

106TH CONGRESS
2^D SESSION

H. R. 4551

To repeal the 1993 increase in tax on Social Security benefits and to develop and apply a Consumer Price Index that accurately reflects the cost-of-living for older Americans who receive Social Security benefits under title II of the Social Security Act.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2000

Mr. BASS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, and Rules, 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 repeal the 1993 increase in tax on Social Security benefits and to develop and apply a Consumer Price Index that accurately reflects the cost-of-living for older Americans who receive Social Security benefits under title II of the Social Security Act.

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 “Fair Benefits for Sen-
5 iors Act of 2000”.

1 **SEC. 2. REPEAL OF 1993 INCREASE IN TAX ON SOCIAL SECU-**
2 **RITY BENEFITS.**

3 (a) IN GENERAL.—Paragraph (2) of section 86(a) of
4 the Internal Revenue Code of 1986 (relating to social se-
5 curity and tier 1 railroad retirement benefits) is amended
6 by adding at the end the following new sentence:

7 “This paragraph shall not apply to any taxable year
8 beginning after December 31, 2000.”

9 (b) CONFORMING AMENDMENTS.—

10 (1) Paragraph (3) of section 871(a) of such
11 Code is amended by striking “85 percent” in sub-
12 paragraph (A) and inserting “50 percent”.

13 (2)(A) Subparagraph (A) of section 121(e)(1)
14 of the Social Security Amendments of 1983 (Public
15 Law 98–21) is amended—

16 (i) by striking “(A) There” and inserting
17 “There”;

18 (ii) by striking “(i)” immediately following
19 “amounts equivalent to”; and

20 (iii) by striking “, less (ii)” and all that
21 follows and inserting a period.

22 (B) Paragraph (1) of section 121(e) of such Act
23 is amended by striking subparagraph (B).

24 (C) Paragraph (3) of section 121(e) of such Act
25 is amended by striking subparagraph (B) and by re-
26 designating subparagraph (C) as subparagraph (B).

1 (D) Paragraph (2) of section 121(e) of such
2 Act is amended in the first sentence by striking
3 “paragraph (1)(A)” and inserting “paragraph (1)”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2000.

7 **SEC. 3. IMPROVEMENT OF CONSUMER PRICE INDEX FOR**
8 **THE ELDERLY BY CONGRESSIONALLY AP-**
9 **POINTED REVIEW COMMITTEE.**

10 (a) ESTABLISHMENT OF CONSUMER PRICE INDEX
11 REVIEW COMMITTEE.—

12 (1) ESTABLISHMENT.—There is established a
13 review committee to be known as the Consumer
14 Price Index Review Committee (in this section re-
15 ferred to as the “Committee”).

16 (2) MEMBERSHIP.—The Committee shall be
17 composed of 15 members jointly appointed by the
18 leadership of the Senate and the House of Rep-
19 resentatives of whom—

20 (A) 11 shall be leading experts in the field
21 of economics and, to the extent feasible, famil-
22 iar with the issues related to the calculation of
23 changes in the cost of living; and

24 (B) 4 shall be representatives of individ-
25 uals who have attained age 65.

1 (3) TERMS AND VACANCIES.—

2 (A) TERMS.—A member of the Committee
3 appointed under paragraph (2) shall be ap-
4 pointed for the duration of the Committee.

5 (B) VACANCIES.—

6 (i) IN GENERAL.—A vacancy on the
7 Committee shall be filled in the same man-
8 ner in which the original appointment was
9 made and shall be subject to any condi-
10 tions which applied with respect to the
11 original appointment.

12 (ii) FILLING UNEXPIRED TERM.—An
13 individual chosen to fill a vacancy shall be
14 appointed for the duration of the Com-
15 mittee.

16 (4) INITIAL MEETING.—Not later than 30 days
17 after the date on which all members of the Com-
18 mittee have been appointed, the Committee shall
19 hold its first meeting.

20 (5) QUORUM.—A majority of the members of
21 the Committee shall constitute a quorum, but a less-
22 er number of members may hold hearings.

