

118TH CONGRESS  
1ST SESSION

# H. R. 5342

To amend title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2023

Mr. ARRINGTON (for himself, Mr. VICENTE GONZALEZ of Texas, Ms. GRANGER, Ms. VAN DUYNE, Mr. GUTHRIE, Mr. VAN DREW, Mr. LATTA, Mr. WEBER of Texas, Mr. MORAN, Mr. PFLUGER, Mr. MURPHY, Mr. CARTER of Georgia, Mr. CRENSHAW, Mr. GOOD of Virginia, Mr. BACON, Mr. SMUCKER, Mr. TONY GONZALES of Texas, Mr. ROY, and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment, 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 “Equal Treatment of  
5 Public Servants Act of 2023”.

1 **SEC. 2. REPLACEMENT OF THE WINDFALL ELIMINATION**  
2 **PROVISION WITH A FORMULA EQUALIZING**  
3 **BENEFITS FOR CERTAIN INDIVIDUALS WITH**  
4 **NONCOVERED EMPLOYMENT.**

5 (a) IN GENERAL.—Section 215(a) of the Social Secu-  
6 rity Act (42 U.S.C. 415(a)) is amended by inserting after  
7 paragraph (7) the following:

8 “(8)(A) In the case of an individual whose primary  
9 insurance amount would be computed under paragraph  
10 (1) of this subsection—

11 “(i) who first becomes eligible for an old-age or  
12 disability insurance benefit after 2067,

13 “(ii) who subsequently becomes entitled to such  
14 benefit, and

15 “(iii) who has earnings derived from noncovered  
16 service performed in a year after 1977,

17 the primary insurance amount of such individual shall be  
18 the amount computed or recomputed under this para-  
19 graph.

20 “(B) The primary insurance amount of an individual  
21 described in subparagraph (A), as computed or recom-  
22 puted under this paragraph, shall be the product derived  
23 by multiplying—

24 “(i) the individual’s primary insurance amount,  
25 as determined under paragraph (1) of this sub-  
26 section and subparagraph (C) of this paragraph, by

1           “(ii) a fraction—

2                   “(I) the numerator of which is the individ-  
3           ual’s average indexed monthly earnings (deter-  
4           mined without regard to subparagraph (C)),  
5           and

6                   “(II) the denominator of which is an  
7           amount equal to the individual’s average in-  
8           dexed monthly earnings (as determined under  
9           subparagraph (C)),

10 rounded, if not a multiple of \$0.10, to the next lower mul-  
11 tiple of \$0.10.

12           “(C)(i) For purposes of determining an individual’s  
13 primary insurance amount pursuant to clauses (i) and  
14 (ii)(II) of subparagraph (B), the individual’s average in-  
15 dexed monthly earnings shall be determined by treating  
16 all recorded noncovered earnings (as defined in clause  
17 (ii)(I)) derived by the individual from noncovered service  
18 performed in each year after 1977 as ‘wages’ (as defined  
19 in section 209 for purposes of this title), which shall be  
20 treated as included in the individual’s adjusted total cov-  
21 ered earnings (as defined in clause (ii)(II)) for such cal-  
22 endar year together with amounts consisting of ‘wages’ (as  
23 so defined without regard to this subparagraph) paid dur-  
24 ing such calendar year and self-employment income (as

1 defined in section 211(b)) for taxable years ending with  
2 or during such calendar year.

3 “(ii) For purposes of this subparagraph:

4 “(I) The term ‘recorded noncovered earnings’  
5 means earnings derived from noncovered service  
6 (other than noncovered service as a member of a  
7 uniformed service (as defined in section 210(m)) for  
8 which satisfactory evidence is determined by the  
9 Commissioner to be available in the records of the  
10 Commissioner.

11 “(II) The term ‘adjusted total covered earnings’  
12 means, in connection with an individual for any cal-  
13 endar year, the sum of the wages paid to the indi-  
14 vidual during such calendar year (as adjusted under  
15 subsection (b)(3)) plus the self-employment income  
16 derived by the individual during any taxable year  
17 ending with or during such calendar year (as ad-  
18 justed under subsection (b)(3)).

