

107TH 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 3, 2001

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.

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 “Social Security Preser-
3 vation Act of 2001”.

4 **SEC. 2. INVESTMENT OF THE FEDERAL OLD-AGE AND SUR-**

5 **VIVORS INSURANCE TRUST FUND AND THE**
6 **FEDERAL DISABILITY INSURANCE TRUST**
7 **FUND.**

8 (a) IN GENERAL.—Section 201(d) of the Social Secu-
9 rity Act (42 U.S.C. 401(d)) is amended—

10 (1) by inserting “(1)” after “(d)”;

11 (2) by striking “Such investments may be made
12 only” and inserting the following: “Except as pro-
13 vided in paragraph (2), such investments may be
14 made only”;

15 (3) by striking the last sentence; and

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

18 “(2)(A) The Managing Trustee shall determine the
19 annual surplus (as defined in subparagraph (B)) for each
20 of the Trust Funds as of the end of each fiscal year. The

21 Managing Trustee shall ensure that such annual surplus
22 is invested, throughout the next following fiscal year, in—

23 “(i) marketable interest-bearing obligations of
24 the United States or obligations guaranteed as to
25 both principal and interest by the United States,

1 purchased on original issue or at the market price,
2 or

3 “(ii) certificates of deposit in insured depository
4 institutions (as defined in section 3(c)(2) of the Fed-
5 eral Deposit Insurance Act).

6 “(B) For purposes of this paragraph, the ‘annual sur-
7 plus’ for either of the Trust Funds as of the end of a
8 fiscal year is the excess (if any) of—

9 “(i) the sum of—

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

15 “(II) in the case of the Federal Disability
16 Insurance Trust Fund, the amounts appro-
17 priated to such Trust Fund under paragraphs
18 (1) and (2) of subsection (b) for the fiscal year,
19 and

20 “(III) in either case, the amount appro-
21 priated to such Trust Fund under section
22 121(e) of the Social Security Amendments of
23 1983 for the fiscal year, and any amounts oth-
24 erwise credited to or deposited in such Trust
25 Fund under this title for the fiscal year, over

1 “(ii) the amounts paid or transferred from such
2 Trust Fund during the fiscal year.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to annual surpluses
5 as of the end of fiscal years beginning on or after October
6 1, 2002.

7 **SEC. 3. PROTECTION OF THE SOCIAL SECURITY TRUST
8 FUND FROM THE PUBLIC DEBT LIMIT.**

9 (a) PROTECTION OF TRUST FUNDS.—Notwith-
10 standing any other provision of law—

11 (1) no officer or employee of the United States
12 may—

13 (A) delay the deposit of any amount into
14 (or delay the credit of any amount to) the Fed-
15 eral Old-Age and Survivors Insurance Trust
16 Fund or the Federal Disability Insurance Trust
17 Fund or otherwise vary from the normal terms,
18 procedures, or timing for making such deposits
19 or credits, or

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

23 if a purpose of such action or inaction is to not in-
24 crease the amount of outstanding public debt obliga-
25 tions, and

6 (b) PROTECTION OF BENEFITS AND EXPENDITURES
7 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.

22 (2) ISSUANCE OF CORRESPONDING DEBT.—For
23 purposes of undertaking the sale or redemption of
24 public debt obligations held by the Federal Old-Age
25 and Survivors Insurance Trust Fund or the Federal

1 Disability Insurance Trust Fund pursuant to para-
2 graph (1), the Secretary of the Treasury may issue
3 corresponding public debt obligations to the public,
4 in order to obtain the cash necessary for payment of
5 benefits or administrative expenses from such Trust
6 Fund, notwithstanding the public debt limit.

22 (c) PUBLIC DEBT OBLIGATION.—For purposes of
23 this section, the term “public debt obligation” means any

- 1 obligation subject to the public debt limit established
- 2 under section 3101 of title 31, United States Code.

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