

112TH CONGRESS  
1ST SESSION

# S. 804

To adjust the normal and early retirement ages for receipt of benefits under the Social Security program, increase the maximum age for delayed retirement credit, and provide for progressive price indexing of benefits.

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IN THE SENATE OF THE UNITED STATES

APRIL 13, 2011

Mr. GRAHAM (for himself, Mr. PAUL, and Mr. LEE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To adjust the normal and early retirement ages for receipt of benefits under the Social Security program, increase the maximum age for delayed retirement credit, and provide for progressive price indexing of benefits.

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 Sol-  
5 vency and Sustainability Act”.

1 **SEC. 2. ADJUSTMENT TO NORMAL AND EARLY RETIRE-**  
2 **MENT AGE.**

3 Section 216(l) of the Social Security Act (42 U.S.C.  
4 416(l)) is amended—

5 (1) in paragraph (1), by striking subparagraph  
6 (D) and inserting the following new subparagraphs:

7 “(D) with respect to an individual who at-  
8 tains early retirement age after December 31,  
9 2016, and before January 1, 2021, 66 years  
10 plus the number of months in the age increase  
11 factor (as determined under paragraph (5)(A))  
12 for the calendar year in which such individual  
13 attains early retirement age;

14 “(E) with respect to an individual who—

15 “(i) attains 62 years of age after De-  
16 cember 31, 2020, and before January 1,  
17 2028, such individual’s early retirement  
18 age (as determined under paragraph  
19 (2)(A)(ii)) plus 60 months; or

20 “(ii) receives a benefit described in  
21 paragraph (2)(B) and attains 60 years of  
22 age after December 31, 2020, and before  
23 January 1, 2028, 66 years plus the num-  
24 ber of months in the age increase factor  
25 (as determined under paragraph (5)(B))

1 for the calendar year in which such indi-  
2 vidual attains 60 years of age;  
3 “(F) with respect to an individual who—  
4 “(i) attains 62 years of age after De-  
5 cember 31, 2027, and before January 1,  
6 2029, 69 years of age; or  
7 “(ii) receives a benefit described in  
8 paragraph (2)(B) and attains 60 years of  
9 age after December 31, 2027, and before  
10 January 1, 2029, 69 years of age;  
11 “(G) with respect to an individual who—  
12 “(i) attains 62 years of age after De-  
13 cember 31, 2028, and before January 1,  
14 2032, 66 years of age plus the number of  
15 months in the age increase factor (as de-  
16 termined under paragraph (5)(C)); or  
17 “(ii) receives a benefit described in  
18 paragraph (2)(B) and attains 60 years of  
19 age after December 31, 2028, and before  
20 January 1, 2032, 66 years of age plus the  
21 number of months in the age increase fac-  
22 tor (as determined under paragraph  
23 (5)(B));  
24 “(H) with respect to an individual who—

1           “(i) attains 62 years of age after De-  
2           cember 31, 2031, and before January 1,  
3           2033, 70 years of age; or

4           “(ii) receives a benefit described in  
5           paragraph (2)(B) and attains 60 years of  
6           age after December 31, 2031, and before  
7           January 1, 2033, 70 years of age; and

8           “(I) with respect to an individual who—

9           “(i) attains 62 years of age after De-  
10          cember 31, 2032, 70 years of age plus the  
11          number of months in the age increase fac-  
12          tor (as determined under paragraph (6));  
13          or

14          “(ii) receives a benefit described in  
15          paragraph (2)(B) and attains 60 years of  
16          age after December 31, 2032, 70 years of  
17          age plus the number of months in the age  
18          increase factor (as determined under para-  
19          graph (6)).”;

20           (2) by amending paragraph (2) to read as fol-  
21          lows:

22           “(2) The term ‘early retirement age’ means—

23           “(A) in the case of an old-age, wife’s, or  
24           husband’s insurance benefit—

1                   “(i) 62 years of age with respect to an  
2                   individual who attains such age before  
3                   January 1, 2021;

