

115TH CONGRESS
2D SESSION

H. R. 7195

To amend title II of the Social Security Act to make various reforms to Social Security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 2018

Ms. MOORE (for herself, Ms. SCHAKOWSKY, Mr. PAYNE, Mr. HASTINGS, and Ms. WILSON of Florida) 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 make various reforms to Social Security, 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 “Social Security En-
5 hancement and Protection Act of 2017”.

6 **SEC. 2. INCREASE IN SPECIAL MINIMUM BENEFIT FOR**
7 **LIFETIME LOW EARNERS BASED ON YEARS IN**
8 **THE WORKFORCE.**

9 Section 215(a)(1)(C) of the Social Security Act (42
10 U.S.C. 415(a)(1)(C)) is amended to read as follows:

1 “(C)(i) Effective with respect to the benefits of indi-
 2 viduals who become eligible for old-age insurance benefits
 3 or disability insurance benefits (or die before becoming so
 4 eligible) after 2018, no primary insurance amount com-
 5 puted under subparagraph (A) may be less than the appli-
 6 cable percentage of $\frac{1}{12}$ of the annual dollar amount deter-
 7 mined under clause (iv) for the year in which the amount
 8 is determined.

9 “(ii) For purposes of clause (i), the applicable per-
 10 centage is the percentage specified in connection with the
 11 number of years of work, as set forth in the following
 12 table:

“If the number of years of work is:	The applicable percentage is:
11	36.7 percent
12	40.0 percent
13	43.3 percent
14	46.7 percent
15	50.0 percent
16	53.3 percent
17	56.7 percent
18	60.0 percent
19	63.3 percent
20	66.7 percent
21	70.0 percent
22	73.3 percent
23	76.7 percent
24	80.0 percent
25	83.3 percent
26	86.7 percent
27	90.0 percent
28	93.3 percent
29	96.7 percent
30 or more	100.0 percent.

13 “(iii) For purposes of this subparagraph, the term
 14 ‘number of years of work’ means, with respect to an indi-
 15 vidual, the sum of—

1 “(I) $\frac{1}{4}$ of the total number of quarters of cov-
2 erage credited to such individual (disregarding any
3 fraction); and

4 “(II) the number of years (not exceeding 5) in
5 all of which the individual provided care for a child
6 under 6 years of age who resided in the individual’s
7 home.

8 “(iv)(I) The annual dollar amount determined under
9 this clause is the poverty guideline for the calendar year
10 preceding the calendar year in which the determination
11 is made.

12 “(II) For purposes of this clause, the term ‘poverty
13 guideline’ means the annual poverty guideline (as updated
14 annually in the Federal Register by the Department of
15 Health and Human Services under the authority of section
16 673(2) of the Omnibus Budget Reconciliation Act of
17 1981) as applicable to a single individual.”.

18 **SEC. 3. ESTABLISHMENT OF AN INCREASED BENEFIT FOR**
19 **BENEFICIARIES ON ACCOUNT OF LONG-TERM**
20 **ELIGIBILITY.**

21 (a) IN GENERAL.—Section 202 of the Social Security
22 Act (42 U.S.C. 402) is amended by adding at the end the
23 following new subsection:

24 “(aa) INCREASE IN BENEFIT AMOUNTS ON ACCOUNT
25 OF LONG-TERM ELIGIBILITY.—(1) In the case of an indi-

1 vidual who is a qualified beneficiary for a calendar year
2 after 2018, the amount of any monthly insurance benefit
3 of such qualified beneficiary under this section or section
4 223 for any month in such calendar year shall be in-
5 creased in accordance with paragraph (3).

6 “(2)(A) For purposes of this subsection, the term
7 ‘qualified beneficiary’ for a calendar year means an indi-
8 vidual in any case in which such calendar year begins at
9 least 16 years after the applicable date of eligibility for
10 such individual.

11 “(B) For purposes of this subsection, the applicable
12 date of eligibility for an individual is the date on which
13 the individual on whose wages and self-employment in-
14 come the monthly insurance benefit is based initially be-
15 came eligible (or died before becoming eligible) for old-
16 age insurance benefits under subsection (a) or disability
17 insurance benefits under section 223.

