

104TH CONGRESS
2D SESSION

H. R. 2930

To amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 by providing a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 (and related beneficiaries) and to provide prospectively for increases in their benefits accordingly, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1996

Mr. NEUMANN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 by providing a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 (and related beneficiaries) and to provide prospectively for increases in their benefits accordingly, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Notch Fairness Act
3 of 1996”.

4 **SEC. 2. NEW GUARANTEED MINIMUM PRIMARY INSURANCE**
5 **AMOUNT WHERE ELIGIBILITY ARISES DUR-**
6 **ING TRANSITIONAL PERIOD.**

7 (a) IN GENERAL.—Section 215(a) of the Social Secu-
8 rity Act is amended—

9 (1) in paragraph (4)(B), by inserting “(with or
10 without the application of paragraph (8))” after
11 “would be made”, and by striking “1984” in clause
12 (i) and inserting “1989”; and

13 (2) by adding at the end the following:

14 “(8)(A) In the case of an individual described in
15 paragraph (4)(B) (subject to subparagraph (F) of this
16 paragraph), the amount of the individual’s primary insur-
17 ance amount as computed or recomputed under paragraph
18 (1) shall be deemed equal to the sum of—

19 “(i) such amount, and

20 “(ii) the applicable transitional increase amount
21 (if any).

22 “(B) For purposes of subparagraph (A)(ii), the term
23 ‘applicable transitional increase amount’ means, in the
24 case of any individual, the product derived by multiply-
25 ing—

26 “(i) the excess under former law, by

1 “(ii) the applicable percentage in relation to the
 2 year in which the individual becomes eligible for old-
 3 age insurance benefits, as determined by the follow-
 4 ing table:

“If the individual becomes eligible for such benefits in:	The applicable percentage is:
1979	55 percent
1980	45 percent
1981	35 percent
1982	32 percent
1983	25 percent
1984	20 percent
1985	16 percent
1986	10 percent
1987	3 percent
1988	5 percent.

5 “(C) For purposes of subparagraph (B), the term ‘ex-
 6 cess under former law’ means, in the case of any individ-
 7 ual, the excess of—

8 “(i) the applicable former law primary insur-
 9 ance amount, over

10 “(ii) the amount which would be such individ-
 11 ual’s primary insurance amount if computed or re-
 12 computed under this section without regard to this
 13 paragraph and paragraphs (4), (5), and (6).

14 “(D) For purposes of subparagraph (C)(i), the term
 15 ‘applicable former law primary insurance amount’ means,
 16 in the case of any individual, the amount which would be
 17 such individual’s primary insurance amount if it were—

1 “(i) computed or recomputed (pursuant to
2 paragraph (4)(B)(i)) under section 215(a) as in ef-
3 fect in December 1978, or

4 “(ii) computed or recomputed (pursuant to
5 paragraph (4)(B)(ii)) as provided by subsection (d),
6 (as applicable) and modified as provided by subparagraph
7 (E).

8 “(E) In determining the amount which would be an
9 individual’s primary insurance amount as provided in sub-
10 paragraph (D)—

11 “(i) subsection (b)(4) shall not apply;

12 “(ii) section 215(b) as in effect in December
13 1978 shall apply, except that section 215(b)(2)(C)
14 (as then in effect) shall be deemed to provide that
15 an individual’s ‘computation base years’ may include
16 only calendar years in the period after 1950 (or
17 1936 if applicable) and ending with the calendar
18 year in which such individual attains age 61, plus
19 the 3 calendar years after such period for which the
20 total of such individual’s wages and self-employment
21 income is the largest; and

22 “(iii) subdivision (I) in the last sentence of
23 paragraph (4) shall be applied as though the words
24 ‘without regard to any increases in that table’ in

1 such subdivision read ‘including any increases in
2 that table’.

3 “(F) This paragraph shall apply in the case of any
4 individual only if such application results in a primary in-
5 surance amount for such individual that is greater than
6 it would be if computed or recomputed under paragraph
7 (4)(B) without regard to this paragraph.”.

8 (b) EFFECTIVE DATE AND RELATED RULES.—

9 (1) APPLICABILITY OF AMENDMENTS.—

10 (A) IN GENERAL.—Except as provided in
11 paragraph (2), the amendments made by this
12 Act shall be effective as though they had been
13 included or reflected in section 201 of the So-
14 cial Security Amendments of 1977.