4                   “(ii) with respect to an individual who  
5                   attains 62 years of age after December 31,  
6                   2020, and before January 1, 2028, 62  
7                   years of age plus the number of months in  
8                   the age increase factor (as determined  
9                   under paragraph (4)) for the calendar year  
10                  in which such individual attains 62 years  
11                  of age; and

12                  “(iii) with respect to an individual  
13                  who attains age 62 after December 31,  
14                  2027, 64 years of age; or

15                  “(B) in the case of a widow’s or widower’s  
16                  insurance benefit, 60 years of age.”; and

17                  (3) by striking paragraph (3) and inserting the  
18                  following new paragraphs:

19                  “(3) With respect to an individual who attains  
20                  early retirement age in the 5-year period consisting  
21                  of the calendar years 2000 through 2004, the age  
22                  increase factor shall be equal to two-twelfths of the  
23                  number of months in the period beginning with Jan-  
24                  uary 2000 and ending with December of the year in  
25                  which the individual attains early retirement age.

1           “(4) For purposes of paragraph (2)(A)(ii), the  
2           age increase factor shall be equal to three-twelfths of  
3           the number of months in the period beginning with  
4           January 2021 and ending with December of the  
5           year in which the individual attains 62 years of age.

6           “(5) The age increase factor shall be equal to  
7           three-twelfths of the number of months in the period  
8           beginning with January 2017 and ending with De-  
9           cember of the year in which—

10                   “(A) for purposes of paragraph (1)(D), the  
11                   individual attains early retirement age;

12                   “(B) for purposes of paragraphs (1)(E)(ii)  
13                   and (1)(G)(ii), the individual attains 60 years  
14                   of age; or

15                   “(C) for purposes of paragraph (1)(G)(i),  
16                   the individual attains 62 years of age.

17           “(6) The Commissioner of Social Security shall  
18           determine (using reasonable actuarial assumptions)  
19           and publish on or before November 1 of each cal-  
20           endar year after 2031 the number of months  
21           (rounded, if not a multiple of one month, to the next  
22           lower multiple of one month) by which life expect-  
23           ancy as of October 1 of such calendar year of an in-  
24           dividual attaining early retirement age on such Octo-  
25           ber 1 exceeds the life expectancy as of October 1,

1 2032, of an individual attaining early retirement age  
2 on October 1, 2032. With respect to an individual  
3 who attains early retirement in the calendar year fol-  
4 lowing any calendar year in which a determination  
5 is made under this paragraph, the age increase fac-  
6 tor shall be the number of months determined under  
7 this paragraph as of October 1 of such calendar year  
8 in which such determination is made.”.

9 **SEC. 3. INCREASE IN MAXIMUM AGE FOR DELAYED RETIRE-**  
10 **MENT CREDIT.**

11 (a) IN GENERAL.—Subsection (w) of section 202 of  
12 the Social Security Act (42 U.S.C. 402) is amended—

13 (1) in paragraphs (2)(A) and (3), by striking  
14 “age 70” each place it appears and inserting “the  
15 maximum delayed retirement age (as determined  
16 pursuant to paragraph (7))”;

17 (2) by adding at the end the following new  
18 paragraph:

19 “(7) For purposes of paragraphs (2)(A) and  
20 (3), the ‘maximum delayed retirement age’ shall be  
21 equal to—

22 “(A) during the period before January 1,  
23 2017, 70 years of age for an individual who has  
24 attained early retirement age (as determined

1 under section 216(l)(2)) during such period;  
 2 and

3 “(B) during the period after December 31,  
 4 2016, the sum of—

5 “(i) the retirement age for such cal-  
 6 endar year, as determined under section  
 7 216(l)(1), for an individual who has at-  
 8 tained age 62 (for purposes of section  
 9 216(l)(2)(A)) or who has attained age 60  
 10 (for purposes of section 216(l)(2)(B)) dur-  
 11 ing such calendar year; and

12 “(ii) 4 years.”.

13 (b) EFFECTIVE DATE.—The amendment made by  
 14 subsection (a) shall take effect on January 1, 2017.

