

115TH CONGRESS  
1ST SESSION

# H. R. 1114

To enhance Social Security benefits and ensure the long-term solvency of the Social Security program.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2017

Mr. DEFAZIO (for himself, Mr. CÁRDENAS, Ms. CLARKE of New York, Mr. COHEN, Mr. CONYERS, Mr. ELLISON, Mr. AL GREEN of Texas, Mr. GRIJALVA, Ms. NORTON, Ms. KAPTUR, Mr. KEATING, Ms. JAYAPAL, Mr. KHANNA, Ms. LEE, Mr. MCGOVERN, Ms. MOORE, Mrs. NAPOLITANO, Mr. POCAN, Mr. RASKIN, Ms. SCHAKOWSKY, Mr. SCOTT of Virginia, Ms. SHEA-PORTER, Ms. SLAUGHTER, and Mr. TONKO) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, 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 enhance Social Security benefits and ensure the long-term solvency of the Social Security program.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Social Security Expansion Act”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Across-the-board benefit increase.
- Sec. 3. Computation of cost-of-living increases.
- Sec. 4. Increase in minimum benefit for lifetime low earners based on years in the workforce.
- Sec. 5. Payroll tax on remuneration up to contribution and benefit base and more than \$250,000.
- Sec. 6. Tax on net earnings from self-employment up to contribution and benefit base and more than \$250,000.
- Sec. 7. Tax on investment gain.

3 **SEC. 2. ACROSS-THE-BOARD BENEFIT INCREASE.**

4 Section 215(a)(1)(B) of the Social Security Act (42  
 5 U.S.C. 415(a)(1)(B)) is amended—

6 (1) by redesignating clause (iii) as clause (iv);

7 and

8 (2) by inserting after clause (ii) the following  
 9 new clause:

10 “(iii) For individuals who initially become eligi-  
 11 ble for old-age or disability insurance benefits, or  
 12 who die (before becoming eligible for such benefits)  
 13 in any calendar year after 2022, the amount deter-  
 14 mined under clause (i) of this subparagraph for pur-  
 15 poses of subparagraph (A)(i) for such calendar year  
 16 shall be increased by—

17 “(I) for calendar year 2023, 1 percent;

18 “(II) for each of calendar years 2024  
 19 through 2036, the percent determined under

1           this clause for the preceding year increased by  
2           1 percentage point; and

3                   “(III) for calendar year 2037 and each  
4           year thereafter, 15 percent.”.

5 **SEC. 3. COMPUTATION OF COST-OF-LIVING INCREASES.**

6           (a) IN GENERAL.—Section 215(i)(1) of the Social Se-  
7           curity Act (42 U.S.C. 415(i)(1)) is amended by adding  
8           at the end the following new subparagraph:

9                   “(H) the term ‘Consumer Price Index’ means  
10           the Consumer Price Index for Elderly Consumers  
11           (CPI–E, as published by the Bureau of Labor Sta-  
12           tistics of the Department of Labor).”.

13           (b) APPLICATION TO PRE-1979 LAW.—

14                   (1) IN GENERAL.—Section 215(i)(1) of the So-  
15           cial Security Act as in effect in December 1978, and  
16           as applied in certain cases under the provisions of  
17           such Act as in effect after December 1978, is  
18           amended by adding at the end the following new  
19           subparagraph:

20                   “(D) the term ‘Consumer Price Index’ means  
21           the Consumer Price Index for Elderly Consumers  
22           (CPI–E, as published by the Bureau of Labor Sta-  
23           tistics of the Department of Labor).”.

24                   (2) CONFORMING CHANGE.—Section 215(i)(4)  
25           of the Social Security Act (42 U.S.C. 415(i)(4)) is

1           amended by inserting “and by section 102 of the So-  
2           cial Security Expansion Act” after “1986”.

3           (c) NO EFFECT ON ADJUSTMENTS UNDER OTHER  
4 LAWS.—Section 215(i) of the Social Security Act (42  
5 U.S.C. 415(i)) is amended by adding at the end the fol-  
6 lowing:

7           “(6) Any provision of law (other than in this title,  
8 title VIII, or title XVI) which provides for adjustment of  
9 an amount based on a change in benefit amounts resulting  
10 from a determination made under this subsection shall be  
11 applied and administered without regard to the amend-  
12 ments made by section 102 of the Social Security Expan-  
13 sion Act.”.

14           (d) PUBLICATION OF CONSUMER PRICE INDEX FOR  
15 ELDERLY CONSUMERS.—The Bureau of Labor Statistics  
16 of the Department of Labor shall prepare and publish the  
17 index authorized by section 191 of the Older Americans  
18 Amendments Act of 1987 (29 U.S.C. 2 note) for each cal-  
19 endar month, beginning with July of the calendar year fol-  
20 lowing the calendar year in which this Act is enacted, and  
21 such index shall be known as the “Consumer Price Index  
22 for Elderly Consumers”.