19 “(iii) The Commissioner of Social Security shall pro-  
20 vide by regulation or other public guidance for methods  
21 for determining whether satisfactory evidence is available  
22 in the records of the Commissioner for earnings for non-  
23 covered service (other than noncovered service as a mem-  
24 ber of a uniformed service (as defined in section 210(m)))  
25 to be treated as recorded noncovered earnings. Such meth-

1 ods shall provide for reliance on earnings information  
2 which is provided to the Commissioner by employers and  
3 which, as determined by the Commissioner, constitute a  
4 reasonable basis for treatment of earnings for noncovered  
5 service as recorded noncovered earnings. In making deter-  
6 minations under this clause, the Commissioner shall also  
7 take into account any documentary or other evidence of  
8 earnings derived from noncovered service by an individual  
9 which is provided by the individual to the Commissioner  
10 and which the Commissioner considers appropriate as a  
11 reasonable basis for treatment of such earnings as re-  
12 corded noncovered earnings.

13       “(D) Upon the death of an individual whose primary  
14 insurance amount is computed or recomputed under this  
15 paragraph, such primary insurance amount shall be com-  
16 puted or recomputed under paragraph (1) of this sub-  
17 section.

18       “(E) In the case of any individual whose primary in-  
19 surance amount would be computed under this paragraph  
20 who first becomes entitled after 1985 to a monthly peri-  
21 odic payment made by a foreign employer or foreign coun-  
22 try that is based in whole or in part upon noncovered serv-  
23 ice, the primary insurance amount of such individual shall  
24 be computed or recomputed under paragraph (7) or para-  
25 graph (1), as applicable, for months beginning with the

1 first month of the individual’s initial entitlement to such  
2 monthly periodic payment.”.

3 (b) CONFORMING AMENDMENTS.—Section  
4 215(a)(7)(A) of such Act (42 U.S.C. 415(a)(7)(A)) is  
5 amended—

6 (1) in clause (i)—

7 (A) by striking “after 1985” and inserting  
8 “after 1985 and before 2068”; and

9 (B) by striking “or” at the end;

10 (2) in clause (ii)—

11 (A) by striking “after 1985” each place it  
12 appears and inserting “after 1985 and before  
13 2068”; and

14 (B) by adding “or” at the end;

15 (3) by inserting after clause (ii) the following:

16 “(iii) is an individual described in paragraph  
17 (8)(E),”; and

18 (4) by striking “hereafter in this paragraph and  
19 in subsection (d)(3)” and inserting “in this para-  
20 graph, paragraphs (8) and (9), and subsection  
21 (d)(3)”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply with respect to monthly insurance  
24 benefits payable on or after January 1, 2025.

1 **SEC. 3. BENEFIT CALCULATION DURING TRANSITION PE-**  
2 **RIOD.**

3 (a) IN GENERAL.—Section 215(a) of the Social Secu-  
4 rity Act (42 U.S.C. 415(a)), as amended by section 2, is  
5 further amended by inserting after paragraph (8) the fol-  
6 lowing:

7 “(9) In the case of an individual whose primary in-  
8 surance amount would be computed under paragraph (1)  
9 of this subsection—

10 “(A) who first becomes eligible for an old-age  
11 or disability insurance benefit after 2024 and before  
12 2068,

13 “(B) who subsequently becomes entitled to such  
14 benefit, and

15 “(C) who has earnings derived from noncovered  
16 service performed in a year after 1977,

17 the primary insurance amount of such individual shall be  
18 the higher of the amount computed or recomputed under  
19 paragraph (7) without regard to this paragraph or the  
20 amount that would be computed or recomputed under  
21 paragraph (8) if the individual were an individual de-  
22 scribed in subparagraph (A) of such paragraph.”.

23 (b) CONFORMING AMENDMENT.—Section  
24 215(a)(7)(A) of such Act (42 U.S.C. 415(a)(7)(A)), as  
25 amended by section 2(b), is further amended by striking

1 “shall be computed or recomputed” and inserting “shall,  
2 subject to paragraph (9), be computed or recomputed”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to monthly insurance  
5 benefits payable on or after January 1, 2025.

