

## **Amendment to the Amendment in the Nature of a Substitute to H.Con. Res. 14**

### Enhancing Social Security Amendment

This amendment would provide an across-the-board increase to Social Security benefits of at least \$2,000, ensure seniors who have worked their entire lives do not retire into poverty, and fully eliminate taxes on Social Security benefits. It would also eliminate the disability waiting period and offset the disability benefit cliff. The amendment would lift the cap on Social Security contributions on income above \$400,000 and close the NIIT loophole.

**AMENDMENT TO THE AMENDMENT IN THE NA-  
TURE OF A SUBSTITUTE TO COMMITTEE  
PRINT PROVIDING FOR RECONCILIATION  
OFFERED BY MR. LARSON OF CONNECTICUT**

Page 389, line 15, add at the end the following:

**1     Subtitle E.— Enhancing Social Security**

**2     SEC. 114001. ACROSS-THE-BOARD BENEFIT INCREASE.**

3         (a) IN GENERAL.—Section 202 of the Social Security  
4     Act (42 U.S.C. 402) is amended by adding at the end the  
5     following:

6         “(aa)(1) Subject to paragraph (2), every individual  
7     who is entitled to a benefit under this section or a dis-  
8     ability insurance benefit under section 223(a) shall be en-  
9     titled to an additional monthly benefit in an amount equal  
10    to \$167.

11        “(2) In the case of an individual who will, in any tax-  
12    able year, pay fewer taxes as a result of the amendments  
13    made by section 114002 of the Act titled ‘An Act to pro-  
14    vide for reconciliation pursuant to title II of H. Con. Res.  
15    14’ or receive a greater monthly benefit as a result of the  
16    amendments made by section 114003 of such Act, such  
17    an individual shall not receive the additional monthly ben-  
18    efit described in paragraph (1) during a taxable year in

1 which the total amount of the additional monthly benefits  
2 received in such taxable year is less than the sum of—

3 “(A) the difference of—

4 “(i) the amount of income taxes such indi-  
5 vidual would have paid based on the modified  
6 adjusted gross income calculated for the appli-  
7 cable taxable year under section 86 of the In-  
8 ternal Revenue Code of 1986 (as in effect on  
9 May 12, 2025), minus

10 “(ii) the amount of income taxes such indi-  
11 vidual paid based on the modified adjusted  
12 gross income calculated for such taxable year  
13 under section 86 of the Internal Revenue Code  
14 of 1986 (as amended by section 114002 of such  
15 Act), plus

16 “(B) the difference of—

17 “(i) the total amount of the monthly bene-  
18 fits such individual received in the applicable  
19 taxable year based on the amendments made to  
20 section 215(a)(1) of the Social Security Act (42  
21 U.S.C. 415(a)(1)) (as amended by section  
22 114003 of the Act titled ‘An Act to provide for  
23 reconciliation pursuant to title II of H. Con.  
24 Res. 14’), minus

1 “(ii) the total amount of the monthly bene-  
2 fits such individual would have received during  
3 such taxable year based on section 215(a)(1)  
4 (as in effect on May 12, 2025).”.

5 (b) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to benefits paid for months begin-  
7 ning after December 31, 2026.

8 **SEC. 114002. INCREASING THRESHOLD AMOUNTS FOR IN-**  
9 **CLUSION OF SOCIAL SECURITY BENEFITS IN**  
10 **INCOME.**

11 (a) IN GENERAL.—Section 86 of the Internal Rev-  
12 enue Code of 1986 is amended by adding at the end the  
13 following:

14 “(g) TERMINATION.—This section shall not apply to  
15 any taxable year beginning after the date of enactment  
16 of this subsection.”.

17 (b) TRANSFERS TO TRUST FUNDS.—

18 (1) HOSPITAL INSURANCE TRUST FUND HELD  
19 HARMLESS.—Of the total revenue from taxation of  
20 social security benefits, there are appropriated to the  
21 Federal Hospital Insurance Trust Fund such  
22 amounts as would be transferred to such fund under  
23 section 121(e) of the Social Security Amendments of  
24 1983 (42 U.S.C. 401 note) and section 86 of such  
25 Code as such sections were in effect on the day be-



1 fore the date of the enactment of this Act, at such  
2 times and in such manner as would be provided  
3 therein.

4 (2) TRANSFERS TO PAYOR FUNDS.—Of the bal-  
5 ance of the total revenue from taxation of social se-  
6 curity benefits remaining after appropriations under  
7 paragraph (1) have been made, there are appro-  
8 priated to each payor fund amounts equivalent to  
9 the portion of such balance equal to a fraction—

10 (A) the numerator of which is the amount  
11 equivalent to the net revenues received in the  
12 Treasury attributable to the application of sec-  
13 tions 86 and 871(a)(3) of such Code to pay-  
14 ments from such payor fund made in taxable  
15 years beginning after December 31, 2026; and

16 (B) the denominator of which is the total  
17 revenue from taxation of social security bene-  
18 fits.