23 (6) CHAIRPERSON AND VICE CHAIRPERSON.—
24 The Committee shall select a Chairperson and Vice

1 Chairperson from among the members appointed
2 under paragraph (2).

3 (b) DUTIES.—

4 (1) STUDY AND DEVELOPMENT OF IMPLEMEN-
5 TATION PLAN.—

6 (A) IN GENERAL.—The Committee shall
7 conduct a study—

8 (i) to improve the method for deter-
9 mining an index, to be known as the “Con-
10 sumer Price Index for the Elderly”;

11 (ii) to make recommendations ad-
12 dressing the limitations of the method for
13 determining the Experimental Consumer
14 Price Index for the Elderly calculated by
15 the Bureau of Labor Statistics to ensure
16 that the improved index accurately meas-
17 ures changes over time in expenditures for
18 consumption that are typical for retirees in
19 the United States who receive old-age and
20 survivors insurance benefits under title II
21 of the Social Security Act (42 U.S.C. 401
22 et seq.); and

23 (iii) to develop an implementation
24 plan.

1 (B) STUDY REQUIREMENTS.—The study
2 described in subparagraph (A) shall include the
3 following requirements:

4 (i) The Consumer Price Index for the
5 Elderly shall be based on an accurate mar-
6 ket basket of goods and services that re-
7 flect a representative collection of typical
8 purchases by the total retiree population in
9 the United States who receive old-age and
10 survivors insurance benefits under title II
11 of such Act.

12 (ii) The Consumer Expenditure Sur-
13 vey used by the Bureau of Labor Statistics
14 to calculate the Experimental Consumer
15 Price Index for the Elderly shall be re-de-
16 signed and expanded to collect expenditure
17 patterns representative of such total retiree
18 population.

19 (iii) The areas and outlets priced by
20 the Bureau of Labor Statistics to calculate
21 the Experimental Consumer Price Index
22 for the Elderly shall be modified to reflect
23 a representation of the places of purchase
24 for such total retiree population.

1 (iv) The categories of items to be
2 priced shall be selected to represent such
3 total retiree population.

4 (v) The prices collected shall ade-
5 quately reflect the availability of discount
6 prices for such total retiree population.

7 (vi) Any other limitations otherwise
8 found to affect the accuracy of the Con-
9 sumer Price Index for the Elderly shall be
10 removed.

11 (C) ADDITIONAL STUDY.—The Committee
12 shall also study the method for determining an
13 accurate consumer price index for individuals
14 who receive disability insurance benefits under
15 title II of such Act.

16 (2) REPORT.—

17 (A) IN GENERAL.—Subject to subpara-
18 graph (B), not later than 1 year after the ini-
19 tial meeting of the Committee under subsection
20 (a)(4), the Committee shall submit a report to
21 Congress on the study conducted in accordance
22 with paragraph (1).

23 (B) REQUIRED APPROVAL.—The Com-
24 mittee shall not submit a report under subpara-

1 graph (A) unless the report has the approval of
2 at least 9 members of the Committee.

3 (c) POWERS.—

4 (1) HEARINGS.—The Committee may hold such
5 hearings, sit and act at such times and places, take
6 such testimony, and receive such evidence as the
7 Committee considers advisable to carry out the pur-
8 poses of this section.

9 (2) INFORMATION FROM FEDERAL AGENCIES.—

10 The Committee may secure directly from any Fed-
11 eral department or agency such information as the
12 Committee considers necessary to carry out this sec-
13 tion, including the published and unpublished data
14 and analytical products of the Bureau of Labor Sta-
15 tistics. Upon request of the Chairperson of the Com-
16 mittee, the head of such department or agency shall
17 furnish such information to the Committee in a
18 timely manner.

19 (3) POSTAL SERVICES.—The Committee may
20 use the United States mails in the same manner and
21 under the same conditions as other departments and
22 agencies of the Federal Government.

23 (4) GIFTS.—The Committee may accept, use,
24 and dispose of gifts or donations of services or prop-
25 erty.

1 (d) PERSONNEL MATTERS.—

2 (1) COMPENSATION OF MEMBERS.—Each mem-
3 ber of the Committee who is not otherwise an officer
4 or employee of the Federal Government shall be
5 compensated at a rate equal to the daily equivalent
6 of the annual rate of basic pay prescribed for level
7 III of the Executive Schedule under section 5315 of
8 title 5, United States Code, for each day (including
9 travel time) during which such member is engaged
10 in the performance of the duties of the Committee.
11 All members of the Committee who otherwise are of-
12 ficers or employees of the United States shall serve
13 without compensation in addition to that received for
14 their services as officers or employees of the United
15 States.

