

HR 2002

Individual Social Security Investment Program Act of 2007

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Social Welfare

Introduced: Apr 23, 2007

Current Status: Referred to the Subcommittee on Social Security.

Latest Action: Referred to the Subcommittee on Social Security. (Apr 25, 2007)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/2002>

Sponsor

Name: Rep. Johnson, Sam [R-TX-3]

Party: Republican • State: TX • Chamber: House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred to	Apr 25, 2007

Subjects & Policy Tags

Policy Area:

Social Welfare

Related Bills

No related bills are listed.

Individual Social Security Investment Program Act of 2007 - Amends title II (Old Age, Survivors, and Disability Insurance) (OASDI) of the Social Security Act to add a new part B (Individual Social Security Investment Program) to change Social Security into a system of individual accounts where workers born on or after January 1, 1986, as well as electing participants born between January 1, 1953, and January 1, 1986, have ownership of and control over the investment of their retirement funds in various investment vehicles: (1) Tier I Investment Fund; (2) Tier II Investment Fund; and (3) Tier III Investment Accounts.

Allows participating workers choosing the individual account option to have 100% of their redirected Social Security contribution for the calendar year (6.2% of the sum of the total wages paid to, and self-employment income derived by, the participant) deposited into the Tier I Investment Fund. Provides for transfer of any amount held in the Tier I Investment Fund into the Tier II Investment Fund, and for an individual's first election of a Tier III investment account once the total balance of the Tier II account exceeds the minimum deposit balance of \$10,000.

Directs the Executive Director to establish and maintain a part B totalization account for each participant.

Provides workers choosing the individual account under the Tier II option with a variety of investment options, with the initial default option set at 60% stocks, and 40% bonds.

Provides for retirement distributions, including purchase of annuities.

Provides that workers who choose the individual account option shall receive a recognition bond, redeemable upon reaching retirement age, based on the accrued value of their lifetime to date benefits.

Provides that, in any case in which a participant is entitled to, or eligible for, need-based cash benefits for any month, the supplemental minimum benefit payments otherwise payable to such participant for such month shall be reduced by the total amount of such recognized governmental cash benefits for such month.

Establishes in the executive branch of the Government an Individual Investment Board to administer the program established under this Act.

Amends the Internal Revenue Code to exempt from income taxation any fund created, account established, or annuity under part B of title II of the Social Security Act, unless subject to taxes on unrelated business income of charitable organizations. Excludes from the gross income of a distributee or payee: (1) any fund or account distribution or any annuity payment; or (2) the value of a recognition bond issued to a participant, or the proceeds from its sale or redemption.

Amends SSA title II to provide that, except with respect to determination of disability insurance benefits, a participant shall not be credited with wages or self-employment income under part B of SSA title II.

Provides for: (1) consumer price indexing of benefits for non-disability part A beneficiaries; and (2) the maintenance of adequate balances in the Social Security trust funds.

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## **Actions Timeline**

- **Apr 25, 2007:** Referred to the Subcommittee on Social Security.
- **Apr 23, 2007:** Introduced in House
- **Apr 23, 2007:** Referred to the House Committee on Ways and Means.