19 (3) TRANSFERS.—The amounts appropriated  
20 by paragraph (2) to any payor fund shall be trans-  
21 ferred from time to time (but not less frequently  
22 than quarterly) from the general fund of the Treas-  
23 ury on the basis of estimates made by the Secretary  
24 of the Treasury of the amounts referred to in such  
25 paragraph. Any such quarterly payment shall be

1       made on the first day of such quarter and shall take  
2       into account social security benefits estimated to be  
3       received during such quarter. Proper adjustments  
4       shall be made in the amounts subsequently trans-  
5       ferred to the extent prior estimates were in excess  
6       of or less than the amounts required to be trans-  
7       ferred.

8               (4) DEFINITIONS.—For purposes of this sub-  
9       section—

10               (A) TOTAL REVENUE FROM TAXATION OF  
11       SOCIAL SECURITY BENEFITS.—The term “total  
12       revenue from taxation of social security bene-  
13       fits” means the amount equivalent to the net  
14       revenues received in the Treasury attributable  
15       to the application of sections 86 and 871(a)(3)  
16       of the Internal Revenue Code of 1986 to pay-  
17       ments from any payor fund made in taxable  
18       years beginning after December 31, 2026.

19               (B) PAYOR FUND.—The term “payor  
20       fund” means any trust fund or account from  
21       which payments of social security benefits are  
22       made.

23               (C) SOCIAL SECURITY BENEFITS.—The  
24       term “social security benefits” has the meaning

1           given such term by section 86(d)(1) of the In-  
2           ternal Revenue Code of 1986.

3           (5)     CONFORMING     AMENDMENT.—Section  
4           121(e) of the Social Security Amendments of 1983  
5           (42 U.S.C. 401 note) is repealed.

6           (c) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to taxable years beginning after  
8           December 31, 2026.

9     **SEC. 114003. INCREASING THE MINIMUM BENEFIT FOR**  
10           **LONG-TERM LOW EARNERS.**

11          (a) IN GENERAL.—Section 215(a)(1) of the Social  
12          Security Act (42 U.S.C. 415(a)(1)) is amended—

13               (1) by redesignating subparagraph (D) as sub-  
14               paragraph (E); and

15               (2) by inserting after subparagraph (C) the fol-  
16               lowing new subparagraph:

17               “(D)(i) Effective with respect to the benefits of indi-  
18               viduals who become eligible for old-age insurance benefits  
19               or disability insurance benefits (or die before becoming so  
20               eligible) after 2026, no primary insurance amount com-  
21               puted under subparagraph (A) may be less than the great-  
22               er of—

23               “(I) the minimum monthly amount computed  
24               under subparagraph (C); or

1           “(II) in the case of an individual who has more  
2           than 10 years of work (as defined in clause (iv)(I)),  
3           the alternative minimum amount determined under  
4           clause (ii).

5           “(ii)(I) The alternative minimum amount determined  
6           under this clause is the applicable percentage of  $\frac{1}{12}$  of  
7           the annual dollar amount determined under clause (iii) for  
8           the year in which the amount is determined.

9           “(II) For purposes of subclause (I), the applicable  
10          percentage is the percentage specified in connection with  
11          the number of years of work, as set forth in the following  
12          table:

<b>“If the number of years of work is:</b>	<b>The applicable percentage is:</b>
11 .....	6.25 percent
12 .....	12.50 percent
13 .....	18.75 percent
14 .....	25.00 percent
15 .....	31.25 percent
16 .....	37.50 percent
17 .....	43.75 percent
18 .....	50.00 percent
19 .....	56.25 percent
20 .....	62.50 percent
21 .....	68.75 percent
22 .....	75.00 percent
23 .....	81.25 percent
24 .....	87.50 percent
25 .....	93.75 percent
26 .....	100.00 percent
27 .....	106.25 percent
28 .....	112.50 percent
29 .....	118.75 percent
30 or more .....	125.00 percent.

13          “(iii) The annual dollar amount determined under  
14          this clause is—

1           “(I) for calendar year 2027, the poverty guide-  
2       line for 2026; and

3           “(II) for any calendar year after 2027, the an-  
4       nual dollar amount established for the calendar year  
5       preceding such calendar year, or, if larger, the an-  
6       nual dollar amount for 2027 multiplied by the ratio  
7       of—

8           “(aa) the national average wage index (as  
9       defined in section 209(k)(1)) for the second cal-  
10      endar year preceding the calendar year for  
11      which the determination is made, to

12          “(bb) the national average wage index (as  
13      so defined) for 2025.

14      “(iv) For purposes of this subparagraph—

15          “(I) the term ‘year of work’ means, with re-  
16      spect to an individual, a year to which 4 quarters of  
17      coverage have been credited based on such individ-  
18      ual’s wages and self-employment income; and

19          “(II) the term poverty guideline for 2026  
20      means the annual poverty guideline for 2026 (as up-  
21      dated annually in the Federal Register by the De-  
22      partment of Health and Human Services under the  
23      authority of section 673(2) of the Omnibus Budget  
24      Reconciliation Act of 1981) as applicable to a single  
25      individual.”.

1 (b) CONFORMING AMENDMENT.—Section 209(k)(1)  
2 of such Act (42 U.S.C. 409(k)(1)) is amended by inserting  
3 “215(a)(1)(E),” after “215(a)(1)(D),”.