18 “(3)(A) The increase required under paragraph (1)
19 with respect to the monthly insurance benefit of an indi-
20 vidual who is a qualified beneficiary for a calendar year
21 shall be equal to the applicable percentage (specified for
22 such benefit in subparagraph (B)) of the full increase
23 amount for such calendar year (determined under sub-
24 paragraph (C)).

1 “(B) The applicable percentage specified for a
 2 monthly insurance benefit under this subparagraph for a
 3 calendar year is the percentage specified, in connection
 4 with the number of years ending after the applicable date
 5 of eligibility for such individual and before such calendar
 6 year, in the following table:

“If the number of years is:	The applicable percentage is:
16	20 percent
17	40 percent
18	60 percent
19	80 percent
20 or larger	100 percent.

7 “(C)(i) Except as provided in clause (ii), the full in-
 8 crease amount determined under this subparagraph for a
 9 calendar year in connection with the monthly insurance
 10 benefit of a qualified beneficiary is a dollar amount equal
 11 to 5 percent of the amount of the benefit if—

12 “(I) such benefit were based on the primary in-
 13 surance amount determined for January of such cal-
 14 endar year of a putative individual;

15 “(II) on January 1 of the calendar year in
 16 which occurred the applicable eligibility date with re-
 17 spect to such individual, such putative individual
 18 were fully insured, attained retirement age (as de-
 19 fined in section 216(l)(2)) and were otherwise eligi-
 20 ble for, and applied for, old-age insurance benefits;
 21 and

1 “(III) such putative individual’s average in-
2 dexed monthly earnings taken into account in deter-
3 mining such primary insurance amount were equal
4 to $\frac{1}{12}$ of the national average wage index (as de-
5 fined in section 209(k)(1)) for the second year prior
6 to such calendar year.

7 “(ii)(I) In the case of a monthly insurance benefit
8 under subsection (b) or (c), the full increase amount deter-
9 mined under this subparagraph shall be one-half the
10 amount determined under clause (i); or

11 “(II) in the case of a monthly insurance benefit under
12 subsection (d), (g), or (h), the full increase amount deter-
13 mined under this subparagraph shall be the percentage of
14 the amount determined under clause (i) equal to the ratio
15 which the amount of such benefit bears to the primary
16 insurance amount (before the application of section
17 203(a)) of the individual on whose wages and self-employ-
18 ment income the monthly insurance benefit is based.

19 “(4) In the case of a qualified beneficiary who is enti-
20 tled to two or more monthly insurance benefits under this
21 title for the same month—

22 “(A) the earliest applicable date of eligibility for
23 such beneficiary with respect to such benefits shall
24 be treated as the applicable date of eligibility for

1 such beneficiary for the purposes of this subsection;
2 and

3 “(B) such beneficiary shall be entitled to an in-
4 crease with respect only to one such benefit.

5 “(5) This subsection shall be applied to monthly in-
6 surance benefits after any increase under subsection (w)
7 and any applicable reductions and deductions under this
8 title.

9 “(6) In any case in which an individual is entitled
10 to benefits under both this section and section 223, the
11 increase under this subsection shall be paid from the Fed-
12 eral Old-Age and Survivors Insurance Trust Fund.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 202 of such Act (42 U.S.C. 402) is
15 amended—

16 (A) in the last sentence of subsection (a),
17 by striking “subsection (q) and subsection (w)”
18 and inserting “subsections (q), (w), and (aa)”;

19 (B) in subsection (b)(2), by striking “sub-
20 sections (k)(5) and (q)” and inserting “sub-
21 sections (k)(5), (q), and (aa)”;

22 (C) in subsection (c)(2), by striking “sub-
23 sections (k)(5) and (q)” and inserting “sub-
24 sections (k)(5), (q), and (aa)”;

1 (D) in subsection (d)(2), by adding at the
2 end the following: “This paragraph shall apply
3 subject to subsection (aa).”;

