

S 5

Social Security Preservation Act

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Social Welfare

Introduced: Nov 19, 2002

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Nov 19, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/5>

Sponsor

Name: Sen. Gramm, Phil [R-TX]

Party: Democratic • State: TX • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Hagel, Chuck [R-NE]	R · NE		Nov 19, 2002

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Nov 20, 2002

Subjects & Policy Tags

Policy Area:

Social Welfare

Related Bills

No related bills are listed.

Social Security Preservation Act - Amends title II (Old Age, Survivors and Disability Insurance) (OASDI) of the Social Security Act to add a part B (Investment-Based Social Security) outlining a new program to allow any individual born on or after January 1, 1953, who is employed by a covered employer or who is self-employed, and certain other individuals requesting and granted an eligibility waiver, to elect to receive social security benefits from a portion of their wages that have been contributed to designated social security savings accounts for employees (SAFE accounts) for investment, with a total monthly benefit guaranteed to be not less than the monthly benefit promised under the current program under OASDI, redesignated as part A (Debt-Based Social Security). Permits investing employees to use the money in their accounts to purchase a social security savings annuity for eligible retirees (SAFER annuity) to pay benefits promised under the current system plus a bonus for participating in the new system. Treats any SAFE account generally in the same manner as an individual retirement plan.

Amends the Internal Revenue Code to provide for a reduction of FICA (Federal Insurance Contributions Act) resulting from the investment-based social security system under part B.

Amends the Gramm-Leach-Bliley Act to establish in the executive branch a Social Security Investment Board to oversee administration of the new program.

Directs the Secretary of the Treasury to estimate and transfer to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year an amount equal to the annual savings of the Federal Government resulting from investment-based social security under new part B.

Exempts SAFE account and SAFER annuity investments from Federal corporate income taxes.

Requires the Secretary, from the surplus in the total U.S. budget, or from that portion of Federal revenues directly attributable to the surplus income of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, to reimburse the Federal Old-Age and Survivors Insurance Trust Fund in an amount equal to the amounts transferred to SAFE accounts under part B.

Amends the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings Act) with respect to discretionary spending limits to provide an overall cap for FY 2003 through 2009.

Amends the Gramm-Rudman-Hollings Act and the Congressional Budget Act of 1974 to extend enforcement provisions through FY 2009.

---

## **Actions Timeline**

- **Nov 19, 2002:** Introduced in Senate
- **Nov 19, 2002:** Read twice and referred to the Committee on Finance.