15 **SEC. 4. PROGRESSIVE INDEXING OF BENEFITS FOR OLD-**  
 16 **AGE, WIFE’S, AND HUSBAND’S INSURANCE**  
 17 **BENEFITS.**

18 (a) IN GENERAL.—Section 215(a) of the Social Secu-  
 19 rity Act (42 U.S.C. 415(a)) is amended—

20 (1) by striking “The” in paragraph (1)(A) and  
 21 inserting “In the case of any benefit other than an  
 22 applicable benefit to which paragraph (2) applies,  
 23 the”; and

24 (2) by redesignating paragraphs (2) through  
 25 (7) as paragraphs (3) through (8), respectively, and



1 by inserting after paragraph (1) the following new  
2 paragraph:

3 “(2)(A) In the case of an applicable benefit with re-  
4 spect to any individual who initially becomes eligible for  
5 old-age insurance benefits or who dies (before becoming  
6 eligible for such benefits) in calendar year 2018 or later,  
7 the primary insurance amount of the individual shall be  
8 equal to the sum of—

9 “(i) 90 percent of the individual’s average in-  
10 dexed monthly earning (determined under subsection  
11 (b)) to the extent that such earnings do not exceed  
12 the amount established for purposes of paragraph  
13 (1)(A)(i) by paragraph (1)(B);

14 “(ii) 32 percent of the individual’s average in-  
15 dexed monthly earnings to the extent that such  
16 earnings exceed the amount established for purposes  
17 of paragraph (1)(A)(i) by paragraph (1)(B) but do  
18 not exceed the amount established for purposes of  
19 this clause by subparagraph (B);

20 “(iii) 32 percent (reduced as provided in sub-  
21 paragraph (C)) of the individual’s average indexed  
22 monthly earnings to the extent that such earnings  
23 exceed the amount established for purposes of clause  
24 (ii) but do not exceed the amount established for

1 purposes of paragraph (1)(A)(ii) by paragraph  
2 (1)(B); and

3 “(iv) 15 percent (reduced as provided in sub-  
4 paragraph (C)) of the individual’s average indexed  
5 monthly earnings to the extent that such earnings  
6 exceed the amount established for purposes of para-  
7 graph (1)(A)(ii) by paragraph (1)(B).

8 “(B)(i) For purposes of subparagraph (A)(ii), the  
9 amount established under this subparagraph for calendar  
10 year 2016 shall be the level of average indexed monthly  
11 earnings determined by the Chief Actuary of the Social  
12 Security Administration under clause (ii) as being at the  
13 40th percentile for the period of calendar years 2007  
14 through 2009.

15 “(ii) For purposes of clause (i), the average indexed  
16 monthly earnings for the period of calendar years 2007  
17 through 2009 shall be determined by—

18 “(I) determining the average indexed monthly  
19 earnings for each individual who initially became eli-  
20 gible for old-age insurance benefits or who died (be-  
21 fore becoming eligible for such benefits) during such  
22 period, except that in determining such average in-  
23 dexed monthly earnings under subsection (b), sub-  
24 section (b)(3)(A)(ii)(I) shall be applied by sub-

1       stituting calendar year 2004 for the second calendar  
2       year described in such subsection; and

3           “(II) multiplying the amount determined for  
4       each individual under subclause (I) by the quotient  
5       obtained by dividing the national average wage index  
6       (as defined in section 209(k)(1)) for the calendar  
7       year 2016 by such index for the calendar year 2004.

8       “(iii) For purposes of subparagraph (A)(ii), the  
9       amount established under this subparagraph for any cal-  
10      endar year after 2018 shall be equal to the product of  
11      the amount in effect under clause (i) with respect to cal-  
12      endar year 2018 and the quotient obtained by dividing—

13           “(I) the national average wage index (as de-  
14      fined in section 209(k)(1)) for the second calendar  
15      year preceding the calendar year for which the de-  
16      termination is being made, by

17           “(II) the national average wage index (as so de-  
18      fined) for 2016.

19       “(iv) The amount established under this subpara-  
20      graph for any calendar year shall be rounded to the near-  
21      est \$1, except that any amount so established which is  
22      a multiple of \$0.50 but not of \$1 shall be rounded to the  
23      next higher \$1.