4 (c) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by  
6 this section shall apply with respect to monthly in-  
7 surance benefits payable for months beginning after  
8 calendar year 2026.

9 (2) RECOMPUTATION OF PRIMARY INSURANCE  
10 AMOUNTS.—Notwithstanding section 215(f) of the  
11 Social Security Act, the Commissioner of Social Se-  
12 curity shall recompute primary insurance amounts  
13 to the extent necessary to carry out the amendments  
14 made by this section.

15 **SEC. 114004. ELIMINATING THE 5-MONTH WAITING PERIOD**  
16 **FOR DISABILITY BENEFITS.**

17 (a) IN GENERAL.—Section 223(a) of the Social Secu-  
18 rity Act (42 U.S.C. 423(a)) is amended—

19 (1) in paragraph (1), in the matter following  
20 subparagraph (E), by striking “(i) for each month”  
21 and all that follows through “under such disability,”  
22 and inserting “for each month beginning with the  
23 first month during all of which the individual is  
24 under a disability and in which the individual be-  
25 comes entitled to such insurance benefits”; and

1 (2) in paragraph (2)—

2 (A) by striking “as though he had attained  
3 age 62” and all that follows through “and as  
4 though” and inserting “as though he had at-  
5 tained age 62 in the first month for which he  
6 becomes entitled to such disability insurance  
7 benefits, and as though”; and

8 (B) by striking “in or before the first  
9 month referred to in subparagraph (A) or (B)  
10 of such sentence, as the case may be,” and in-  
11 serting “in or before such month,”.

12 (b) DISABLED SURVIVING SPOUSES.—Section 202 of  
13 the Social Security Act (42 U.S.C. 402) is amended—

14 (1) in subsection (e)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (C)(ii)(III), by  
17 striking “paragraph (8)” and inserting  
18 “paragraph (6)”; and

19 (ii) by striking “beginning with—”  
20 and all that follows through “and ending”  
21 and inserting “beginning with the first  
22 month in which she becomes so entitled to  
23 such insurance benefits and ending”; and

1 (B) by striking paragraph (5) and redesignig-  
2 nating paragraphs (6) through (8) as para-  
3 graphs (5) through (7), respectively;  
4 (2) in subsection (f)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (C)(ii)(III), by  
7 striking “paragraph (8)” and inserting  
8 “paragraph (6)”; and

9 (ii) by striking “beginning with—”  
10 and all that follows through “and ending”  
11 and inserting “beginning with the first  
12 month in which he becomes so entitled to  
13 such insurance benefits and ending”; and

14 (B) by striking paragraph (5) and redesignig-  
15 nating paragraphs (6) through (8) as para-  
16 graphs (5) through (7), respectively.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply with respect to any individual who  
19 becomes entitled to monthly insurance benefits in any case  
20 in which the period of disability during which the indi-  
21 vidual became so entitled begins in a month beginning  
22 after December 2026.

23 (d) SPECIAL RULE FOR NONAPPLICATION BEFORE  
24 2027.—In the case of any individual who would be in a  
25 waiting period (as defined in section 223(c)(2) of the So-



1 cial Security Act) as of January 2027, the last month of  
2 such individual's waiting period shall be deemed to be De-  
3 cember 2026.

4 **SEC. 114005. ESTABLISHING A GRADUAL OFFSET FOR DIS-**  
5 **ABILITY BENEFICIARIES WITH EARNINGS.**

6 (a) ELIMINATION OF TERMINATION OF BENEFITS  
7 DUE TO WORK ACTIVITY.—

8 (1) DATE OF TERMINATION OF DISABILITY  
9 BENEFITS; ELIMINATION OF EXTENDED PERIOD OF  
10 ELIGIBILITY.—Section 223(a)(1) of the Social Secu-  
11 rity Act (42 U.S.C. 423(a)(1)) is amended, in the  
12 matter following subparagraph (E), by striking “the  
13 earlier of” and all that follows through “the 36  
14 months following such period of trial work in which  
15 he engages or is determined able to engage in sub-  
16 stantial gainful activity” and inserting “the third  
17 month following the earliest month after the end of  
18 such period of trial work with respect to which such  
19 individual is determined to no longer be suffering  
20 from a disabling physical or mental impairment”.

21 (2) DATE OF TERMINATION OF CHILD'S BENE-  
22 FITS.—Section 202(d)(1)(G)(i) of such Act (42  
23 U.S.C. 402(d)(1)(G)(i)) is amended by striking “the  
24 earlier of” and all that follows through “substantial  
25 gainful activity),” and inserting “the third month

1 following the earliest month after the end of such  
2 period of trial work with respect to which such indi-  
3 vidual is determined to no longer be suffering from  
4 a disabling physical or mental impairment.”.

5 (3) DATE OF TERMINATION OF WIDOW’S AND  
6 WIDOWER’S BENEFITS.—Subsections (e)(1) and  
7 (f)(1) of section 202 of such Act (42 U.S.C. 402)  
8 are each amended, in the matter following subpara-  
9 graph (E), by striking “the earlier of” and all that  
10 follows through the end of the paragraph and insert-  
11 ing “the third month following the earliest month  
12 after the end of such period of trial work with re-  
13 spect to which such individual is determined to no  
14 longer be suffering from a disabling physical or men-  
15 tal impairment.”.

