

[DISCUSSION DRAFT]114TH CONGRESS
2^D SESSION**H. R.** _____

To amend title II of the Social Security Act to provide for an annual increase in the contribution and benefit base, to exclude a certain number of childcare years from the benefit computation formula, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MURPHY of Florida introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title II of the Social Security Act to provide for an annual increase in the contribution and benefit base, to exclude a certain number of childcare years from the benefit computation formula, 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 Parent
5 Penalty Repeal Act”.

1 **SEC. 2. ANNUAL INCREASE IN CONTRIBUTION AND BEN-**
2 **EFIT BASE.**

3 (a) ANNUAL INCREASE.—Section 230(a) of the So-
4 cial Security Act (42 U.S.C. 430(a)) is amended to read
5 as follows:

6 “(a) The Commissioner shall determine and publish
7 in the Federal Register on or before November 1 of each
8 calendar year the contribution and benefit base deter-
9 mined under subsection (b) which shall be effective with
10 respect to remuneration paid after such calendar year and
11 taxable years beginning after such calendar year.”.

12 (b) RATE OF ANNUAL INCREASE.—Section 230(b) of
13 such Act (42 U.S.C. 430(b)) is amended to read as fol-
14 lows:

15 “(b)(1) The amount of such contribution and benefit
16 base determined under this subsection shall be the product
17 of the contribution and benefit base in effect in the year
18 in which the determination is made multiplied by the larg-
19 er of—

20 “(A) 1, plus the percentage that is equal to
21 twice the annual national average wage increase; or

22 “(B) 1.03,

23 with such product, if not a multiple of \$300, being round-
24 ed to the next higher multiple of \$300 where such product
25 is a multiple of \$150 but not of \$300 and to the nearest
26 multiple of \$300 in any other case.

1 “(2) For purposes of this subsection, the term ‘an-
2 nual national average wage increase’ means the quotient
3 (expressed as a percentage) of—

4 “(A) the amount by which the national average
5 wage index (as defined in section 209(k)(1)) for the
6 calendar year before the calendar year in which the
7 determination under subsection (a) is made exceeds
8 the national average wage index (as so defined) for
9 the calendar year that is 2 years before the calendar
10 year in which such determination is made, divided
11 by

12 “(B) the national average wage index (as so de-
13 fined) for the calendar year that is 2 years before
14 the calendar year in which such determination is
15 made.”.

16 (c) CONFORMING AND TECHNICAL AMENDMENTS.—
17 Section 230 of such Act (42 U.S.C. 430), as amended by
18 subsections (a) and (b), is further amended—

19 (1) by striking subsection (c),

20 (2) by redesignating subsection (d) as sub-
21 section (c); and

22 (3) in subsection (c) (as redesignated by para-
23 graph (2)), by striking “Public Law 93–406” and
24 inserting “the Employee Retirement Income Security
25 Act of 1974”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to remuneration paid,
3 and taxable years beginning, after calendar year **[2016]**.

4 **SEC. 3. EXCLUSION OF CERTAIN CHILDCARE YEARS FROM**
5 **BENEFIT COMPUTATION FORMULA.**

6 (a) IN GENERAL.—Section 215(b)(2) of the Social
7 Security Act (42 U.S.C. 415(b)(2)) is amended—

8 (1) in subparagraph (A), by striking “The num-
9 ber” and inserting “Subject to subparagraph (C),
10 the number”

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

12 “(C)(i) The number of an individual’s benefit com-
13 putation years determined under subparagraph (A) shall
14 be further reduced (after application of the reduction
15 under such subparagraph) by the number of childcare
16 years of the individual (not exceeding 5), except that not
17 more than 2 years may be determined to be a childcare
18 year on the basis of the an individual’s status as a primary
19 caregiver for the same child.

20 “(ii) For purposes of this subparagraph, the term
21 ‘childcare year’ means, with respect to an individual, an
22 elapsed year of the individual—

23 “(I) during which the individual is the primary
24 caregiver for a child under 6 years of age; and

1 “(II) for which the total of the individual’s
2 wages and self-employment income is \$0.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 subsection (a) shall apply with respect to the computation
5 or recomputation of a primary insurance amount after cal-
6 endar year **[2016]**.