4 (E) in subsection (e)(2)(A), by striking
5 “subsection (k)(5), subsection (q), and subpara-
6 graph (D) of this paragraph” and inserting
7 “subsection (k)(5), subsection (q), subsection
8 (aa), and subparagraph (D) of this paragraph”;

9 (F) in subsection (f)(2)(A), by striking
10 “subsection (k)(5), subsection (q), and subpara-
11 graph (D) of this paragraph” and inserting
12 “subsection (k)(5), subsection (q), subsection
13 (aa), and subparagraph (D) of this paragraph”;

14 (G) in subsection (g)(2), by striking
15 “Such” and inserting “Except as provided in
16 subsections (k)(5) and (aa), such”;

17 (H) in subsection (h)(2)(A), by inserting
18 “and subsection (aa)” after “subparagraphs
19 (B) and (C)”; and

20 (I) in section 223(a)(2), by striking “sec-
21 tion 202(q)” and inserting “sections 202(q) and
22 202(aa)”.

23 (2) Section 209(k)(1) of such Act (402 U.S.C.
24 409(k)(1)) is amended by inserting
25 “202(aa)(3)(C)(i)(II),” before “203(f)(8)(B)(ii)”.

1 **SEC. 4. EXTENSION OF CHILD'S BENEFIT FOR CERTAIN**
2 **POST-SECONDARY STUDENTS UNDER AGE 22.**

3 (a) IN GENERAL.—Section 202(d)(1)(B) of the So-
4 cial Security Act (42 U.S.C. 402(d)(1)(B)) is amended to
5 read as follows:

6 “(B) at the time such application was filed
7 was unmarried and—

8 “(i) had not attained the age of 18,

9 “(ii) was a full-time elementary or
10 secondary school student and had not at-
11 tained the age of 19,

12 “(iii) was an eligible full-time post-
13 secondary school student and had not at-
14 tained the age of 22, or

15 “(iv) is under a disability (as defined
16 in section 223(d)) which began before he
17 attained the age of 22, and”.

18 (b) DEFINITION OF ELIGIBLE FULL-TIME POST-
19 SECONDARY SCHOOL STUDENT.—Section 202(d)(7) of
20 the Social Security Act (42 U.S.C. 402(d)(7)) is amended
21 by adding at the end the following:

22 “(E) An ‘eligible full-time post-secondary
23 school student’ is a full-time post-secondary
24 school student who is entitled to child’s insur-
25 ance benefits on the basis of the wages and self-
26 employment income of an individual who is en-

1 titled to disability insurance benefits, or who
2 has died a fully or currently insured indi-
3 vidual.”.

4 (c) DEFINITION OF FULL-TIME POST-SECONDARY
5 SCHOOL STUDENT.—

6 (1) IN GENERAL.—Section 202(d)(7) of such
7 Act (42 U.S.C. 402(d)(7)) is amended—

8 (A) in subparagraph (A)—

9 (i) by inserting “and a ‘full-time post-
10 secondary school student’ is an individual
11 who is in full-time attendance as a student
12 at a post-secondary educational institu-
13 tion” before “, as determined by the Com-
14 missioner”;

15 (ii) by inserting “or a ‘full-time post-
16 secondary school student’” before “if he is
17 paid by his employer”;

18 (iii) by inserting “or a post-secondary
19 educational institution, as applicable,” be-
20 fore “at the request”;

21 (iv) by inserting “or a ‘full-time post-
22 secondary school student’” before “for the
23 purpose of this section”; and

1 (v) by inserting “or a full-time post-
2 secondary school student” before “shall be
3 deemed”; and

4 (B) in subparagraph (B)—

5 (i) by inserting “or a full-time post-
6 secondary school student” after “student”;

7 (ii) by inserting “or a post-secondary
8 educational institution, as applicable” be-
9 fore “at which he has been”; and

10 (iii) by striking “an elementary or sec-
11 ondary school” in each of the second and
12 third places in which such term appears
13 and inserting “such a school”.