16 (4) ELIMINATION OF WORK-RELATED TERMI-  
17 NATION OF HOSPITAL INSURANCE BENEFITS.—Sec-  
18 tion 226(b) of such Act (42 U.S.C. 426(b)) is  
19 amended, in the matter following paragraph (2), by  
20 striking “For purposes of this subsection” and all  
21 that follows through the end.

22 (5) CONFORMING AMENDMENT RELATED TO  
23 EXPEDITED REINSTATEMENT.—Section 223 of such  
24 Act (42 U.S.C. 423) is amended by striking sub-  
25 section (i).

1 (b) BENEFIT REDUCTION BASED ON EARNINGS DE-  
2 RIVED FROM SERVICES.—

3 (1) IN GENERAL.—Section 223(e) of such Act  
4 (42 U.S.C. 423(e)) is amended to read as follows:

5 “(e)(1) Any benefit otherwise payable to an individual  
6 for a month under subsection (d)(1)(B)(ii), (d)(6)(A)(ii),  
7 (d)(6)(B), (e)(1)(B)(ii), or (f)(1)(B)(ii) of section 202 or  
8 under subsection (a)(1) of this section shall be reduced  
9 by \$1 for each \$2 by which the individual’s earnings de-  
10 rived from services for such month exceeds the amount  
11 specified in paragraph (2) with respect to such month, ex-  
12 cept that—

13 “(A) in the case of an individual who has a pe-  
14 riod of trial work (as defined in section 222(c)), no  
15 reduction may be applied to any benefit of such indi-  
16 vidual under this title for any month prior to the  
17 third month after the end of the individual’s period  
18 of trial work; and

19 “(B) such benefit may not be reduced below \$0.

20 “(2) The amount specified in this paragraph with re-  
21 spect to a month shall be the amount of monthly earnings  
22 derived from services established by the Commissioner  
23 (under regulations issued pursuant to section  
24 223(d)(4)(A)) to represent substantial gainful activity in  
25 the case of a blind individual for such month.

1       “(3) In the case of a benefit otherwise payable to an  
2 individual for a month under section 202 on the basis of  
3 the wages and self-employment income of an individual  
4 whose benefit is reduced pursuant to paragraph (1), such  
5 benefit shall be reduced for such month by the same pro-  
6 portion as the reduction made pursuant to paragraph  
7 (1).”.

8           (2)     CONFORMING     AMENDMENT.—Section  
9     223(a)(2) of such Act (42 U.S.C. 423(a)(2)) is  
10     amended by striking “and section 215(b)(2)(A)(ii)”  
11     and inserting “, section 215(b)(2)(A)(ii), and sub-  
12     section (e) of this section”.

13     (c) TICKET TO WORK EMPLOYMENT NETWORKS.—  
14     Section 1148(h)(5) of such Act (42 U.S.C. 1320b-  
15     19(h)(5)) is amended by redesignating subparagraph (C)  
16     as subparagraph (D) and inserting after subparagraph  
17     (B) the following:

18                 “(C) The Commissioner may alter require-  
19     ments to receive a payment under this section  
20     to the extent that the Commissioner determines  
21     that altering such requirements is necessary to  
22     ensure that sufficient employment networks are  
23     available and that each beneficiary receiving  
24     services under the Program has reasonable ac-

1           cess to employment services, vocational rehabili-  
2           tation services, and other support services.”.

3           (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to months beginning  
5 after calendar year 2026.

6 **SEC. 114006. DETERMINING WAGES AND SELF-EMPLOY-**  
7 **MENT INCOME ABOVE CONTRIBUTION AND**  
8 **BENEFIT BASE AFTER 2026.**

9           (a) DETERMINATION OF WAGES ABOVE CONTRIBU-  
10 TION AND BENEFIT BASE AFTER 2026.—

11           (1) AMENDMENTS TO THE INTERNAL REVENUE  
12 CODE OF 1986.—

13           (A) REPEAL OF PRESENT LAW LIMITA-  
14 TION.—Section 3121(a) of the Internal Revenue  
15 Code of 1986 is amended by striking paragraph  
16 (1).

17           (B) LIMITATION ON AMOUNT OF WAGES.—  
18 Section 3121 of such Code is amended by add-  
19 ing at the end the following new subsection:

20           “(aa) LIMITATION ON AMOUNT OF WAGES.—

21           “(1) IN GENERAL.—In the case of any calendar  
22 year in which the contribution and benefit base (as  
23 determined under section 230 of the Social Security  
24 Act) is less than \$400,000, for purposes of the taxes  
25 imposed by sections 3101(a) and 3111(a), the term

1       ‘wages’ does not include that part of the remunera-  
2       tion which, after remuneration equal to such con-  
3       tribution and benefit base with respect to employ-  
4       ment has been paid to an individual by an employer  
5       during the calendar year with respect to which such  
6       contribution and benefit base is effective, is paid to  
7       such individual by such employer during the cal-  
8       endar year. The preceding sentence shall not apply  
9       to that part of the remuneration paid to an indi-  
10      vidual after remuneration of \$400,000 with respect  
11      to employment has been paid to such individual by  
12      an employer (or any person related to, or acting on  
13      behalf of, such employer, as determined by the Sec-  
14      retary) during the calendar year.

