To amend the Social Security Act and the Internal Revenue Code of 1986 to stop the Congress from spending Social Security’s tax revenue surpluses on other Government programs by dedicating those surpluses to personal accounts.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2005

Mr. McCrery (for himself, Mr. Shaw, Mr. Sam Johnson of Texas, Mr. Ryan of Wisconsin, Mr. Shadegg, Mr. Herger, Mr. Lewis of Kentucky, Mr. Brady of Texas, Mr. Cantor, Mr. Chocola, Mr. Akin, Mr. Alexander, Mr. Bachuś, Mr. Baker, Mr. Barrett of South Carolina, Mr. Bartlett of Maryland, Mr. Bishop of Utah, Mr. Conaway, Mr. Feeney, Ms. Foxx, Mr. Flake, Mr. Gilchrest, Mr. Gingrey, Mr. Hensarling, Mr. Issa, Mr. Istook, Mr. Jindal, Mr. Kingston, Mr. Kuhl of New York, Mr. McCaul of Texas, Mr. McHenry, Mrs. Myrick, Mrs. Northup, Mr. Pence, Mr. Pitts, Mr. Price of Georgia, Mr. Sessions, Mr. Weldon of Florida, and Mr. Wicker) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to stop the Congress from spending Social Security’s tax revenue surpluses on other Government programs by dedicating those surpluses to personal accounts.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Growing Real Ownership for Workers Act of 2005”.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GROW ACCOUNTS PROGRAM

Sec. 101. Establishment of the GROW Accounts Program.

"PART B—GROW ACCOUNTS PROGRAM"

"Sec. 251. Definitions."
"Sec. 252. Establishment of Program."
"Sec. 253. Participation in Program."
"Sec. 254. Interim investment by Board."
"Sec. 255. GROW accounts."
"Sec. 256. Investment of accounts."
"Sec. 257. Distributions of account balance at retirement."
"Sec. 258. Treatment of part A benefit payments."
"Sec. 259. Additional rules relating to disposition of account assets."
"Sec. 260. Administration of the Program."

Sec. 102. Annual account statements.

Sec. 103. Report and Congressional consideration of proposals regarding alternative investment options and other matters.

TITLE II—TAX TREATMENT

Sec. 201. Tax treatment of GROW accounts.


Sec. 203. Estate tax not to apply to assets of GROW accounts.

TITLE I—GROW ACCOUNTS PROGRAM

SEC. 101. ESTABLISHMENT OF THE GROW ACCOUNTS PROGRAM.

(a) IN GENERAL.—Title II of the Social Security Act is amended—

(1) by inserting before section 201 the fol-
“PART A—INSURANCE BENEFITS”; and

(2) by adding at the end of such title the fol-
lowing new part:

“PART B—GROW ACCOUNTS PROGRAM

“DEFINITIONS

“Sec. 251. For purposes of this part—

“(1) PARTICIPATING INDIVIDUAL.—The term
‘participating individual’ has the meaning provided
in section 253(a).

“(2) ACCOUNT ASSETS.—The term ‘account as-
sets’ means, with respect to a GROW account, the
total amount transferred to such account, increased
by earnings credited under this part and reduced by
losses and administrative expenses under this part.

“(3) CERTIFIED ACCOUNT MANAGER.—The
term ‘certified account manager’ means a person
who is certified under section 260(b).

“(4) BOARD.—The term ‘Board’ means the
GROW Accounts Board established under section
260(a)(1).

“(5) EXECUTIVE DIRECTOR.—The term ‘Execu-
tive Director’ means the Executive Director of the
Board appointed under section 260(a)(2).

“(6) COMMISSIONER.—The term ‘Commis-
sioner’ means the Commissioner of Social Security.
“(7) PROGRAM.—The term ‘Program’ means the GROW Accounts Program established under this part.

“(8) RETIREMENT BENEFIT.—The term ‘retirement benefit’ means, with respect to any month—

“(A) an old-age insurance benefit under section 202(a) for such month,

“(B) a wife’s insurance benefit or husband’s insurance benefit under subsection (b) or (c) of section 202 for such month, if the wife or husband has attained age 62 as of the end of such month,

“(C) a widow’s insurance benefit or widower’s insurance benefit under subsection (e) or (f) of section 202 for such month, if the widow or widower has attained age 60 as of the end of such month, and

“(D) a parent’s insurance benefit under section 202(h).