14 (2) TRANSITION FROM ELEMENTARY OR SEC-
15 ONDARY SCHOOL.—Section 202(d)(7)(B) of such Act
16 (42 U.S.C. 402(d)(7)(B)) is amended by adding at
17 the end the following sentence: “An individual who
18 has been in full-time attendance at an elementary or
19 secondary school shall, during a succeeding period of
20 nonattendance at such school, be deemed to be a
21 full-time secondary-school student if (i) such period
22 is 4 calendar months or less, and (ii) the individual
23 shows to the satisfaction of the Commissioner that
24 he intends to be in full-time attendance at a post-

1 secondary educational institution immediately fol-
2 lowing such period.”

3 (d) DEFINITION OF POST-SECONDARY EDUCATIONAL
4 INSTITUTION.—Section 202(d)(7)(C) of such Act (42
5 U.S.C. 402(d)(7)(C)) is amended by adding at the end the
6 following:

7 “(iii) A ‘post-secondary educational
8 institution’ is a school or college or univer-
9 sity that provides post-secondary education
10 and—

11 “(I) is operated or directly sup-
12 ported by the United States, or by
13 any State or local government or po-
14 litical subdivision thereof,

15 “(II) has been approved by a
16 State or accredited by a State-recog-
17 nized or nationally recognized accred-
18 iting agency or body, or

19 “(III) whose credits are accepted,
20 on transfer, by not less than three in-
21 stitutions which are so accredited, for
22 credit on the same basis as if trans-
23 ferred from an institution so accred-
24 ited.”.

25 (e) CONFORMING AMENDMENTS.—

1 (1) Section 202(d)(1)(E) of such Act (42
2 U.S.C. 402(d)(1)(E)) is amended by inserting “or
3 an eligible full-time post-secondary school student”
4 after “student”.

5 (2) Section 202(d)(1)(F) of such Act (42
6 U.S.C. 402(d)(1)(F)) is amended by striking “the
7 earlier of—” and all that follows through “the age
8 of 19,” and inserting the following: “the earlier of—

9 “(i) the first month during no part of
10 which the child is a full-time elementary or
11 secondary school student or an eligible full-
12 time post-secondary school student,

13 “(ii) the month in which the child at-
14 tains the age of 19, but only if the child
15 is not an eligible full-time post-secondary
16 school student during any part of such
17 month, or

18 “(iii) the month in which the child at-
19 tains the age of 22,”.

20 (3) Section 202(d)(1)(G) of such Act (42
21 U.S.C. 402(d)(1)(G)) is amended by striking “(if
22 later)” and all that follows through the “the age of
23 19,” and inserting the following: “(if later) the ear-
24 lier of—

1 “(i) the first month during no part of
2 which the child is a full-time elementary or
3 secondary school student or an eligible full-
4 time post-secondary school student,

5 “(ii) the month in which the child at-
6 tains the age of 19, but only if the child
7 is not an eligible full-time post-secondary
8 school student during any part of such
9 month, or

10 “(iii) the month in which the child at-
11 tains the age of 22,”.

12 (4) Section 202(d)(6)(A) of such Act (42
13 U.S.C. 402(d)(6)(A)) is amended to read as follows:

14 “(A)(i) is a full-time elementary or sec-
15 ondary school student and has not attained the
16 age of 19,

17 “(ii) is an eligible full-time post-secondary
18 school student and has not attained the age of
19 22, or

20 “(iii) is under a disability (as defined in
21 section 223(d)) and has not attained the age of
22 22, or”.

23 (5) Section 202(d)(6)(D) of such Act (42
24 U.S.C. 402(d)(6)(D)) is amended to read as follows:

25 “(D) the earlier of—

1 “(i) the first month during no part of
2 which the child is a full-time elementary or
3 secondary school student or an eligible full-
4 time post-secondary school student,

5 “(ii) the month in which the child at-
6 tains the age of 19, but only if the child
7 is not an eligible full-time post-secondary
8 school student during any part of such
9 month, or

10 “(iii) the month in which the child at-
11 tains the age of 22,

12 but only if he is not under a disability (as so
13 defined) in such earlier month; or”.