15           “(2) SUCCESSOR EMPLOYER.—If an employer  
16      (hereinafter referred to as successor employer) dur-  
17      ing any calendar year, acquires substantially all the  
18      property used in a trade or business of another em-  
19      ployer (hereinafter referred to as a predecessor), or  
20      used in a separate unit of a trade or business of a  
21      predecessor, and immediately after the acquisition  
22      employs in his trade or business an individual who  
23      immediately prior to the acquisition was employed in  
24      the trade or business of such predecessor, then, for  
25      the purpose of determining whether the successor

1 employer has paid remuneration with respect to em-  
2 ployment equal to the contribution and benefit base  
3 (as determined under section 230 of the Social Secu-  
4 rity Act) to such individual during such calendar  
5 year, any remuneration with respect to employment  
6 paid (or considered under this paragraph as having  
7 been paid) to such individual by such predecessor  
8 during such calendar year and prior to such acquisi-  
9 tion shall be considered as having been paid by such  
10 successor employer.

11 “(3) REMUNERATION.—For purposes of this  
12 subsection, the term ‘remuneration’ does not include  
13 remuneration referred to in any paragraph of sub-  
14 section (a).”.

15 (C) APPLICATION TO RAILROAD RETIRE-  
16 MENT.—

17 (i) IN GENERAL.—Section  
18 3231(e)(2)(A) of such Code is amended by  
19 adding at the end the following new clause:

20 “(iv) LIMITATION ON EXCLUSION.—  
21 For purposes of so much of the taxes im-  
22 posed by sections 3201(a), 3211(a) and  
23 3221(a) as are determined by reference to  
24 the rate in effect under section 3101(a) or  
25 3111(a)—

1 “(I) in the case of any calendar  
2 year in which the contribution and  
3 benefit base (as determined under sec-  
4 tion 230 of the Social Security Act) is  
5 less than \$400,000, clause (i) shall  
6 not apply to that part of the remu-  
7 nation paid to an individual after  
8 remuneration of \$400,000 for services  
9 rendered as an employee has been  
10 paid to such individual by an em-  
11 ployer (or any person related to, or  
12 acting on behalf of, such employer, as  
13 determined by the Secretary) during  
14 the calendar year, and

15 “(II) in the case of any calendar  
16 year in which such contribution and  
17 benefit base equals or exceeds  
18 \$400,000, clause (i) shall not apply.”.

19 (ii) EXCLUSION OF REMUNERATION  
20 WHICH IS NOT TREATED AS COMPENSA-  
21 TION.—Section 3231(e)(2)(A)(ii) of such  
22 Code is amended by inserting “or (iv)”  
23 after “under clause (i)”.

24 (D) CONFORMING AMENDMENT.—Section  
25 3231(e)(2)(C) of such Code is amended by



1 striking “the second sentence of section  
2 3121(a)(1)” and inserting “section  
3 3121(aa)(2)”.

4 (2) AMENDMENT TO THE SOCIAL SECURITY  
5 ACT.—Section 209(a)(1)(I) of the Social Security  
6 Act (42 U.S.C. 409(a)(1)(I)) is amended by insert-  
7 ing before the semicolon at the end the following:  
8 “except that this subparagraph shall apply only to  
9 calendar years for which the contribution and ben-  
10 efit base (as so determined) is less than \$400,000,  
11 and, for such calendar years, only to the extent that  
12 remuneration with respect to employment paid to  
13 such employee does not exceed \$400,000”.

14 (b) DETERMINATION OF SELF-EMPLOYMENT INCOME  
15 ABOVE CONTRIBUTION AND BENEFIT BASE AFTER  
16 2026.—

17 (1) AMENDMENTS TO INTERNAL REVENUE  
18 CODE OF 1986.—

19 (A) IN GENERAL.—Section 1402(b) of  
20 such Code is amended to read as follows:

21 “(b) SELF-EMPLOYMENT INCOME.—

22 “(1) IN GENERAL.—The term ‘self-employment  
23 income’ means the net earnings from self-employ-  
24 ment derived by an individual, except that such term  
25 shall not include net earnings from self-employment

1 if such net earnings for the taxable year are less  
2 than \$400.

3 “(2) LIMITATION ON OASDI TAX.—For purposes  
4 of section 1401(a), the term ‘self-employment in-  
5 come’ shall not exceed the sum of—

6 “(A) the total compensation not in excess  
7 of the contribution and benefit base (as deter-  
8 mined under section 230 of the Social Security  
9 Act) which is effective for the calendar year in  
10 which such taxable year begins, reduced by the  
11 amount of wages not in excess of such base  
12 paid to such individual during the taxable year,  
13 plus

14 “(B) the total compensation in excess of  
15 the greater of—

16 “(i) \$400,000, or

17 “(ii) the amount of wages paid to  
18 such individual during the taxable year.

19 “(3) DEFINITION AND SPECIAL RULES.—

20 “(A) TOTAL COMPENSATION.—For pur-  
21 poses of paragraph (2), the term ‘total com-  
22 pensation’ means the sum of the net earnings  
23 from self-employment and the amount of wages  
24 paid to such individual during the taxable year.

