

117TH CONGRESS
1ST SESSION

H. R. 3889

To amend title II of the Social Security Act to provide an option to claim a delayed retirement credit in a partial lump sum, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2021

Mr. SMITH of Nebraska 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 provide an option to claim a delayed retirement credit in a partial lump sum, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Providing Choice for
5 Social Security Retirees Act”.

6 **SEC. 2. OPTION TO CLAIM DELAYED RETIREMENT CREDIT**
7 **IN PARTIAL LUMP SUM.**

8 Section 202(w) of the Social Security Act (42 U.S.C.
9 402(w)) is amended by adding at the end the following:

1 “(7)(A) In any case in which an individual becomes
2 entitled to an old-age insurance benefit in a calendar year
3 after 2021, and such benefit is subject to a monthly in-
4 crease under paragraph (1), such individual may elect to
5 receive, in lieu of the monthly increase under paragraph
6 (1)—

7 “(i) an alternate monthly increase as deter-
8 mined under subparagraph (E); and

9 “(ii) in addition to such monthly benefit as in-
10 creased under clause (i), a one-time lump sum pay-
11 ment, payable at the time of such individual’s enti-
12 tlement to such benefit, equal to the sum of the
13 present values (as determined by the Commissioner
14 of Social Security using reasonable assumptions) of
15 the applicable percentage (determined under sub-
16 paragraph (B)) of the amount of such monthly ben-
17 efit (as determined before the application of such in-
18 crease) for each month in the life expectancy period
19 (determined under subparagraph (C)).

20 “(B) The applicable percentage determined under
21 this subparagraph is the percentage equal to the product
22 of—

23 “(i) $\frac{1}{6}$ of 1 percent, multiplied by

24 “(ii) the number (if any) of the increment
25 months for such individual.

1 “(C) The life expectancy period determined under
2 this subparagraph is, with respect to an individual, the
3 period—

4 “(i) beginning with the month in which the in-
5 dividual becomes entitled to an old-age insurance
6 benefit; and

7 “(ii) ending with the month before the last
8 month of life expectancy (as determined by the Com-
9 missioner of Social Security using reasonable actu-
10 arial assumptions) for the cohort of individuals who
11 become eligible for an old-age insurance benefit in
12 the same month as the individual.

13 “(D) The Commissioner of Social Security shall cer-
14 tify to the Managing Trustee of the Federal Old-Age and
15 Survivors Insurance Trust Fund the amount of any lump
16 sum payment payable to an individual under subpara-
17 graph (A) and, upon receipt of such certification, the Man-
18 aging Trustee shall make payment of such lump sum pay-
19 ment to such individual from such Trust Fund.

20 “(E) An alternate monthly increase for an individual
21 determined under this subparagraph shall be equal to the
22 monthly increase for the individual that would be deter-
23 mined under paragraph (1) if such monthly increase were
24 determined by substituting ‘ $\frac{1}{2}$ ’ for ‘ $\frac{2}{3}$ ’ in paragraph
25 (6)(D).

1 “(F)(i) For purposes of determining the amount of
2 any benefit payable under this title on the basis of the
3 wages and self-employment income of an individual who
4 makes an election under this paragraph, the amount of
5 any such benefit shall be determined as if such individual’s
6 old-age benefit had been increased under paragraph (1)
7 without regard to this paragraph.

8 “(ii) For purposes of applying any reduction under
9 subsection (k)(3)(A) to the monthly insurance benefit of
10 an individual who makes an election under this paragraph,
11 the amount of such individual’s old-age benefit shall be
12 determined as if such old-age benefit had been increased
13 under paragraph (1) without regard to this paragraph.”.

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