

107TH CONGRESS
2D SESSION

H. R. 5252

To protect the Social Security trust funds by ensuring that the Government repays its debts to the trust funds.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2002

Mr. WAXMAN (for himself, Mr. MATSUI, and Mr. RANGEL) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To protect the Social Security trust funds by ensuring that the Government repays its debts to the trust funds.

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 Preser-
5 vation Act of 2002”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress finds that—

8 (1) the Federal budget has moved from surplus
9 to deficit, causing social security trust funds fi-

1 nanced by payroll taxes to be used to fund the def-
2 icit;

3 (2) as a result of the return to deficit, the
4 Treasury may have to borrow nearly \$2 trillion from
5 the social security trust funds to use for other Gov-
6 ernment expenditures over the next 10 years;

7 (3) statements by the Secretary of the Treasury
8 that the trust funds have “no assets” and the social
9 security program is a “pyramid game” and by con-
10 gressional leaders that the trust funds are “empty”,
11 a “total fraud”, and consist of “worthless IOUs”
12 cast doubt on whether social security beneficiaries
13 can rely upon the Treasury to pay its debts to the
14 social security trust funds; and

15 (4) the Treasury’s failure to pay its debts to
16 the social security trust funds would result in cuts
17 in social security benefits payments to American
18 families as early as 2017.

19 (b) PURPOSES.—The purposes of this Act are:

20 (1) to repudiate statements made by Govern-
21 ment leaders that the social security program has
22 “no assets”;

23 (2) to require an annual Congressional vote af-
24 firming the Government’s commitment to honoring
25 its debts to the social security trust funds;

1 (3) to require the President to explain how the
2 Treasury will repay loans from the social security
3 trust funds and how legislation signed by the Presi-
4 dent affects repayment;

5 (4) to require an annual affirmation by the Sec-
6 retary of the Treasury of the Government’s commit-
7 ment to honoring its debts to the social security
8 trust funds; and

9 (5) to provide Americans who have paid social
10 security taxes with the right to bring an action in
11 court to force the Secretary of the Treasury to
12 honor the Government’s debts to the social security
13 trust funds.

14 **SEC. 3. REPUDIATION.**

15 To dispel any public confusion, the Congress hereby
16 repudiates—

17 (1) the statements of the Secretary of the
18 Treasury, Paul O’Neill, that the social security pro-
19 gram is a “pyramid game” and that the social secu-
20 rity trust funds have “no assets”; and

21 (2) the statements of congressional leaders that
22 the social security trust funds are “empty”, a “total
23 fraud”, “a mere accounting device”, and consist of
24 “worthless IOUs”.

1 **SEC. 4. ANNUAL CONGRESSIONAL AFFIRMATION.**

2 No amounts borrowed from the social security trust
3 funds may be used by the Treasury to pay for other Gov-
4 ernment expenditures in a fiscal year, unless, during the
5 9-month period immediately preceding the start of that
6 fiscal year, the Congress has enacted legislation explicitly
7 affirming that the Treasury will repay these funds.

8 **SEC. 5. ANNUAL REPORT BY THE PRESIDENT.**

9 (a) PURPOSE.—The purpose of the amendment made
10 by subsection (b) is to require the President to report an-
11 nually to Congress on plans for repaying the funds the
12 Treasury has borrowed from the social security trust
13 funds.

14 (b) AMENDMENT.—Section 1105(a) of title 31,
15 United States Code, is amended by adding at the end the
16 following new paragraph:

17 “(35) the total amount the Treasury has bor-
18 rowed from the social security trust funds, an expla-
19 nation of the plans for repaying the amount bor-
20 rowed from the social security trust funds, and an
21 explanation of the impact any legislation the Presi-
22 dent signed into law in the preceding year will have
23 on the plans for repaying the social security trust
24 funds.”.

1 **SEC. 6. COMMITMENT BY THE SECRETARY OF THE TREAS-**
2 **URY TO HONOR THE GOVERNMENT'S DEBT**
3 **TO THE SOCIAL SECURITY TRUST FUNDS.**

4 Whenever the Board of Trustees of the social security
5 trust funds submits its annual report to Congress pursu-
6 ant to section 201(e) of the Social Security Act on the
7 status of such trust funds during the preceding fiscal year
8 and the expected operation and status during the ensuing
9 5 fiscal years, the Secretary of the Treasury shall submit
10 a statement to Congress containing an affirmation that
11 the Treasury will honor the securities in such trust funds.

12 **SEC. 7. REQUIREMENT THAT THE GOVERNMENT REPAY**
13 **THE SOCIAL SECURITY TRUST FUNDS.**

14 Section 201(d) of the Social Security Act (42 U.S.C.
15 401(d)) is amended by inserting after the sixth sentence
16 the following new sentence: "Any individual who is cred-
17 ited with wages or self-employment income under this title
18 may bring an action in an appropriate Federal district
19 court to enjoin any act or practice by the Secretary of
20 the Treasury by which the Secretary contests an obligation
21 issued for purchase by either Trust Fund under this sub-
22 section or which constitutes a failure to provide for re-
23 demption of the obligation in accordance with the terms
24 of such obligation or to otherwise honor the full faith and
25 credit of the United States supporting such obligation."

1 **SEC. 8. GENERAL PROVISIONS.**

2 (a) DEFINITIONS.—As used in this Act—

3 (1) SOCIAL SECURITY TRUST FUNDS.—The
4 term “social security trust funds” refers to the Fed-
5 eral Old-Age and Survivors Insurance Trust Fund
6 and the Federal Disability Insurance Trust Fund.

7 (2) OTHER GOVERNMENT EXPENDITURES.—
8 The term “other Government expenditures” means
9 all Government expenditures other than expenditures
10 for the old-age, survivors, and disability insurance
11 program under title II of the Social Security Act.
12 Such term does not include amounts expended to
13 pay down the Government debt.

14 (b) INTERPRETATION.—For purposes of this Act,
15 amounts borrowed from the social security trust funds
16 shall be considered to be used for other Government ex-
17 penditures if there is a deficit in the non-Social Security
18 budget.

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