14 (6) Section 202(d)(6)(E) of such Act (42
15 U.S.C. 402(d)(6)(E)) is amended by striking “(if
16 later)” and all that follows to the end and inserting
17 the following: “(if later) the earlier of—

18 “(i) the first month during no part of
19 which the child is a full-time elementary or
20 secondary school student or an eligible full-
21 time post-secondary school student,

22 “(ii) the month in which the child at-
23 tains the age of 19, but only if the child
24 is not an eligible full-time post-secondary

1 school student during any part of such
2 month, or

3 “(iii) the month in which the child at-
4 tains the age of 22.”.

5 (f) EFFECTIVE DATE.—The amendments made by
6 this section apply with respect to applications for child’s
7 insurance benefits under section 202(d) of the Social Se-
8 curity Act (42 U.S.C. 402(d)) filed in any calendar year
9 after 2018.

10 **SEC. 5. DETERMINATION OF TAXABLE WAGES AND SELF-**
11 **EMPLOYMENT INCOME ABOVE CONTRIBU-**
12 **TION AND BENEFIT BASE AFTER 2018.**

13 (a) DETERMINATION OF TAXABLE WAGES ABOVE
14 CONTRIBUTION AND BENEFIT BASE AFTER 2018.—

15 (1) AMENDMENTS TO THE INTERNAL REVENUE
16 CODE OF 1986.—Section 3121 of the Internal Rev-
17 enue Code of 1986 is amended—

18 (A) in subsection (a)(1), by inserting “the
19 applicable percentage (determined under sub-
20 section (c)(1)) of” before “that part of the re-
21 meration”; and

22 (B) in subsection (c), by striking “(c) IN-
23 CLUDED AND EXCLUDED SERVICE.—For pur-
24 poses of this chapter, if” and inserting the fol-
25 lowing:

1 “(c) SPECIAL RULES FOR WAGES AND EMPLOY-
2 MENT.—

3 “(1) APPLICABLE PERCENTAGE OF REMUNERA-
4 TION IN DETERMINING TAXABLE WAGES.—For pur-
5 poses of subsection (a)(1), the applicable percentage
6 for a calendar year shall be determined in accord-
7 ance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2019	90 percent
Calendar year 2020	80 percent
Calendar year 2021	70 percent
Calendar year 2022	60 percent
Calendar year 2023	50 percent
Calendar year 2024	40 percent
Calendar year 2025	30 percent
Calendar year 2026	20 percent
Calendar year 2027	10 percent
Calendar years after 2028	0 percent.

8 “(2) INCLUDED AND EXCLUDED SERVICE.—For
9 purposes of this chapter, if”.

10 (2) AMENDMENTS TO THE SOCIAL SECURITY
11 ACT.—Section 209 of the Social Security Act (42
12 U.S.C. 409) is amended—

13 (A) in subsection (a)(1)(I)—

14 (i) by inserting “and before 2019”
15 after “1974”; and

16 (ii) by inserting “and” after the semi-
17 colon;

18 (B) in subsection (a)(1), by adding at the
19 end the following new subparagraph:

1 “(J) The applicable percentage (deter-
 2 mined under subsection (I)) of that part of re-
 3 muneration which, after remuneration (other
 4 than remuneration referred to in the succeeding
 5 subsections of this section) equal to the con-
 6 tribution and benefit base (determined under
 7 section 230) with respect to employment has
 8 been paid to an individual during any calendar
 9 year after 2018 with respect to which such con-
 10 tribution and benefit base is effective, is paid to
 11 such individual during such calendar year;”;
 12 and

13 (C) by adding at the end the following new
 14 subsection:

15 “(I) For purposes of subsection (a)(1)(J), the applica-
 16 ble percentage for a calendar year shall be determined in
 17 accordance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2019	90 percent
Calendar year 2020	80 percent
Calendar year 2021	70 percent
Calendar year 2022	60 percent
Calendar year 2023	50 percent
Calendar year 2024	40 percent
Calendar year 2025	30 percent
Calendar year 2026	20 percent
Calendar year 2027	10 percent
Calendar years after 2028	0 percent.”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply with respect to remuneration paid in calendar years after 2018.