24       “(C)(i) Except as provided in clause (ii), in the case  
25      of any calendar year after 2017, each of the percentages

1 to which this subparagraph applies by reason of clauses  
2 (iii) or (iv) of subparagraph (A) shall be a percentage  
3 equal to such percentage multiplied by the quotient ob-  
4 tained by dividing—

5           “(I) the difference of the maximum CPI-in-  
6           dexed benefit amount for such year over the amount  
7           determined under this paragraph for an individual  
8           whose average indexed monthly earnings are equal  
9           to the amount established for purposes of subpara-  
10          graph (A)(ii) for such year, by

11           “(II) the difference of the maximum wage-in-  
12          dexed benefit amount for such year over the amount  
13          determined under this paragraph for an individual  
14          whose average indexed monthly earnings are equal  
15          to the amount established for purposes of subpara-  
16          graph (A)(ii) for such year.

17          “(ii) In the case of any calendar year after 2055,  
18          clause (i) shall not apply and each of the percentages to  
19          which this subparagraph applies by reason of clause (iii)  
20          or (iv) of subparagraph (A) shall be a percentage equal  
21          to the percentage determined under this subparagraph for  
22          the preceding year (determined after the application of  
23          this subparagraph).

24          “(iii) For purposes of clause (i), the maximum wage-  
25          indexed benefit amount for any calendar year shall be

1 equal to the amount determined under this paragraph (de-  
2 termined without regard to any reduction under this sub-  
3 paragraph) for an individual with wages paid in and self-  
4 employment income credited to each computation base  
5 year in an amount equal to the contribution and benefit  
6 base for each calendar year.

7 “(iv) For purposes of clause (i), the maximum CPI-  
8 indexed benefit amount for any calendar year shall be an  
9 amount equal to the amount determined under clause (iii)  
10 for such year multiplied by a fraction—

11 “(I) the numerator of which is the ratio (round-  
12 ed to the nearest one-thousandth of 1 percent) of  
13 the Consumer Price Index for the second preceding  
14 year to such index for 2015; and

15 “(II) the denominator of which is the ratio  
16 (rounded to the nearest one-thousandth of 1 per-  
17 cent) of the national wage index (as defined in sec-  
18 tion 209(k)(1)) for the second year preceding such  
19 year to such index for 2015.

20 “(D) For purposes of this paragraph, rules similar  
21 to the rules of subparagraphs (C) and (D) of paragraph  
22 (1) shall apply.

23 “(E) For purposes of this paragraph, the term ‘appli-  
24 cable benefit’ means any benefit under section 202 other  
25 than—

1           “(i) a child’s insurance benefit under section  
2           202(d) with respect to a child of an individual who  
3           has died; and

4           “(ii) a mother’s and father’s insurance benefit  
5           under section 202(g).”.

6           (b) TREATMENT OF DISABLED BENEFICIARIES.—  
7           Section 215(a) of such Act (as amended by subsection (a))  
8           is amended further by adding at the end the following new  
9           paragraph:

10          “(9)(A) Notwithstanding the preceding provisions of  
11          this subsection, in the case of an individual who has or  
12          has had a period of disability and who initially becomes  
13          eligible for old-age insurance benefits or who dies (before  
14          becoming eligible for such benefits) in any calendar year  
15          in or after 2018, the primary insurance amount of such  
16          individual shall be the sum of—

17                 “(i) the amount determined under subpara-  
18                 graph (B); and

19                 “(ii) the product derived by multiplying—

20                         “(I) the excess of the amount determined  
21                         under subparagraph (C) over the amount deter-  
22                         mined under subparagraph (B), by

23                                 “(II) the adjustment factor for such indi-  
24                                 vidual determined under subparagraph (D).

1       “(B) The amount determined under this subpara-  
2 graph is the amount of such individual’s primary insur-  
3 ance amount as determined under this section without re-  
4 gard to this paragraph.