1                   “(B) WAGES.—For purposes of this sub-  
2                   section, the term ‘wages’—

3                   “(i) shall be determined without re-  
4                   gard to section 3121(aa); and

5                   “(ii) includes—

6                   “(I) such remuneration paid to  
7                   an employee for services included  
8                   under an agreement entered into pur-  
9                   suant to the provisions of section  
10                  3121(l) (relating to coverage of citi-  
11                  zens of the United States who are em-  
12                  ployees of foreign affiliates of Amer-  
13                  ican employers) as would be wages  
14                  under section 3121(a) if such services  
15                  constituted employment under section  
16                  3121(b), and

17                  “(II) compensation which is sub-  
18                  ject to the tax imposed by section  
19                  3201 or 3211 (or would be so subject  
20                  but for paragraph (2) of section  
21                  3231(e)).

22                  “(C) NONRESIDENT ALIENS.—A non-  
23                  resident alien individual shall not be treated as  
24                  an individual for purposes of paragraph (1), ex-  
25                  cept as provided by an agreement under section

1           233 of the Social Security Act. An individual  
2           who is not a citizen of the United States but  
3           who is a resident of the Commonwealth of  
4           Puerto Rico, the Virgin Islands, Guam, or  
5           American Samoa shall not, for purposes of this  
6           chapter, be considered to be a nonresident alien  
7           individual.

8           “(D) CHURCH EMPLOYEE.—In the case of  
9           church employee income, the special rules of  
10          subsection (j)(2) shall apply for purposes of  
11          paragraph (1).”.

12          (B) CONFORMING AMENDMENTS.—

13                 (i) Section 1402(j)(2)(A) of such Code  
14                 is amended by striking all that precedes  
15                 “shall be applied” and inserting:

16                 “(A) SEPARATE APPLICATION OF DE MINI-  
17          MIS RULE.—Subsection (b)(1)”.

18                 (ii) Section 1402(j)(2)(B) of such  
19                 Code is amended by striking “paragraph  
20                 (2) of subsection (b)” and inserting “sub-  
21                 section (b)(1)”.

22          (2) AMENDMENT TO THE SOCIAL SECURITY  
23          ACT.—

1 (A) IN GENERAL.—Section 211(b) of the  
2 Social Security Act (42 U.S.C. 411(b)) is  
3 amended to read as follows:

4 “(b) SELF-EMPLOYMENT INCOME.—

5 “(1) IN GENERAL.—Subject to paragraph (2),  
6 the term ‘self-employment income’ means the net  
7 earnings from self-employment derived by an indi-  
8 vidual, except that such term shall not include net  
9 earnings from self-employment if such net earnings  
10 for the taxable year are less than \$400.

11 “(2) LIMITATION.—The term ‘self-employment  
12 income’ shall not exceed the sum of—

13 “(A) the total compensation not in excess  
14 of the contribution and benefit base (as deter-  
15 mined under section 230) which is effective for  
16 the calendar year in which such taxable year  
17 begins, reduced by the amount of wages not in  
18 excess of such base paid to such individual dur-  
19 ing the taxable year, plus

20 “(B) the total compensation in excess of  
21 the greater of—

22 “(i) \$400,000, or

23 “(ii) the amount of wages paid to  
24 such individual during the taxable year.

25 “(3) DEFINITION AND SPECIAL RULES.—

1           “(A) TOTAL COMPENSATION.—For pur-  
2           poses of paragraph (2), the term ‘total com-  
3           pensation’ means the sum of the net earnings  
4           from self-employment and the amount of wages  
5           paid to such individual during the taxable year.

6           “(B) WAGES.—For purposes of this sub-  
7           section, the term ‘wages’ shall be determined  
8           without regard to section 209(a)(1).

9           “(C) NONRESIDENT ALIENS.—A non-  
10          resident alien individual shall not be treated as  
11          an individual for purposes of paragraph (1), ex-  
12          cept as provided by an agreement under section  
13          233. An individual who is not a citizen of the  
14          United States but who is a resident of the Com-  
15          monwealth of Puerto Rico, the Virgin Islands,  
16          Guam, or American Samoa shall not, for pur-  
17          poses of this subsection, be considered to be a  
18          nonresident alien individual.

19          “(D) CHURCH EMPLOYEE.—In the case of  
20          church employee income, the special rules of  
21          subsection (i)(2) shall apply for purposes of  
22          paragraph (1).”.

23          (B) CONFORMING AMENDMENT.—Section  
24          211(i)(2) of the Social Security Act (42 U.S.C.

1           411(i)(2)) is amended by striking “(b)(2)” and  
2           inserting “(b)(1)” each place it appears.

3           (c) SPECIAL RULE FOR WAGES FROM MULTIPLE  
4 EMPLOYERS WHICH TOTAL IN EXCESS OF \$400,000.—

5           (1) IN GENERAL.—Subchapter A of chapter 21  
6           of such Code is amended by adding at the end the  
7           following new section:

8           **“SEC. 3103. SPECIAL RULES FOR REMUNERATION FROM**  
9                                   **MULTIPLE EMPLOYERS.**

10          “(a) IN GENERAL.—In the case of an employee re-  
11 ceiving wages from more than one employer during a cal-  
12 endar year, there is hereby imposed a tax on such em-  
13 ployee (for the last taxable year beginning in the calendar  
14 year the wages are received) equal to the excess (if any)  
15 of—

16           “(1) the tax that would have been imposed by  
17           section 3101(a) if such wages had been received  
18           from one employer, over

19           “(2) the aggregate tax imposed by such section  
20           with respect to such wages.