23           (e) EFFECTIVE DATE.—The amendments made by  
24 subsection (a) shall apply to determinations made with re-  
25 spect to cost-of-living computation quarters (as defined in

1 section 215(i)(1)(B) of the Social Security Act (42 U.S.C.  
2 415(i)(1)(B))) ending on or after September 30 of the sec-  
3 ond calendar year following the calendar year in which this  
4 Act is enacted.

5 **SEC. 4. INCREASE IN MINIMUM BENEFIT FOR LIFETIME**  
6 **LOW EARNERS BASED ON YEARS IN THE**  
7 **WORKFORCE.**

8 (a) IN GENERAL.—Section 215(a)(1) of the Social  
9 Security Act (42 U.S.C. 415(a)(1)) is amended—

10 (1) by redesignating subparagraph (D) as sub-  
11 paragraph (E); and

12 (2) by inserting after subparagraph (C) the fol-  
13 lowing new subparagraph:

14 “(D)(i) Effective with respect to the benefits of indi-  
15 viduals who become eligible for old-age insurance benefits  
16 or disability insurance benefits (or die before becoming so  
17 eligible) after 2017, no primary insurance amount com-  
18 puted under subparagraph (A) may be less than the great-  
19 er of—

20 “(I) the minimum monthly amount computed  
21 under subparagraph (C); or

22 “(II) in the case of an individual who has more  
23 than 10 years of work (as defined in clause (iv)(I)),  
24 the alternative minimum amount determined under  
25 clause (ii).

1           “(ii)(I) The alternative minimum amount determined  
 2 under this clause is the applicable percentage of  $\frac{1}{12}$  of  
 3 the annual dollar amount determined under clause (iii) for  
 4 the year in which the amount is determined.

5           “(II) For purposes of subclause (I), the applicable  
 6 percentage is the percentage specified in connection with  
 7 the number of years of work, as set forth in the following  
 8 table:

<b>“If the number of years of work is:</b>	<b>The applicable percentage is:</b>
11 .....	6.25 percent
12 .....	12.50 percent
13 .....	18.75 percent
14 .....	25.00 percent
15 .....	31.25 percent
16 .....	37.50 percent
17 .....	43.75 percent
18 .....	50.00 percent
19 .....	56.25 percent
20 .....	62.50 percent
21 .....	68.75 percent
22 .....	75.00 percent
23 .....	81.25 percent
24 .....	87.50 percent
25 .....	93.75 percent
26 .....	100.00 percent
27 .....	106.25 percent
28 .....	112.50 percent
29 .....	118.75 percent
30 or more .....	125.00 percent.

9           “(iii) The annual dollar amount determined under  
 10 this clause is—

11           “(I) for calendar year 2018, the poverty guide-  
 12 line for 2017; and

13           “(II) for any calendar year after 2018, the an-  
 14 nual dollar amount for 2018 multiplied by the ratio  
 15 of—

1           “(aa) the national average wage index (as  
2           defined in section 209(k)(1)) for the second cal-  
3           endar year preceding the calendar year for  
4           which the determination is made, to

5           “(bb) the national average wage index (as  
6           so defined) for 2016.

7           “(iv) For purposes of this subparagraph—

8           “(I) the term ‘year of work’ means, with re-  
9           spect to an individual, a year to which 4 quarters of  
10          coverage have been credited based on such individ-  
11          ual’s wages and self-employment income; and

12          “(II) the term ‘poverty guideline for 2017’  
13          means the annual poverty guideline for 2015 (as up-  
14          dated annually in the Federal Register by the De-  
15          partment of Health and Human Services under the  
16          authority of section 673(2) of the Omnibus Budget  
17          Reconciliation Act of 1981) as applicable to a single  
18          individual.”.

19          (b) RECOMPUTATION.—Notwithstanding section  
20          215(f)(1) of the Social Security Act, the Commissioner of  
21          Social Security shall recompute primary insurance  
22          amounts originally computed for months prior to Novem-  
23          ber 2016 to the extent necessary to carry out the amend-  
24          ments made by this section.

1 (c) CONFORMING AMENDMENT.—Section 209(k)(1)  
2 of such Act (42 U.S.C. 409(k)(1)) is amended by inserting  
3 “215(a)(1)(E),” after “215(a)(1)(D),”.