16 (2) TRAVEL EXPENSES.—The members of the
17 Committee shall be allowed travel expenses, includ-
18 ing per diem in lieu of subsistence, at rates author-
19 ized for employees of agencies under subchapter I of
20 chapter 57 of title 5, United States Code, while
21 away from their homes or regular places of business
22 in the performance of services for the Committee.

23 (3) STAFF.—

24 (A) IN GENERAL.—The Chairperson of the
25 Committee may, without regard to the civil

1 service laws and regulations, appoint and termi-
2 nate an executive director and such other addi-
3 tional personnel as may be necessary to enable
4 the Committee to perform its duties. The em-
5 ployment of an executive director shall be sub-
6 ject to confirmation by the Committee.

7 (B) COMPENSATION.—The Chairperson of
8 the Committee may fix the compensation of the
9 executive director and other personnel without
10 regard to the provisions of chapter 51 and sub-
11 chapter III of chapter 53 of title 5, United
12 States Code, relating to classification of posi-
13 tions and General Schedule pay rates, except
14 that the rate of pay for the executive director
15 and other personnel may not exceed the rate
16 payable for level IV of the Executive Schedule
17 under section 5316 of such title.

18 (4) DETAIL OF GOVERNMENT EMPLOYEES.—
19 Any Federal Government employee may be detailed
20 to the Committee without additional reimbursement
21 (other than the employee's regular compensation),
22 and such detail shall be without interruption or loss
23 of civil service status or privilege.

24 (5) PROCUREMENT OF TEMPORARY AND INTER-
25 MITTENT SERVICES.—The Chairperson of the Com-

1 mittee may procure temporary and intermittent serv-
2 ices under section 3109(b) of title 5, United States
3 Code, at rates for individuals which do not exceed
4 the daily equivalent of the annual rate of basic pay
5 prescribed for level V of the Executive Schedule
6 under section 5316 of such title.

7 (e) TERMINATION.—The Committee shall terminate
8 1 year after the date of the initial meeting of the Com-
9 mittee under subsection (a)(4).

10 (f) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to the Committee such
12 sums as are necessary to carry out the purposes of this
13 section.

14 **SEC. 4. BUREAU OF LABOR STATISTICS PILOT PROGRAM**
15 **TO TEST CONSUMER PRICE INDEX FOR THE**
16 **ELDERLY.**

17 (a) PILOT PROGRAM.—The Commissioner of the Bu-
18 reau of Labor Statistics shall establish a pilot program
19 to test the accuracy of an operational index to be rec-
20 ommended by the Consumer Price Index Review Com-
21 mittee under section 3 and to be known as the “Consumer
22 Price Index for the Elderly”, which indicates changes over
23 time in expenditures for consumption which are typical for
24 retirees in the United States who receive old-age and sur-

1 vivors insurance benefits under title II of the Social Secu-
2 rity Act (42 U.S.C. 401 et seq.).

3 (b) DURATION OF PILOT PROGRAM.—The pilot pro-
4 gram shall commence with the first month that begins
5 after the date of the submission of the report under sec-
6 tion 3(b)(2) and shall continue through December 2003.

7 **SEC. 5. INTERIM APPLICATION OF CONSUMER PRICE**
8 **INDEX FOR ALL URBAN CONSUMERS.**

9 For cost-of-living computation quarters (as defined in
10 section 215(i)(1)(B) of the Social Security Act (42 U.S.C.
11 415(i)(1)(B)) occurring during the period that begins on
12 January 1, 2001, and ends with the implementation of
13 the Official Consumer Price Index for the Elderly under
14 section 6(b), the Commissioner of Social Security, not-
15 withstanding section 215(i) of the Social Security Act (42
16 U.S.C. 415(i)) and any regulations promulgated there-
17 under, shall use the Consumer Price Index for All Urban
18 Consumers to calculate cost-of-living adjustments for ben-
19 efits described in section 6(b)(1).