21          “(b) COORDINATION WITH SPECIAL REFUND PROVI-  
22 SION.—No credit shall be determined under section 31(b)  
23 with respect to any employee for any taxable year unless  
24 the amount described in subsection (a)(1) with respect to  
25 wages received during the calendar year in which such tax-

1 able year begins exceeds the amount described in sub-  
2 section (a)(2) with respect to such wages, and the amount  
3 of such credit so determined shall not exceed such excess.

4 “(c) WAGES.—For purposes of this section, the term  
5 ‘wages’ shall have the same meaning as when used in sec-  
6 tion 1402(b).

7 “(d) APPLICATION TO TIER I RAILROAD RETIRE-  
8 MENT TAX.—In the case of compensation (as defined in  
9 section 3231(e)), for purposes of applying subsections (a)  
10 and (b), the reference to the tax that would have been  
11 imposed by section 3101(a) shall be treated as including  
12 a reference to so much of the tax that would have been  
13 imposed on such compensation under section 3201(a) or  
14 3211(a) (or would have been so imposed but for paragraph  
15 (2) of section 3231(e)) as is determined by reference to  
16 the rate of tax in effect under section 3101(a).”.

17 (2) FAILURE BY INDIVIDUAL TO PAY ESTI-  
18 MATED INCOME TAX.—Subsection (m) of section  
19 6654 of such Code is amended to read as follows:

20 “(m) SPECIAL RULE FOR CERTAIN EMPLOYMENT  
21 TAXES.—For purposes of this section, the tax imposed by  
22 sections 3101(b)(2) (to the extent not withheld) and the  
23 tax imposed by section 3103 shall be treated as taxes im-  
24 posed by chapter 2.”.



1           (3) CLERICAL AMENDMENT.—The table of sec-  
2           tions for subchapter A of chapter 21 of such Code  
3           is amended by adding at the end the following new  
4           item:

“Sec. 3103. Special rules for remuneration from multiple employers.”.

5           (d) CONFORMING CHANGE TO NATIONAL AVERAGE  
6           WAGE INDEX.—Section 209(k) of the Social Security Act  
7           (42 U.S.C. 409(k)) is amended—

8           (1) in paragraph (1), by inserting “and to para-  
9           graph (4)” after “paragraph (2)”; and

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

11          “(4) For each calendar year after 2026, the na-  
12          tional average wage index as defined in this section  
13          for such calendar year shall be deemed to be the na-  
14          tional average wage index determined under the pre-  
15          ceding paragraphs of this section increased by the  
16          following percentage:

17               “(A) For calendar years 2027 through  
18               2032, 0.5 percent.

19               “(B) For calendar years 2033 through  
20               2038, 0.6 percent.

21               “(C) For calendar years 2039 through  
22               2044, 0.7 percent.

23               “(D) For calendar years 2045 through  
24               2048, 0.8 percent.

1                   “(E) For calendar years after 2048, 0.9  
2                   percent.”.

3           (e) EFFECTIVE DATES.—

4           (1) IN GENERAL.—The amendments made by  
5           subsections (a) and (c) shall apply to remuneration  
6           paid in calendar years after 2026.

7           (2) SELF-EMPLOYMENT INCOME.—The amend-  
8           ments made by subsection (b) shall apply to net  
9           earnings from self-employment derived in taxable  
10          years beginning after December 31, 2026.

11 **SEC. 114007. INCLUDING EARNINGS OVER \$400,000 IN SO-**  
12 **CIAL SECURITY BENEFIT FORMULA (202).**

13          (a) INCLUSION OF EARNINGS OVER \$400,000 IN DE-  
14          TERMINATION OF PRIMARY INSURANCE AMOUNTS.—Sec-  
15          tion 215(a)(1)(A) of the Social Security Act (42 U.S.C.  
16          415(a)(1)(A)) is amended—

17               (1) in clause (ii), by striking “and” at the end;

18               (2) in clause (iii), by inserting “and” at the  
19          end; and

20               (3) by inserting after clause (iii) the following:

21               “(iv) 1 percent of the individual’s excess aver-  
22          age indexed monthly earnings (as defined in sub-  
23          section (b)(5)(A)).”.

1 (b) DEFINITION OF EXCESS AVERAGE INDEXED  
2 MONTHLY EARNINGS.—Section 215(b) of the Social Secu-  
3 rity Act (42 U.S.C. 415(b)) is amended—

4 (1) by striking “wages” and “self-employment  
5 income” each place such terms appear and inserting  
6 “basic wages” and “basic self-employment income”,  
7 respectively; and

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

9 “(5)(A) An individual’s excess average indexed  
10 monthly earnings shall be equal to the amount of the indi-  
11 vidual’s average indexed monthly earnings that would be  
12 determined under this subsection by substituting ‘excess  
13 wages’ for ‘basic wages’ and ‘excess self-employment in-  
14 come’ for ‘basic self-employment income’ each place such  
15 terms appear in this subsection (except in this paragraph).

