21 respect to adjustments under section 215(i) of the Social
22 Security Act effective with months after November 1993.

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