15 (B) PROSPECTIVE APPLICABILITY.—No
16 monthly benefit or primary insurance amount
17 under title II of the Social Security Act shall be
18 increased by reason of such amendments for
19 any month before April 1996.

20 (2) RECOMPUTATION TO REFLECT BENEFIT IN-
21 CREASES.—In any case in which an individual is en-
22 titled to monthly insurance benefits under title II of
23 the Social Security Act for March 1995, if such ben-
24 efits are based on a primary insurance amount com-
25 puted—

1 (A) under section 215 of such Act as in ef-
 2 fect (by reason of the Social Security Amend-
 3 ments of 1977) after December 1978, or

4 (B) under section 215 of such Act as in ef-
 5 fect prior to January 1979 by reason of sub-
 6 section (a)(4)(B) of such section (as amended
 7 by the Social Security Amendments of 1977),
 8 the Commissioner of Social Security (notwithstand-
 9 ing section 215(f)(1) of the Social Security Act)
 10 shall recompute such primary insurance amount so
 11 as to take into account the amendments made by
 12 this Act.

13 **SEC. 3. ENTITLEMENT OF STEPCHILDREN TO CHILD'S IN-**
 14 **SURANCE BENEFITS BASED ON ACTUAL DE-**
 15 **PENDENCY ON STEPPARENT SUPPORT.**

16 (a) REQUIREMENT OF ACTUAL DEPENDENCY FOR
 17 FUTURE ENTITLEMENTS.—

18 (1) IN GENERAL.—Section 202(d)(4) of the So-
 19 cial Security Act (42 U.S.C. 402(d)(4)) is amended
 20 by striking “was living with or”.

21 (2) EFFECTIVE DATE.—The amendment made
 22 by paragraph (1) shall apply with respect to benefits
 23 of individuals who become entitled to such benefits
 24 for months after the third month following the
 25 month in which this Act is enacted.

1 (b) TERMINATION OF CHILD'S INSURANCE BENE-
2 FITS BASED ON WORK RECORD OF STEPPARENT UPON
3 NATURAL PARENT'S DIVORCE FROM STEPPARENT.—

4 (1) IN GENERAL.—Section 202(d)(1) of the So-
5 cial Security Act (42 U.S.C. 402(d)(1)) is amend-
6 ed—

7 (A) by striking “or” at the end of clause
8 (F);

9 (B) by striking the period at the end of
10 clause (G) and inserting “; or”; and

11 (C) by inserting after clause (G) the fol-
12 lowing new clause:

13 “(H) if the benefits under this subsection are
14 based on the wages and self-employment income of
15 a stepparent who is subsequently divorced from such
16 child's natural parent, the sixth month after the
17 month in which the Commissioner of Social Security
18 receives formal notification of such divorce.”.

19 (2) EFFECTIVE DATE.—The amendments made
20 by this subsection shall apply with respect to notifi-
21 cations of divorces received by the Commissioner of
22 Social Security on or after the date of the enactment
23 of this Act.

1 **SEC. 4. DENIAL OF DISABILITY BENEFITS TO DRUG AD-**
2 **ICTS AND ALCOHOLICS.**

3 (a) AMENDMENTS RELATING TO TITLE II DISABIL-
4 ITY BENEFITS.—

5 (1) IN GENERAL.—Section 223(d)(2) of the So-
6 cial Security Act (42 U.S.C. 423(d)(2)) is amended
7 by adding at the end the following:

8 “(C) An individual shall not be considered to be
9 disabled for purposes of this title if alcoholism or
10 drug addiction would (but for this subparagraph) be
11 a contributing factor material to the Commissioner’s
12 determination that the individual is disabled.”.

13 (2) REPRESENTATIVE PAYEE REQUIRE-
14 MENTS.—

15 (A) Section 205(j)(1)(B) of such Act (42
16 U.S.C. 405(j)(1)(B)) is amended to read as fol-
17 lows:

18 “(B) In the case of an individual entitled to benefits
19 based on disability, the payment of such benefits shall be
20 made to a representative payee if the Commissioner of So-
21 cial Security determines that such payment would serve
22 the interest of the individual because the individual also
23 has an alcoholism or drug addiction condition (as deter-
24 mined by the Commissioner) that prevents the individual
25 from managing such benefits.”.

