

103^D CONGRESS
2^D SESSION

H. R. 3802

To provide that cost-of-living adjustments to payments made under Federal law shall be determined using a new price index which does not take into account tobacco products and distilled spirits.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1994

Mr. SMITH of Michigan introduced the following bill; which was referred jointly to the Committees on Ways and Means, Post Office and Civil Service, Energy and Commerce, and Armed Services

A BILL

To provide that cost-of-living adjustments to payments made under Federal law shall be determined using a new price index which does not take into account tobacco products and distilled spirits.

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. COST-OF-LIVING ADJUSTMENTS TO PAYMENTS**
2 **MADE UNDER FEDERAL LAW DETERMINED**
3 **USING PRICE INDEX WHICH DOES NOT TAKE**
4 **INTO ACCOUNT TOBACCO PRODUCTS AND**
5 **DISTILLED SPIRITS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law, the Consumer Price Index for Government
8 Use (CPI-G) established by subsection (c) shall be used
9 to determine the amount of any cost-of-living or similar
10 adjustment to any payment (including payments referred
11 to in subsection (b)) made under Federal law which is oth-
12 erwise subject to such an adjustment using any price index
13 which takes into account prices of tobacco products or dis-
14 tilled spirits or both.

15 (b) PAYMENTS AFFECTED.—The payments referred
16 to in this subsection are:

17 (1) Benefits payable under the Social Security
18 Act.

19 (2) Retirement benefits payable to former em-
20 ployees of the United States or to former members
21 of the Armed Forces of the United States.

22 (3) Payments on account of the death or dis-
23 ability of any employee or former employee of the
24 United States.

25 (4) Tier 1 railroad retirement benefits.

26 (c) PUBLICATION OF NEW INDEX.—

1 (1) IN GENERAL.—Not later than August 1,
2 1994, the Bureau of Labor Statistics shall publish
3 a Consumer Price Index for Government Use (CPI-
4 G).

5 (2) INDEX NOT TO INCLUDE TOBACCO PROD-
6 UCTS AND DISTILLED SPIRITS.—The Consumer
7 Price Index for Government Use (CPI-G) shall be
8 modeled after the Consumer Price Index for All
9 Urban Consumers, but shall not include tobacco
10 products and distilled spirits in the items for which
11 prices are compared.

12 (3) PAST PERIODS INCLUDED.—Such Index
13 shall be determined, to the extent practicable, for
14 the same periods before October 1, 1994, that the
15 Consumer Price Index for All Urban Consumers was
16 determined.

17 (d) TRANSITION TO NEW INDEX.—If, in determining
18 an amount for any period, an adjustment takes into ac-
19 count periods before October 1, 1994, and periods after
20 September 30, 1994—

21 (1) the Consumer Price Index for Government
22 Use shall be treated as being used for all periods,
23 and

24 (2) the amount being adjusted shall be treated
25 as being the amount which, had such Index been

1 used for all prior periods, would result in the
2 amount in effect for the immediately preceding pe-
3 riod.

4 (e) EFFECTIVE DATE.—The section shall apply to
5 adjustments after September 30, 1994.

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