4 **SEC. 5. PAYROLL TAX ON REMUNERATION UP TO CON-**  
5 **TRIBUTION AND BENEFIT BASE AND MORE**  
6 **THAN \$250,000.**

7 (a) IN GENERAL.—Paragraph (1) of section 3121(a)  
8 of the Internal Revenue Code of 1986 is amended by in-  
9 serting after “such calendar year.” the following: “The  
10 preceding sentence shall apply only to calendar years for  
11 which the contribution and benefit base (as so determined)  
12 is less than \$250,000, and, for such calendar years, only  
13 to so much of the remuneration paid to such employee  
14 by such employer with respect to employment as does not  
15 exceed \$250,000.”.

16 (b) CONFORMING AMENDMENT.—Paragraph (1) of  
17 section 3121 of the Internal Revenue Code of 1986 is  
18 amended by striking “Act) to” and inserting “Act), or in  
19 excess of \$250,000, to”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to remuneration paid after Decem-  
22 ber 31, 2017.



1 **SEC. 6. TAX ON NET EARNINGS FROM SELF-EMPLOYMENT**  
2 **UP TO CONTRIBUTION AND BENEFIT BASE**  
3 **AND MORE THAN \$250,000.**

4 (a) IN GENERAL.—Paragraph (1) of section 1402(b)  
5 of the Internal Revenue Code of 1986 is amended to read  
6 as follows:

7 “(1) in the case of the tax imposed by section  
8 1401(a), the excess of—

9 “(A) that part of the net earnings from  
10 self-employment which is in excess of—

11 “(i) an amount equal to the contribu-  
12 tion and benefit base (as determined under  
13 section 230 of the Social Security Act)  
14 which is effective for the calendar year in  
15 which such taxable year begins, minus

16 “(ii) the amount of the wages paid to  
17 such individual during such taxable years,  
18 over

19 “(B) that part of the net earnings from  
20 self-employment which is in excess of the sum  
21 of—

22 “(i) the excess of—

23 “(I) the net earnings from self-  
24 employment reduced by the excess (if  
25 any) of subparagraph (A)(i) over sub-  
26 paragraph (A)(ii), over

1                   “(II) \$250,000, reduced by such  
2                   contribution and benefit base, plus  
3                   “(ii) the amount of the wages paid to  
4                   such individual during such taxable year in  
5                   excess of such contribution and benefit  
6                   base and not in excess of \$250,000; or”.

7           (b) PHASEOUT.—Subsection (b) of section 1402 of  
8 the Internal Revenue Code of 1986 is amended by adding  
9 at the end the following: “Paragraph (1) shall apply only  
10 to taxable years beginning in calendar years for which the  
11 contribution and benefit base (as determined under section  
12 230 of the Social Security Act) is less than \$250,000.”.

13           (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to net earnings from self-employ-  
15 ment derived, and remuneration paid, after December 31,  
16 2017.

17 **SEC. 7. TAX ON INVESTMENT GAIN.**

18           (a) IN GENERAL.—Subsection (a) of section 1411 of  
19 the Internal Revenue Code of 1986 is amended by striking  
20 “3.8 percent” each place it appears and inserting “10 per-  
21 cent”.

22           (b) CONFORMING AMENDMENT.—The heading for  
23 chapter 2A of the Internal Revenue Code of 1986 is  
24 amended by inserting “**AND SOCIAL SECURITY**”  
25 after “**MEDICARE**”.

1 (c) TRUST FUNDS.—

2 (1) FEDERAL OLD-AGE AND SURVIVORS INSUR-  
3 ANCE TRUST FUND.—Subsection (a) of section 201  
4 of the Social Security Act (42 U.S.C. 401) is amend-  
5 ed—

6 (A) in paragraph (4), by striking the pe-  
7 riod at the end and inserting “; and”;

8 (B) by inserting after paragraph (4) the  
9 following new paragraph:

10 “(5) 62 percent of the taxes imposed under section  
11 1411 of the Internal Revenue Code of 1986, less the  
12 amounts specified in clause (3) of subsection (b) of this  
13 section.”; and

14 (C) in the flush matter at the end—

15 (i) by striking “clauses (3) and (4)”  
16 each place it appears and inserting  
17 “clauses (3), (4), and (5)”;

18 (ii) by striking “clauses (1) and (2)”  
19 and inserting “clauses (1), (2), and (3)”.

20 (2) FEDERAL DISABILITY INSURANCE TRUST  
21 FUND.—Subsection (b) of such section is amended—

22 (A) in paragraph (2), by striking the pe-  
23 riod at the end and inserting “; and”; and

24 (B) by adding at the end the following new  
25 paragraph:

1       “(3) 9 percent of the taxes imposed under section  
2 1411 of the Internal Revenue Code of 1986.”.

3       (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2017.

○