20 **SEC. 6. APPLICATION OF CONSUMER PRICE INDEX FOR**
21 **THE ELDERLY.**

22 (a) IMPLEMENTATION.—

23 (1) COMMISSIONER OF BUREAU OF LABOR STA-
24 TISTICS.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), not later than the fourth year that
3 begins after the Consumer Price Index Review
4 Committee submits the report required under
5 section 3(b)(2), the Commissioner of the Bu-
6 reau of Labor Statistics shall prepare and pub-
7 lish monthly the Official Consumer Price Index
8 for the Elderly based on the implementation
9 plan and recommendations included in that re-
10 port.

11 (B) NO IMPLEMENTATION IF CONGRES-
12 SIONAL DISAPPROVAL OF COMMITTEE RE-
13 PORT.—Subparagraph (A) shall not apply if a
14 joint resolution is enacted, in accordance with
15 paragraph (2), disapproving the report sub-
16 mitted by the Consumer Price Index Review
17 Committee before the end of the 90-day period
18 that begins on the date on which the Review
19 Committee submits the report.

20 (C) EXCLUSION OF CERTAIN DAYS.—For
21 purposes of subparagraph (B) and paragraph
22 (2), the days on which either House of Con-
23 gress is not in session because of an adjourn-
24 ment of more than 3 days to a day certain shall
25 be excluded from the computation of the period.

1 (2) CONGRESSIONAL CONSIDERATION.—

2 (A) TERMS OF THE RESOLUTION.—For
3 purposes of paragraph (1)(A), the term “joint
4 resolution” means only a joint resolution that is
5 introduced within the period described in that
6 paragraph and—

7 (i) that does not have a preamble;

8 (ii) the matter after the resolving
9 clause of which is as follows: “That Con-
10 gress disapproves the report of the Con-
11 sumer Price Index Review Committee re-
12 garding the implementation of the Con-
13 sumer Price Index for the Elderly sub-
14 mitted on .”, the blank space
15 being filled in with the appropriate date;
16 and

17 (iii) the title of which is as follows:
18 “Joint resolution disapproving the report
19 of the Consumer Price Index Review Com-
20 mittee regarding the implementation of the
21 Consumer Price Index for the Elderly.”.

22 (B) REFERRAL.—A resolution described in
23 subparagraph (A) that is introduced—

1 (i) in the House of Representatives,
2 shall be referred to the Committee on
3 Ways and Means; and

4 (ii) in the Senate, shall be referred to
5 the Committee on Finance.

6 (C) DISCHARGE.—If a committee to which
7 a resolution described in subparagraph (A) is
8 referred has not reported such resolution by the
9 end of the 60-day period beginning on the date
10 on which the Consumer Price Index Review
11 Committee submits the report required under
12 section 3(b)(2), such committee shall be, at the
13 end of such period, discharged from further
14 consideration of such resolution, and such reso-
15 lution shall be placed on the appropriate cal-
16 endar of the House involved.

17 (D) CONSIDERATION.—On or after the
18 third day after the date on which the committee
19 to which a resolution described in subparagraph
20 (A) has reported, or has been discharged from
21 further consideration of such resolution, such
22 resolution shall be considered in the same man-
23 ner as a resolution is considered under sub-
24 sections (d), (e), and (f) of section 2908 of the

1 Defense Base Closure and Realignment Act of
2 1990 (10 U.S.C. 2687 note).

3 (b) USE OF INDEX.—For cost-of-living computation
4 quarters (as defined in section 215(i)(1)(B) of the Social
5 Security Act (42 U.S.C. 415(i)(1)(B))) beginning on or
6 after January 1 of the calendar year that begins after the
7 Commissioner of the Bureau of Labor Statistics first pre-
8 pares and publishes the Official Consumer Price Index for
9 the Elderly in accordance with subsection (a)(1), the Com-
10 missioner of Social Security shall—

11 (1) cease using the Consumer Price Index for
12 All Urban Consumers to calculate cost-of-living ad-
13 justments for old-age and survivors insurance bene-
14 fits payable under title II of the Social Security Act
15 (42 U.S.C. 401 et seq.) to any retiree or individual
16 who has attained age 62; and

17 (2) notwithstanding section 215(i) of the Social
18 Security Act (42 U.S.C. 415(i)) and any regulations
19 promulgated thereunder, use the Official Consumer
20 Price Index for the Elderly to calculate such adjust-
21 ments.

22 (c) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to the Bureau of Labor

- 1 Statistics such sums as are necessary to carry out the pur-
- 2 poses of this section.

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