3 (b) DETERMINATION OF TAXABLE SELF-EMPLOYMENT INCOME ABOVE CONTRIBUTION AND BENEFIT
4 BASE AFTER 2018.—

5 (1) AMENDMENTS TO THE INTERNAL REVENUE
6 CODE OF 1986.—Section 1402 of the Internal Revenue Code of 1986 is amended—

7 (A) in subsection (b)(1), by striking “that
8 part of the net earnings” and all that follows through “minus” and inserting the following:
9 “an amount equal to the applicable percentage (as determined under subsection (d)(2)) of that
10 part of the net earnings from self-employment which is in excess of the difference (not to be
11 less than zero) between (i) an amount equal to the contribution and benefit base (as determined
12 under section 230 of the Social Security Act) which is effective for the calendar year in
13 which such taxable year begins, and”; and

14 (B) in subsection (d)—

15 (i) by striking “(d) EMPLOYEE AND WAGES.—The term” and inserting the following:
16 “an amount equal to the applicable percentage (as determined under subsection (d)(2)) of that
17 part of the net earnings from self-employment which is in excess of the difference (not to be
18 less than zero) between (i) an amount equal to the contribution and benefit base (as determined
19 under section 230 of the Social Security Act) which is effective for the calendar year in
20 which such taxable year begins, and”; and
21 “an amount equal to the applicable percentage (as determined under subsection (d)(2)) of that
22 part of the net earnings from self-employment which is in excess of the difference (not to be
23 less than zero) between (i) an amount equal to the contribution and benefit base (as determined
24 under section 230 of the Social Security Act) which is effective for the calendar year in
25 which such taxable year begins, and”; and

1 “(d) RULES AND DEFINITIONS.—

2 “(1) EMPLOYEE AND WAGES.—The term”; and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(2) APPLICABLE PERCENTAGE OF NET EARN-
6 INGS FROM SELF-EMPLOYMENT IN DETERMINING
7 TAXABLE SELF-EMPLOYMENT INCOME.—For pur-
8 poses of subsection (b)(1), the applicable percentage
9 for a taxable year beginning in any calendar year re-
10 ferred to in such paragraph shall be determined in
11 accordance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2019	90 percent
Calendar year 2020	80 percent
Calendar year 2021	70 percent
Calendar year 2022	60 percent
Calendar year 2023	50 percent
Calendar year 2024	40 percent
Calendar year 2025	30 percent
Calendar year 2026	20 percent
Calendar year 2027	10 percent
Calendar years after 2028	0 percent.”.

12 (2) AMENDMENTS TO THE SOCIAL SECURITY
13 ACT.—Section 211 of the Social Security Act (42
14 U.S.C. 411) is amended—

15 (A) in subsection (b)—

16 (i) in paragraph (1)(I)—

17 (I) by striking “or” after the
18 semicolon; and

1 (II) by inserting “and before
2 2019” after “1974”;

3 (ii) by redesignating paragraph (2) as
4 paragraph (3); and

5 (iii) by inserting after paragraph (1)
6 the following:

7 “(2) For any taxable year beginning in any cal-
8 endar year after 2018, an amount equal to the appli-
9 cable percentage (as determined under subsection
10 (1)) of that part of net earnings from self-employ-
11 ment which is in excess of the difference (not to be
12 less than zero) between—

13 “(A) an amount equal to the contribution
14 and benefit base (as determined under section
15 230) that is effective for such calendar year,
16 and

17 “(B) the amount of the wages paid to such
18 individual during such taxable year; or”; and

19 (B) by adding at the end the following:

20 “(1) For purposes of subsection (b)(2), the applicable
21 percentage for a taxable year beginning in any calendar
22 year referred to in such paragraph shall be determined
23 in accordance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2019	90 percent
Calendar year 2020	80 percent
Calendar year 2021	70 percent

“In the case of:	The applicable percentage is:
Calendar year 2022	60 percent
Calendar year 2023	50 percent
Calendar year 2024	40 percent
Calendar year 2025	30 percent
Calendar year 2026	20 percent
Calendar year 2027	10 percent
Calendar years after 2028	0 percent.”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply with respect to taxable
3 years beginning in calendar years after 2018.