16 “(B) For purposes of this subsection—

17 “(i) the term ‘basic wages’ means that portion  
18 of the wages of an individual paid in a year that  
19 does not exceed the contribution and benefit base for  
20 the year;

21 “(ii) the term ‘basic self-employment income’  
22 means that portion of the self-employment income of  
23 an individual credited to a year that does not exceed  
24 an amount equal to the contribution and benefit

1 base for the year minus the amount of the wages  
2 paid to the individual in the year;

3 “(iii) the term ‘excess wages’ means that por-  
4 tion of the wages of an individual paid in a year  
5 after 2026 that are not basic wages; and

6 “(iv) the term ‘excess self-employment income’  
7 means that portion of the self-employment income of  
8 an individual credited to a year after 2026 that is  
9 not basic self-employment income.”.

10 (c) CONFORMING AMENDMENTS.—Title II of the So-  
11 cial Security Act is amended—

12 (1) in section 203(a)(6)(A) (42 U.S.C.  
13 403(a)(6)(A)), by striking “85 percent of such indi-  
14 vidual’s average indexed monthly earnings” and in-  
15 serting “the sum of 85 percent of such individual’s  
16 average indexed monthly earnings and 1 percent of  
17 such individual’s excess average indexed monthly  
18 earnings (as defined in section 215(b)(5)(A))”;

19 (2) in section 212 (42 U.S.C. 412), by inserting  
20 “excess average indexed monthly earnings,” after  
21 “average indexed monthly earnings,” each place it  
22 appears;

23 (3) in section 215(e)(1) (42 U.S.C. 415(e)(1)),  
24 by inserting “and before 2027” after “after 1974”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to remuneration paid  
3 in calendar years after 2026 and to net earnings from self-  
4 employment derived in taxable years beginning after De-  
5 cember 31, 2026.

6 **SEC. 114008. APPLICATION OF SOCIAL SECURITY TAX TO**  
7 **NET INVESTMENT INCOME (203).**

8 (a) IN GENERAL.—Section 1411(a)(1) of the Internal  
9 Revenue Code of 1986 is amended by striking “3.8 per-  
10 cent” and all that follows and inserting “the sum of—

11 “(A) 3.8 percent of the lesser of—

12 “(i) net investment income for such  
13 taxable year, or

14 “(ii) the excess (if any) of—

15 “(I) the modified adjusted gross  
16 income for such taxable year, over

17 “(II) the medicare contribution  
18 threshold amount, plus

19 “(B) 12.4 percent of the lesser of—

20 “(i) net investment income for such  
21 taxable year, or

22 “(ii) the excess (if any) of—

23 “(I) the modified adjusted gross  
24 income for such taxable year, over

1 “(II) the social security contribu-  
2 tion threshold amount.”.

3 (b) APPLICATION TO ESTATES AND TRUSTS.—Sec-  
4 tion 1411(a)(2) of such Code is amended by striking “3.8  
5 percent” and all that follows and inserting “the sum of—

6 “(A) 3.8 percent of the lesser of—

7 “(i) the undistributed net investment  
8 income for such taxable year, or

9 “(ii) the excess (if any) of—

10 “(I) the adjusted gross income  
11 (as defined in section 67(e)) for such  
12 taxable year, over

13 “(II) the dollar amount at which  
14 the highest tax bracket in section 1(e)  
15 begins for such taxable year, plus

16 “(B) 12.4 percent of the lesser of—

17 “(i) the amount described in subpara-  
18 graph (A)(i), or

19 “(ii) the excess described in subpara-  
20 graph (A)(ii).”.

21 (c) THRESHOLD AMOUNTS.—Section 1411(b) of such  
22 Code is amended to read as follows:

23 “(b) THRESHOLD AMOUNTS.—For purposes of this  
24 section—

1           “(1) MEDICARE CONTRIBUTION THRESHOLD  
2           AMOUNT.—The term ‘medicare contribution thresh-  
3           old amount’ means—

4                   “(A) in the case of a taxpayer making a  
5                   joint return under section 6013 or a surviving  
6                   spouse (as defined in section 2(a)), \$250,000,

7                   “(B) in the case of a married taxpayer (as  
8                   defined in section 7703) filing a separate re-  
9                   turn,  $\frac{1}{2}$  of the dollar amount determined under  
10                  subparagraph (A), and

11                  “(C) in any other case, \$200,000.

12           “(2) SOCIAL SECURITY CONTRIBUTION  
13           THRESHOLD AMOUNT.—The term ‘social security  
14           contribution threshold amount’ means \$400,000.”.

15           (d) CLERICAL AMENDMENT.—The heading of chap-  
16           ter 2A of such Code (and the item relating to such chapter  
17           in the table of chapters for subtitle A of chapter 1 of such  
18           Code) are each amended by striking “medicare contribu-  
19           tion” and inserting “contributions”.

20           (e) EFFECTIVE DATE.—The amendments made by  
21           this section shall apply to taxable years beginning after  
22           December 31, 2026.

