

S 1878

Social Security Solvency and Modernization Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Social Welfare

Introduced: Nov 18, 2003

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

Latest Action: Read twice and referred to the Committee on Finance. (Nov 18, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/1878>

Sponsor

Name: Sen. Graham, Lindsey [R-SC]

Party: Republican • **State:** SC • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Nov 18, 2003

Subjects & Policy Tags

Policy Area:

Social Welfare

Related Bills

No related bills are listed.

Social Security Solvency and Modernization Act of 2003 - Amends title II (Old Age, Survivors and Disability Insurance) (OASDI) of the Social Security Act (SSA) to require the Personal Retirement Account Board to: (1) establish a federally-administered personal retirement account (PRA) for each eligible individual in the Personal Retirement Account Fund (PRAF); and (2) credit to the eligible individual's PRA the contributions transferred from the Federal Old-Age and Survivors Insurance Trust Fund (Trust Fund) that result from reduced Federal Insurance Contributions Act (FICA) tax rates (provided for in this Act), as well as other specified contributions involving certain tax overpayments treated as contributions and certain rollovers. Requires investment of a PRA in a manner similar to that under the Thrift Savings Plan for Federal employees.

Establishes in the Treasury a Personal Retirement Account Fund composed of all established PRAs, and managed by a Personal Retirement Account Board established in the Social Security Administration.

Provides for an alternative PRA privately-administered by a certified investment firm, credit union, insurance company, or other certified institution.

Prescribes rules for: (1) distribution of an eligible individual's PRA's funds; (2) off-budget treatment of the PRAF and any federally-administered PRAs within it; and (3) privately-administered PRAs.

Amends SSA title II to: (1) make adjustments to primary insurance amounts under the OASDI program for eligible individuals with personal retirement accounts; (2) establish a new minimum monthly Social Security benefit for certain low-income beneficiaries; and (3) provide for the treatment of disabled beneficiaries who have not elected supplemental contribution coverage under a PRA.

Amends the Internal Revenue Code to reduce FICA tax rates on the income of every eligible individual, and to impose a PRA contribution on such income, to be credited to the eligible individual's PRA. Entitles each qualified eligible individual to a specified limited PRA tax credit for the taxable year involved, treated as a tax overpayment, to be transferred by the Secretary of Health and Human Services for crediting by the Commissioner of Social Security, as a contribution equal to the tax overpayment, to such eligible individual's PRA.

Establishes the Commission on the Review of Federal Agencies and Programs to evaluate all agencies and programs and recommend to Congress realignment or elimination of any that has wasted Federal funds.

Directs the Secretary of the Treasury to transfer annually an amount equal to 1.25 percent of the taxable payroll for the preceding calendar year to the Federal Old-Age and Survivors Insurance Trust Fund.

Provides for a reduction in the amount of certain transfers to the Medicare trust fund.

Amends SSA title XVII (Administration) to establish a mechanism for remedying unforeseen deterioration in social security solvency.

Amends SSA title II to make adjustments for widow's and widowers' insurance benefits.

Establishes the Commission to Strengthen Financial Education Programs to study all matters relating to programs to increase the financial literacy of Americans.

Actions Timeline

- **Nov 18, 2003:** Introduced in Senate
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