

The Phased Social Security Reform Act of 20xx

(A Bill to modernize and strengthen the United States Social Security system through voluntary transition, individual choice, and fiscal sustainability)

A BILL

To reform the Social Security system by establishing a phased transition toward voluntary personal retirement accounts, ensuring protection for current and near retirees, and promoting long-term fiscal stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “**Phased Social Security Reform Act of 20xx.**”

SECTION 2. FINDINGS AND PURPOSE.

(a) Findings.— Congress finds that—

1. The Social Security Trust Fund is projected to face significant funding shortfalls within the next two decades;
2. Many workers seek greater ownership, transparency, and control over their retirement savings;
3. Protecting current retirees and near-retirees from disruption is a matter of national obligation and moral duty; and
4. A phased, voluntary approach can secure retirement benefits while strengthening individual liberty and fiscal responsibility.

(b) Purpose.— The purpose of this Act is to—

1. Guarantee all promised benefits to current and near retirees;
2. Provide workers with a voluntary option to redirect payroll taxes into approved personal retirement accounts;

3. Gradually transition Social Security toward a fully funded, self-sustaining system; and
 4. Strengthen the long-term solvency of the United States retirement framework.
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SECTION 3. DEFINITIONS.

For purposes of this Act—

1. **“Commissioner”** means the Commissioner of the Social Security Administration (SSA).
 2. **“Covered worker”** means any person subject to the Federal Insurance Contributions Act (FICA).
 3. **“Personal Retirement Account” (PRA)** means a qualified individual account established under Section 202.
 4. **“Legacy System”** refers to the current pay-as-you-go Social Security program established under Title II of the Social Security Act.
 5. **“Transition Cohort”** refers to individuals under age 55 as of the date of enactment.
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TITLE I — IMMEDIATE PROTECTIONS AND CONTINUITY FOR CURRENT RETIREES (YEARS 0–5)

SEC. 101. GUARANTEED LEGACY BENEFITS.

- (a) Individuals aged 55 or older at the date of enactment shall remain fully within the Legacy System.
 - (b) Their benefits shall be paid as promised under current law, adjusted for inflation.
 - (c) Payroll taxes collected from active workers and general revenues, if necessary, shall continue to fund these benefits.
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SEC. 102. STABILIZATION OF TRUST FUND.

- (a) The Secretary of the Treasury shall ensure adequate transfers from general revenue to the Old-Age and Survivors Insurance (OASI) Trust Fund to maintain solvency during the transition period.
 - (b) Such transfers shall be publicly disclosed and itemized in the annual Financial Report of the United States Government.
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TITLE II — VOLUNTARY OPT-IN PERSONAL RETIREMENT ACCOUNTS (YEARS 5–15)

SEC. 201. CREATION OF PERSONAL RETIREMENT ACCOUNT OPTION.

- (a) Covered workers under age 55 may elect to divert up to 50 percent of their FICA contributions into a Personal Retirement Account (PRA).
 - (b) PRAs shall be individually owned, inheritable, and managed through certified financial custodians under SSA oversight.
 - (c) Funds in PRAs shall be invested only in approved diversified instruments such as index funds, Treasury securities, and other low-risk vehicles defined by regulation.
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SEC. 202. ADMINISTRATION AND GOVERNANCE.

- (a) The SSA shall establish the Office of Personal Accounts (OPA) within one year of enactment to—
 - 1. Certify custodians;
 - 2. Maintain digital records of individual balances;
 - 3. Enforce fiduciary standards; and
 - 4. Provide standardized public reporting.
 - (b) The OPA shall issue quarterly statements to each participant showing contributions, earnings, and fees.
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SEC. 203. BENEFIT OFFSET FORMULA.

For participants who partially opt into PRAs—

- (a) Future Social Security benefits shall be proportionally reduced according to the share of FICA taxes redirected to PRAs;
 - (b) The Commissioner shall issue regulations detailing the benefit offset formula ensuring actuarial neutrality.
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SEC. 204. FINANCIAL EDUCATION AND DISCLOSURE.

- (a) The Department of the Treasury and SSA shall jointly operate an Independent Retirement Education Portal offering:
 - 1. Historical investment performance data;

2. Comparative benefit projections; and
3. Fee transparency for PRA providers.

(b) All PRA providers must disclose total fees annually in plain language.

TITLE III — LONG-TERM TRANSITION TO A SUSTAINABLE SYSTEM (YEARS 15–30)

SEC. 301. DEFAULT CONTRIBUTION REBALANCING.

(a) After the initial 15-year period, new entrants to the workforce shall be automatically enrolled into the PRA system at a default contribution rate of 75 percent PRA / 25 percent Legacy, unless they elect otherwise.

(b) Workers may modify or revert their contribution balance at any time.

SEC. 302. PHASEOUT OF THE LEGACY SYSTEM.

(a) Once the ratio of PRA participants exceeds 70 percent of the total covered workforce, Congress shall review the feasibility of closing new entries to the Legacy System.

(b) The OASI Trust Fund shall continue operating for all beneficiaries who remain under the old system until the final obligations are paid.

SEC. 303. FISCAL STABILIZATION MECHANISMS.

(a) To ensure fiscal continuity, Congress shall authorize the issuance of Social Security Transition Bonds backed by Treasury securities, maturing over 30 years.

(b) Proceeds shall be used solely to fund Legacy System obligations during the transition period.

TITLE IV — SAFEGUARDS AND TRANSPARENCY

SEC. 401. INDIVIDUAL RIGHTS AND PROTECTIONS.

(a) PRA balances shall be the private property of the account holder, protected against government seizure, garnishment, or reallocation except for lawful tax or child-support obligations.

(b) PRA assets may be bequeathed to heirs in accordance with estate law.

SEC. 402. PUBLIC ACCOUNTABILITY.

(a) The Government Accountability Office (GAO) shall conduct biennial audits of the transition program.

(b) The results shall be reported to Congress and made publicly available.

SEC. 403. RULEMAKING AUTHORITY.

The Commissioner of Social Security, in consultation with the Secretary of the Treasury, shall promulgate such regulations as are necessary to implement this Act within 24 months of enactment.

SEC. 404. EFFECTIVE DATE.

This Act shall take effect on January 1 of the first calendar year following enactment.