1 (B) Section 205(j)(2)(C)(v) of such Act
2 (42 U.S.C. 405(j)(2)(C)(v)) is amended by
3 striking “entitled to benefits” and all that fol-
4 lows through “under a disability” and inserting
5 “described in paragraph (1)(B)”.

6 (C) Section 205(j)(2)(D)(ii)(II) of such
7 Act (42 U.S.C. 405(j)(2)(D)(ii)(II)) is amended
8 by striking all that follows “15 years, or” and
9 inserting “described in paragraph (1)(B).”.

10 (D) Section 205(j)(4)(A)(ii)(II) (42 U.S.C.
11 405(j)(4)(A)(ii)(II)) is amended by striking
12 “entitled to benefits” and all that follows
13 through “under a disability” and inserting “de-
14 scribed in paragraph (1)(B)”.

15 (3) TREATMENT REFERRALS FOR INDIVIDUALS
16 WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-
17 TION.—Section 222 of such Act (42 U.S.C. 422) is
18 amended by adding at the end the following new
19 subsection:

20 “Treatment Referrals for Individuals with an Alcoholism
21 or Drug Addiction Condition

22 “(e) In the case of any individual whose benefits
23 under this title are paid to a representative payee pursu-
24 ant to section 205(j)(1)(B), the Commissioner of Social
25 Security shall refer such individual to the appropriate

1 State agency administering the State plan for substance
2 abuse treatment services approved under subpart II of
3 part B of title XIX of the Public Health Service Act (42
4 U.S.C. 300x–21 et seq.).”.

5 (4) CONFORMING AMENDMENT.—Subsection (c)
6 of section 225 of such Act (42 U.S.C. 425(c)) is re-
7 pealed.

8 (5) EFFECTIVE DATES.—

9 (A) The amendments made by paragraphs
10 (1) and (4) shall apply with respect to monthly
11 insurance benefits under title II of the Social
12 Security Act based on disability for months be-
13 ginning after the date of the enactment of this
14 Act, except that, in the case of individuals who
15 are entitled to such benefits for the month in
16 which this Act is enacted, such amendments
17 shall apply only with respect to such benefits
18 for months beginning on or after January 1,
19 1997.

20 (B) The amendments made by paragraphs
21 (2) and (3) shall apply with respect to benefits
22 for which applications are filed on or after the
23 date of the enactment of this Act.

24 (C) If an individual who is entitled to
25 monthly insurance benefits under title II of the

1 Social Security Act based on disability for the
2 month in which this Act is enacted and whose
3 entitlement to such benefits would terminate by
4 reason of the amendments made by this sub-
5 section reapplies for benefits under title II of
6 such Act (as amended by this Act) based on
7 disability within 120 days after the date of the
8 enactment of this Act, the Commissioner of So-
9 cial Security shall, not later than January 1,
10 1997, complete the entitlement redetermination
11 with respect to such individual pursuant to the
12 procedures of such title.

13 (b) AMENDMENTS RELATING TO SSI BENEFITS.—

14 (1) IN GENERAL.—Section 1614(a)(3) of the
15 Social Security Act (42 U.S.C. 1382c(a)(3)) is
16 amended by adding at the end the following:

17 “(I) Notwithstanding subparagraph (A), an individ-
18 ual shall not be considered to be disabled for purposes of
19 this title if alcoholism or drug addiction would (but for
20 this subparagraph) be a contributing factor material to
21 the Commissioner’s determination that the individual is
22 disabled.”.

23 (2) REPRESENTATIVE PAYEE REQUIRE-
24 MENTS.—

1 (A) Section 1631(a)(2)(A)(ii)(II) of such
2 Act (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amend-
3 ed to read as follows:

4 “(II) In the case of an individual eligible for benefits
5 under this title by reason of disability, the payment of
6 such benefits shall be made to a representative payee if
7 the Commissioner of Social Security determines that such
8 payment would serve the interest of the individual because
9 the individual also has an alcoholism or drug addiction
10 condition (as determined by the Commissioner) that pre-
11 vents the individual from managing such benefits.”.

12 (B) Section 1631(a)(2)(B)(vii) of such Act
13 (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by
14 striking “eligible for benefits” and all that fol-
15 lows through “is disabled” and inserting “de-
16 scribed in subparagraph (A)(ii)(II)”.

17 (C) Section 1631(a)(2)(B)(ix)(II) of such
18 Act (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is
19 amended by striking all that follows “15 years,
20 or” and inserting “described in subparagraph
21 (A)(ii)(II).”.