6 **SEC. 4. ADDITIONAL MONTHLY PAYMENT FOR INDIVID-**  
7 **UALS WHOSE BENEFIT AMOUNT IS REDUCED**  
8 **BY THE WINDFALL ELIMINATION PROVISION.**

9 (a) IN GENERAL.—Section 215(a) of such Act (42  
10 U.S.C. 415(a)), as amended by sections 2 and 3, is further  
11 amended by adding at the end the following:

12 “(10)(A) For any month beginning at least 270 days  
13 after the date of enactment of the Equal Treatment of  
14 Public Servants Act of 2023, the Commissioner of Social  
15 Security shall, subject to subparagraphs (C) and (D),  
16 make an additional monthly payment of \$100 to each indi-  
17 vidual who is an eligible individual for such month, and  
18 an additional monthly payment of \$50 to each individual  
19 (other than an eligible individual) who is entitled to a ben-  
20 efit under section 202 for such month on the basis of the  
21 wages and self-employment income of such eligible indi-  
22 vidual.

23 “(B) For purposes of this paragraph, the term ‘eligi-  
24 ble individual’ for a month means an individual who—



1           “(i)(I) first becomes eligible for an old-age or  
2           disability insurance benefit under this title before  
3           2025, or

4           “(II) is an individual described in paragraph  
5           (8)(E), and

6           “(ii) is entitled to an old-age or disability insur-  
7           ance benefit under this title for such month based  
8           on a primary insurance amount that was computed  
9           or recomputed under paragraph (7) (and not subse-  
10          quently recomputed under any other paragraph of  
11          this subsection).

12          “(C) In any case in which this title provides that no  
13          monthly benefit under section 202 or 223 shall be paid  
14          to an individual for a month, no additional monthly pay-  
15          ment shall be paid to the individual for such month. This  
16          subparagraph shall not apply in the case of an individual  
17          whose monthly benefit under section 202 or 223 is re-  
18          duced, regardless of the amount of the reduction, based  
19          on the individual’s receipt of other income or benefits for  
20          such month or the application of section 203(a) or due  
21          to the adjustment or recovery of an overpayment under  
22          section 204.

23          “(D)(i) An individual is not entitled to receive more  
24          than one additional monthly payment for a month under  
25          this paragraph.

1       “(ii) An eligible individual who is entitled to a benefit  
2 under section 202 on the basis of the wages and self-em-  
3 ployment income of another eligible individual for a month  
4 shall receive an additional monthly payment under this  
5 paragraph in the amount of \$100 for such month.

6       “(E) Except for purposes of adjustment or recovery  
7 of an overpayment under section 204, an additional  
8 monthly payment under this paragraph shall not be sub-  
9 ject to any reduction or deduction under this title.

10       “(F) Whenever benefit amounts under this title are  
11 increased by any percentage effective with any month as  
12 a result of a determination made under subsection (i),  
13 each of the dollar amounts in subparagraph (A) shall be  
14 increased by the same percentage for months beginning  
15 with such month.”.

16       (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply with respect to monthly insurance  
18 benefits payable for months beginning at least 270 days  
19 after the date of enactment of this Act.

20 **SEC. 5. REPORTING OF NONCOVERED EARNINGS ON SO-**  
21 **CIAL SECURITY ACCOUNT STATEMENTS.**

22       (a) IN GENERAL.—Section 1143(a)(2) of the Social  
23 Security Act (42 U.S.C. 1320b–13(a)(2)) is amended—

24               (1) by redesignating subparagraphs (B)  
25 through (E) as subparagraphs (C) through (F); and

1           (2) by inserting after subparagraph (A) the fol-  
2           lowing:

3                   “(B) the amount of earnings derived by  
4           the eligible individual from service performed  
5           after 1977 which did not constitute employment  
6           (as defined in section 210), not including serv-  
7           ice as a member of a uniformed service (as de-  
8           fined in section 210(m)), as shown by the  
9           records of the Commissioner at the date of the  
10          request;”.

11          (b) **EFFECTIVE DATE.**—The amendments made by  
12 this section shall apply with respect to Social Security ac-  
13 count statements issued on or after January 1, 2025.