4 (c) COMPUTING AVERAGE INDEXED MONTHLY
5 EARNINGS.—Section 215(e) of the Social Security Act (42
6 U.S.C. 415(e)) is amended—

7 (1) in paragraph (1)—

8 (A) by striking “and” after “before
9 1975,”;

10 (B) by inserting “and before 2019” after
11 “after 1974”; and

12 (C) by inserting “, and the applicable per-
13 centage of the excess over an amount equal to
14 the contribution and benefit base (as deter-
15 mined under section 230) in the case of any
16 calendar year after 2016 with respect to which
17 such contribution and benefit base is effective,”
18 after “benefit base is effective,”; and

19 (2) by adding at the end the following:

1 “(3) For purposes of paragraph (1), the appli-
 2 cable percentage for a year shall be determined in
 3 accordance with the following table:

“In the case of:	The applicable percentage is:
Calendar year 2019	90 percent
Calendar year 2020	80 percent
Calendar year 2021	70 percent
Calendar year 2022	60 percent
Calendar year 2023	50 percent
Calendar year 2024	40 percent
Calendar year 2025	30 percent
Calendar year 2026	20 percent
Calendar year 2027	10 percent
Calendar years after 2028	0 percent.”.

4 (d) CONFORMING AMENDMENT.—Section
 5 215(i)(2)(C)(i) of the Social Security Act (42 U.S.C.
 6 415(i)(2)(C)(i)) is amended by striking “the Commis-
 7 sioner’s estimate of the extent to which the cost of such
 8 increase would be met by an increase in the contribution
 9 and benefit base under section 230 and the estimated
 10 amount of the increase in such base,”.

11 **SEC. 6. NEW BEND POINT FOR AMOUNTS ABOVE CONTRIBU-**
 12 **TION AND BENEFIT BASE.**

13 (a) IN GENERAL.—Section 215(a)(1) of the Social
 14 Security Act (42 U.S.C. 415(a)(1)) is amended—

- 15 (1) in subparagraph (A)—
- 16 (A) in clause (ii), by striking “and”;
- 17 (B) in clause (iii), by striking the comma
- 18 at the end and inserting the following: “but do

1 not exceed the amount established for purposes
2 of this clause by subparagraph (B), and”; and
3 (C) by inserting after clause (iii) the fol-
4 lowing:

5 “(iv) 3 percent of the individual’s av-
6 erage indexed monthly earnings to the ex-
7 tent that such earnings exceed the amount
8 established for purposes of clause (iii),”;
9 and

10 (2) in subparagraph (B)—

11 (A) by inserting “and before 2019” after
12 “1979” in clause (ii);

13 (B) by redesignating clause (iii) as clause
14 (v);

15 (C) by inserting after clause (ii) the fol-
16 lowing:

17 “(iii) For individuals who initially be-
18 come eligible for old-age or disability insur-
19 ance benefits, or who die (before becoming
20 eligible for such benefits), in the calendar
21 year 2019—

22 “(I) the amounts established for
23 purposes of clauses (i) and (ii) of sub-
24 paragraph (A) shall be the amounts
25 so established under clause (ii) of this

1 subparagraph for such calendar year;
2 and

3 “(II) the amount established for
4 purposes of clause (iii) of subpara-
5 graph (A) shall be the amount of the
6 contribution and benefit base with re-
7 spect to remuneration paid (and tax-
8 able years beginning) in calendar year
9 2019.

10 “(iv) For individuals who initially be-
11 come eligible for old-age or disability insur-
12 ance benefits, or who die (before becoming
13 eligible for such benefits), in any calendar
14 year after 2019, the amount so established
15 shall equal the product of the cor-
16 responding amount established with re-
17 spect to the calendar year 2019 under
18 clause (iii) of this subparagraph and the
19 quotient obtained by dividing—

20 “(I) the national average wage
21 index (as defined in section 209(k)(1))
22 for the second calendar year preceding
23 the calendar year for which the deter-
24 mination is made, by

1 “(II) the national average wage
2 index (as so defined) for 2017.”; and
3 (D) in clause (v), as so redesignated by
4 subparagraph (A) of this paragraph, by insert-
5 ing “and clause (iv)” after “clause (ii)”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply with respect to individuals who ini-
8 tially become eligible (within the meaning of section
9 215(a)(3)(B)) for old-age or disability insurance benefits
10 under title II of the Social Security Act, or who die (before
11 becoming eligible for such benefits), in any calendar year
12 after 2018.

