

116TH CONGRESS 1ST SESSION

H. R. 4570

To amend title II of the Social Security Act to allow workers who attain age 65 after 1981 and before 1992 to choose either lump sum payments over four years totaling \$5,000 or an improved benefit computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

September 27, 2019

Ms. Meng (for herself, Mr. Bishop of Georgia, and Mr. Yarmuth) 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 allow workers who attain age 65 after 1981 and before 1992 to choose either lump sum payments over four years totaling \$5,000 or an improved benefit computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, 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.

- This Act may be cited as the "Notch Fairness Act
- 3 of 2019".
- 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
- without the application of paragraph (8))" after
- "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 subparagraphs (F) and (G)
- 16 of this paragraph), the amount of the individual's primary
- 17 insurance amount as computed or recomputed under para-
- 18 graph (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 multi-
- 25 plying—
- 26 "(i) the excess under former law, by

"(ii) the applicable percentage in relation to the year in which the individual becomes eligible for oldage insurance benefits, as determined by the following table:

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

- 5 "(C) For purposes of subparagraph (B), the term 'ex-6 cess under former law' means, in the case of any indi-7 vidual, the excess of—
- 8 "(i) the applicable former law primary insur-9 ance amount, over
- "(ii) the amount which would be such individual's primary insurance amount if computed or recomputed under this section without regard to this paragraph and paragraphs (4), (5), and (6).
- "(D) For purposes of subparagraph (C)(i), the term former law primary insurance amount means, in the case of any individual, the amount which would be

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 "(ii) computed or recomputed (pursuant to 4 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 individual's primary insurance amount as provided in sub-10 paragraph (D)— 11 "(i) subsection (b)(4) shall not apply, "(ii) section 215(b) as in effect in December 12 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 only calendar years in the period after 1950 (or 16 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 "(G)(i) This paragraph shall apply in the case of any
- 9 individual subject to any timely election to receive lump
- 10 sum payments under this subparagraph.
- 11 "(ii) A written election to receive lump sum payments
- 12 under this subparagraph, in lieu of the application of this
- 13 paragraph to the computation of the primary insurance
- 14 amount of an individual described in paragraph (4)(B),
- 15 may be filed with the Commissioner of Social Security in
- 16 such form and manner as shall be prescribed in regula-
- 17 tions of the Commissioner. Any such election may be filed
- 18 by such individual or, in the event of such individual's
- 19 death before any such election is filed by such individual,
- 20 by any other beneficiary entitled to benefits under section
- 21 202 on the basis of such individual's wages and self-em-
- 22 ployment income. Any such election filed after December
- 23 31, 2020, shall be null and void and of no effect.

"(iii) Upon receipt by the Commissioner of a timely 1 2 election filed by the individual described in paragraph 3 (4)(B) in accordance with clause (ii)— "(I) the Commissioner shall certify receipt of 4 5 such election to the Secretary of the Treasury, and 6 the Secretary of the Treasury, after receipt of such 7 certification. shall pay such individual, 8 amounts in the Federal Old-Age and Survivors In-9 surance Trust Fund, a total amount equal to 10 \$5,000, in 4 annual lump sum installments of 11 \$1,250, the first of which shall be made during fis-12 cal year 2021 not later than July 1, 2021, and 13 "(II) subparagraph (A) shall not apply in deter-14 mining such individual's primary insurance amount. 15 "(iv) Upon receipt by the Commissioner as of December 31, 2020, of a timely election filed in accordance with 16 17 clause (ii) by at least one beneficiary entitled to benefits 18 on the basis of the wages and self-employment income of 19 a deceased individual described in paragraph (4)(B), if 20 such deceased individual has filed no timely election in ac-21 cordance with clause (ii)— 22 "(I) the Commissioner shall certify receipt of all 23 such elections received as of such date to the Sec-24 retary of the Treasury, and the Secretary of the 25 Treasury, after receipt of such certification, shall

- pay each beneficiary filing such a timely election, from amounts in the Federal Old-Age and Survivors Insurance Trust Fund, a total amount equal to \$5,000 (or, in the case of two or more such bene-ficiaries, such amount distributed evenly among such beneficiaries), in 4 equal annual lump sum install-ments, the first of which shall be made during fiscal year 2021 not later than July 1, 2021, and
 - "(II) solely for purposes of determining the amount of such beneficiary's benefits, subparagraph (A) shall be deemed not to apply in determining the deceased individual's primary insurance amount.".

(b) EFFECTIVE DATE AND RELATED RULES.—

(1) Applicability of amendments.—

- (A) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this Act shall be effective as though they had been included or reflected in section 201 of the Social Security Amendments of 1977.
- (B) APPLICABILITY.—No monthly benefit or primary insurance amount under title II of the Social Security Act shall be increased by reason of such amendments for any month before July 2021.

1	(2) Recomputation to reflect benefit in-
2	CREASES.—In any case in which an individual is en-
3	titled to monthly insurance benefits under title II of
4	the Social Security Act for June 2021, if such bene-
5	fits are based on a primary insurance amount com-
6	puted—
7	(A) under section 215 of such Act as in ef-
8	fect (by reason of the Social Security Amend-
9	ments of 1977) after December 1978, or
10	(B) under section 215 of such Act as in ef-
11	fect prior to January 1979 by reason of sub-
12	section (a)(4)(B) of such section (as amended
13	by the Social Security Amendments of 1977),
14	the Commissioner of Social Security (notwith-
15	standing section 215(f)(1) of the Social Security
16	Act) shall recompute such primary insurance
17	amount so as to take into account the amendments
18	made by this Act.