14 **SEC. 6. STUDY ON PARTNERING WITH STATE AND LOCAL**  
15 **PENSION SYSTEMS.**

16          (a) **STUDY.**—

17                   (1) **IN GENERAL.**—The Commissioner of Social  
18 Security shall study and test the administrative fea-  
19 sibility of partnering with State and local pension  
20 systems, or other governmental entities, to improve  
21 the collection and sharing of information relating to  
22 State and local noncovered pensions.

23                   (2) **COORDINATION WITH STATE AND LOCAL**  
24 **PENSION SYSTEMS.**—In conducting the study de-  
25 scribed in paragraph (1), the Commissioner shall co-

1       ordinate with State and local pension systems that  
2       reflect the diversity of systems and individual experi-  
3       ences to explore the development of automated data  
4       exchange agreements that facilitate reporting of in-  
5       formation relating to noncovered pensions.

6       (b) REPORT.—The Commissioner of Social Security  
7       shall conclude the study described in subsection (a) not  
8       later than 4 years after the date of enactment of this Act.  
9       As soon as possible after conclusion of the study and not  
10      later than 4½ years after the date of enactment of this  
11      Act, the Commissioner shall submit to the Committee on  
12      Ways and Means of the House of Representatives and the  
13      Committee on Finance of the Senate a report on the re-  
14      sults of the study. Such report shall include the following:

15           (1) A discussion of how the automated data ex-  
16           change agreements could be implemented to cover  
17           noncovered pensions nationally, including the range  
18           of implementation timelines across State and local  
19           pension systems, or with other governmental entities.

20           (2) An analysis of the barriers to developing  
21           automated data exchange agreements and lessons  
22           learned that can help address these barriers.

23           (3) A description of alternative methods for ob-  
24           taining information related to noncovered pensions,

1 and an analysis of the barriers to obtaining non-  
2 covered pension data through such methods.

3 (4) An explanation of how coverage information  
4 is obtained by the Social Security Administration  
5 when an individual purchases service credits to apply  
6 to a new covered or noncovered pension after moving  
7 from another covered or noncovered pension within  
8 the State or in another State.

9 (5) An estimate of the total amount, as of the  
10 date of the enactment of this Act, of noncovered  
11 pensions not reported to the Social Security Admin-  
12 istration as a result of noncompliance with voluntary  
13 reporting policies.

14 (c) STATE AND LOCAL PENSION INFORMATION TO  
15 BE REQUESTED BY THE COMMISSIONER.—Section 202 of  
16 the Social Security Act (42 U.S.C. 402) is amended by  
17 inserting after subsection (l) the following:

18 “(m) STATE AND LOCAL PENSION INFORMATION TO  
19 BE REQUESTED BY THE COMMISSIONER.—

20 “(1) The Commissioner may partner with  
21 States to request information, including the informa-  
22 tion specified in paragraph (2), with respect to any  
23 designated distribution (as defined in section  
24 3405(e)(1) of the Internal Revenue Code of 1986)  
25 from an employer deferred compensation plan (as

1 defined in section 3405(e)(5) of such Code) of the  
2 State (or political subdivision thereof) to a partici-  
3 pant of such plan in any case in which any portion  
4 of such participant's earnings for service under such  
5 plan did not constitute 'employment' as defined in  
6 section 210 for purposes of this title.

7 “(2) The information specified in this para-  
8 graph is the following:

9 “(A) The name and Social Security ac-  
10 count number of the participant receiving the  
11 designated distribution.

12 “(B) The dollar amount of the designated  
13 distribution and the date paid.

14 “(C) The date on which the participant  
15 initially became eligible for a designated dis-  
16 tribution under the plan and, if different, the  
17 date of payment of the initial designated dis-  
18 tribution.

19 “(D) The dates of each period of service  
20 under the plan that did not constitute 'employ-  
21 ment' as defined in section 210 for purposes of  
22 this title, and the dates of any other period of  
23 service under the plan.”.

24 (d) DEFINITIONS.—In this section—

1           (1) the term “noncovered pension” means a  
2 pension any part of which is based on noncovered  
3 service (within the meaning of section 215(a)(7) of  
4 the Social Security Act (42 U.S.C. 415(a)(7))); and

5           (2) the term “covered pension” means any  
6 other pension.

○