13 **SEC. 7. INCREASE IN EMPLOYMENT TAX RATE.**

14 (a) WAGES.—

15 (1) EMPLOYEES.—Subsection (a) of section
16 3101 of the Internal Revenue Code of 1986 is
17 amended to read as follows:

18 “(a) OLD-AGE, SURVIVORS, AND DISABILITY INSUR-
19 ANCE.—

20 “(1) IN GENERAL.—In addition to other taxes,
21 there is hereby imposed on the income of every indi-
22 vidual a tax equal to the applicable percentage of the
23 wages (as defined in section 3121(a)) received by
24 him with respect to employment (as defined in sec-
25 tion 3121(b)).

1 “(2) APPLICABLE PERCENTAGE.—For purposes
2 of paragraph (1), the term ‘applicable percentage’
3 means the percentage determined under the fol-
4 lowing table:

“In case of wages received during:	The applicable percentage shall be:
2019	6.25 percent
2020	6.30 percent
2021	6.35 percent
2022	6.40 percent
2023	6.45 percent
2024 or thereafter	6.50 percent.”.

5 (2) EMPLOYERS.—Subsection (a) of section
6 3111 of such Code is amended to read as follows:

7 “(a) OLD-AGE, SURVIVORS, AND DISABILITY INSUR-
8 ANCE.—

9 “(1) IN GENERAL.—In addition to other taxes,
10 there is hereby imposed on every employer an excise
11 tax, with respect to having individuals in his employ,
12 equal to the applicable percentage of the wages (as
13 defined in section 3121(a)) paid by him with respect
14 to employment (as defined in section 3121(b)).

15 “(2) APPLICABLE PERCENTAGE.—For purposes
16 of paragraph (1), the term ‘applicable percentage’
17 means the percentage determined under the fol-
18 lowing table:

“In case of a taxable year beginning during calendar year:	The applicable percentage shall be:
2019	6.25 percent
2020	6.30 percent
2021	6.35 percent

“In case of a taxable year beginning during calendar year:	The applicable percentage shall be:
2022	6.40 percent
2023	6.45 percent
2024 or thereafter	6.50 percent.”.

1 (b) SELF-EMPLOYMENT.—Subsection (a) of section
2 1401 of such Code is amended to read as follows:

3 “(a) OLD-AGE, SURVIVORS, AND DISABILITY INSUR-
4 ANCE.—

5 “(1) In addition to other taxes, there shall be
6 imposed for each taxable year, on the self-employ-
7 ment income of every individual, a tax equal to the
8 applicable percentage of the amount of the self-em-
9 ployment income for such taxable year.

10 “(2) APPLICABLE PERCENTAGE.—For purposes
11 of paragraph (1), the term ‘applicable percentage’
12 means the percentage determined under the fol-
13 lowing table:

“In case of a taxable year beginning during calendar year:	The applicable percentage shall be:
2019	12.5 percent
2020	12.6 percent
2021	12.7 percent
2022	12.8 percent
2023	12.9 percent
2024 or thereafter	13.0 percent.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to remuneration re-
16 ceived, and taxable years beginning after, December 31,
17 2018.

1 **SEC. 8. NON-APPLICATION OF INCREASE IN SOCIAL SECU-**
2 **RITY BENEFITS FOR MEANS-TESTED PRO-**
3 **GRAMS.**

4 Any increase in monthly insurance benefits under
5 title II of the Social Security Act as a result of the amend-
6 ments made by this Act shall not be regarded as income
7 or resources for any month after December 2018, for pur-
8 poses of determining the eligibility of the recipient (or the
9 recipient's spouse or family) for benefits or assistance, or
10 the amount or extent of benefits or assistance, under any
11 Federal program or under any State or local program fi-
12 nanced in whole or in part with Federal funds.

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