5       “(C) The amount determined under this subpara-  
6 graph is the amount of such individual’s primary insur-  
7 ance amount as determined under this section as in effect  
8 with respect to individuals becoming eligible for old-age  
9 or disability insurance benefits under section 202(a) on  
10 the date of the enactment of the Social Security Solvency  
11 and Sustainability Act.

12       “(D) The adjustment factor determined under this  
13 subparagraph for any individual is the ratio (not greater  
14 than 1) of—

15               “(i) the total number of months during which  
16 such individual is under a disability (as defined in  
17 section 223(d)) during the period beginning on the  
18 date the individual attains age 22 and ending on the  
19 first day of such individual’s first month of eligibility  
20 for old-age insurance benefits under section 202(a)  
21 (or, if earlier, the month of such individual’s death),  
22 to

23               “(ii) the number of months during the period  
24 beginning on the date the individual attains age 22  
25 and ending on the first day of such individual’s first

1 month of eligibility for old-age insurance benefits  
2 under section 202(a) (or, if earlier, the month of  
3 such individual's death).”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Subsections (e)(2)(B)(i)(I) and  
6 (f)(2)(B)(i)(I) of section 202 of the Social Security  
7 Act are each amended by inserting “or section  
8 215(a)(2)(B)(iii)” after “section 215(a)(1)(B)(i) and  
9 (ii)”.

10 (2) Section 203(a)(10) of such Act is amend-  
11 ed—

12 (A) in subparagraph (A)(i), by striking  
13 “215(a)(2)(B)(i)” and inserting  
14 “215(a)(3)(B)(i)”;

15 (B) in subparagraph (A)(ii), by striking  
16 “215(a)(2)(C)” and inserting “215(a)(3)(C)”;  
17 and

18 (C) in subparagraph (B)(ii), by striking  
19 “215(a)(2)” and inserting “215(a)(3)”.

20 (3) Section 209(k)(1) of such Act is amended  
21 by inserting “215(a)(2)(B), 215(a)(2)(C),” after  
22 “215(a)(1)(D),”.

23 (4) Section 215(a) of such Act is amended—



1 (A) in paragraph (4)(A), as redesignated  
2 by paragraph (2), by striking “paragraph (4)”  
3 and inserting “paragraph (5)”;

4 (B) in paragraph (4)(B), as redesignated  
5 by paragraph (2), by striking “paragraph  
6 (2)(A)” and inserting “paragraph (3)(A)”;

7 (C) in paragraph (5), as redesignated by  
8 paragraph (2), by striking “paragraph (3)(A)”  
9 and inserting “paragraph (4)(A)”;

10 (D) in paragraph (6)(A), as redesignated  
11 by paragraph (2), by striking “paragraph  
12 (4)(B)” and inserting “paragraph (5)(B)”;

13 (E) in paragraph (8)(B)(ii)(I), as redesignated  
14 by paragraph (2), by striking “paragraph  
15 (3)(B)” and inserting “paragraph (4)(B)”.

16 (5) Section 215(d)(3) of such Act is amended—

17 (A) by striking “paragraph (4)(B)(ii)” and  
18 inserting “paragraph (5)(B)(ii)”;

19 (B) by striking “subsection (a)(7)(C)” and  
20 inserting “subsection (a)(8)(C)”.

21 (6) Subsection 215(f) of such Act is amended—

22 (A) in paragraph (2)(B), by striking “sub-  
23 section (a)(4)(B)” and inserting “subsection  
24 (a)(5)(B)”;

1           (B) in paragraph (7), by striking “sub-  
2           section (a)(4)(B)” and inserting “subsection  
3           (a)(5)(B)”, and by striking “subsection (a)(6)”  
4           and inserting “subsection (a)(7)”;

5           (C) in paragraph (9)(A)—

6                 (i) by striking “subsection (a)(7)(A)”  
7                 and inserting “subsection (a)(8)(A)”; and

8                 (ii) by striking “subsection (a)(7)(C)”  
9                 and inserting “subsection (a)(8)(C)”; and

10           (D) in paragraph (9)(B), by striking “sub-  
11           section (a)(7)” each place it appears and insert-  
12           ing “subsection (a)(8)”.

○