22 (D) Section 1631(a)(2)(D)(i)(II) of such
23 Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amend-
24 ed by striking “eligible for benefits” and all

1 that follows through “is disabled” and inserting
 2 “described in subparagraph (A)(ii)(II)”.

3 (3) TREATMENT SERVICES FOR INDIVIDUALS
 4 WITH A SUBSTANCE ABUSE CONDITION.—Title XVI
 5 of such Act (42 U.S.C. 1381 et seq.) is amended by
 6 adding at the end the following new section:

7 “TREATMENT SERVICES FOR INDIVIDUALS WITH A
 8 SUBSTANCE ABUSE CONDITION

9 “SEC. 1636. In the case of any individual whose bene-
 10 fits under this title are paid to a representative payee pur-
 11 suant to section 1631(a)(2)(A)(ii)(II), the Commissioner
 12 of Social Security shall refer such individual to the appro-
 13 priate State agency administering the State plan for sub-
 14 stance abuse treatment services approved under subpart
 15 II of part B of title XIX of the Public Health Service Act
 16 (42 U.S.C. 300x–21 et seq.).”.

17 (4) CONFORMING AMENDMENTS.—

18 (A) Section 1611(e) of such Act (42
 19 U.S.C. 1382(e)) is amended by striking para-
 20 graph (3).

21 (B) Section 1634 of such Act (42 U.S.C.
 22 1383c) is amended by striking subsection (e).

23 (5) EFFECTIVE DATES.—

24 (A) The amendments made by paragraphs
 25 (1) and (4) shall apply with respect to supple-
 26 mental security income benefits under title XVI

1 of the Social Security Act based on disability
2 for months beginning after the date of the en-
3 actment of this Act, except that, in the case of
4 individuals who are eligible for such benefits for
5 the month in which this Act is enacted, such
6 amendments shall apply only with respect to
7 such benefits for months beginning on or after
8 January 1, 1997.

9 (B) The amendments made by paragraphs
10 (2) and (3) shall apply with respect to supple-
11 mental security income benefits under title XVI
12 of the Social Security Act for which applica-
13 tions are filed on or after the date of the enact-
14 ment of this Act.

15 (C) If an individual who is eligible for sup-
16 plemental security income benefits under title
17 XVI of the Social Security Act for the month
18 in which this Act is enacted and whose eligi-
19 bility for such benefits would terminate by rea-
20 son of the amendments made by this subsection
21 reapplies for supplemental security income ben-
22 efits under title XVI of such Act (as amended
23 by this Act) within 120 days after the date of
24 the enactment of this Act, the Commissioner of
25 Social Security shall, not later than January 1,

1 1997, complete the eligibility redetermination
2 with respect to such individual pursuant to the
3 procedures of such title.

4 (D) For purposes of this paragraph, the
5 phrase “supplemental security income benefits
6 under title XVI of the Social Security Act” in-
7 cludes supplementary payments pursuant to an
8 agreement for Federal administration under
9 section 1616(a) of the Social Security Act and
10 payments pursuant to an agreement entered
11 into under section 212(b) of Public Law 93–66.

12 (c) CONFORMING AMENDMENT.—Section 201(c) of
13 the Social Security Independence and Program Improve-
14 ments Act of 1994 (42 U.S.C. 425 note) is repealed.

15 (d) SUPPLEMENTAL FUNDING FOR ALCOHOL AND
16 SUBSTANCE ABUSE TREATMENT PROGRAMS.—

17 (1) IN GENERAL.—Out of any money in the
18 Treasury not otherwise appropriated, there are here-
19 by appropriated to supplement State and Tribal pro-
20 grams funded under section 1933 of the Public
21 Health Service Act (42 U.S.C. 300x–33),
22 \$100,000,000 for each of the fiscal years 1997 and
23 1998.

24 (2) ADDITIONAL FUNDS.—Amounts appro-
25 priated under paragraph (1) shall be in addition to

1 any funds otherwise appropriated for allotments
2 under section 1933 of the Public Health Service Act
3 (42 U.S.C. 300x-33) and shall be allocated pursuant
4 to such section 1933.

5 (3) USE OF FUNDS.—A State or Tribal govern-
6 ment receiving an allotment under this subsection
7 shall consider as priorities, for purposes of expend-
8 ing funds allotted under this subsection, activities
9 relating to the treatment of the abuse of alcohol and
10 other drugs.

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