“(9) RETIREMENT DATE.—The term ‘retirement date’ means, in connection with an individual, the earliest date on which such individual—

“(A) is entitled to a benefit described in subparagraph (A) or (D) of paragraph (8), or
“(B) is entitled to a benefit described in subparagraph (B) or (C) of paragraph (8) and has attained the age described in such subparagraph.

“ESTABLISHMENT OF PROGRAM

“SEC. 252. There is hereby established a GROW Accounts Program. Except as otherwise provided under this part, the Program shall be governed by regulations which shall be prescribed by the GROW Accounts Board. The Board, the Commissioner, and the Secretary of the Treasury shall consult with each other in issuing regulations relating to their respective duties under this part. Such regulations shall provide for appropriate exchange of information to assist them in performing their respective duties under this part.

“PARTICIPATION IN PROGRAM

“SEC. 253. (a) PARTICIPATING INDIVIDUAL.—For purposes of this part, the term ‘participating individual’ means any individual—

“(1) who is a citizen or national of the United States or has been assigned a social security account number that was, at the time of assignment, or at any later time, consistent with the requirements of subclause (I) or (III) of section 205(c)(2)(B)(i),

“(2) who is credited under part A with wages paid for services performed after December 31,
2005, or self-employment income derived in any taxable year ending after such date,

“(3) who is born on or after January 1, 1950,

and

“(4) with respect to whom there is no election in effect which has been made in a timely fashion under subsection (b) to renounce such individual’s status as a participating individual or there is in effect an election under subsection (c) to renounce an election under subsection (b).

The Commissioner shall notify the Board of the identity of each individual described in paragraphs (1), (2), and (3).

“(b) RENUNCIATION OF PARTICIPATION.—

“(1) IN GENERAL.—An individual may elect, in such form and manner as shall be prescribed in regulations of the Board, to renounce such individual’s status as a ‘participating individual’ for purposes of this part.

“(2) IF ELECTION IS TIMELY.—

“(A) IN GENERAL.—If an individual makes an election under this subsection in timely fashion (as determined under regulations of the Board), such individual shall not be treated as a participating individual under this part, effec-
tive as if such individual had never been a participating individual.

“(B) PROCEDURE.—The Board, in consultation with the Secretary of the Treasury and the Commissioner, shall prescribe by regulation procedures governing the termination of an individual’s status as a ‘participating individual’ pursuant to an election described in subparagraph (A). Such procedures shall include—

“(i) prompt closing of the individual’s GROW account established under section 255, and

“(ii) proper crediting of the balance of the account to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, allocated between the Trust Funds as determined appropriate by the Commissioner.

“(3) IF ELECTION IS NOT TIMELY.—If an individual makes an election under this subsection other than in timely fashion (as determined under regulations of the Board), GROW account deposits to such individual’s GROW account shall cease as soon as practicable after the date of the election, but such individual shall continue to be treated as a partici-
pating individual with respect to the balance in such
individual’s GROW account.

“(4) Notification requirement.—The
Board shall provide for immediate notification of
any election under this subsection to the Commissi-
oner and the Secretary of the Treasury.

“(c) Reinstatement of Participation.—

“(1) In general.—Any individual who has
filed an election under subsection (b) to renounce
such individual’s status as a ‘participating indi-
vidual’ under this part may elect, in such form and
manner as shall be prescribed in regulations of the
Board, to reinstate such status. Such regulations
shall provide for regular, periodic opportunities for
the filing of such an election.

“(2) Effectiveness of reinstatement.—
An election under this subsection shall be effective
with respect to wages earned, and self-employment
income derived, beginning on the earliest date on
which the Board determines it is practicable to make
such election effective following the date of the filing
of the election. The individual filing the election
shall be treated as becoming a participating indi-
vidual under this part on the effective date of the
election as if such individual first met the require-
ments of subsection (a) on such date. Nothing in this paragraph shall be construed to affect the rights or status of an individual with respect to whom GROW account deposits have ceased under subsection (b)(3) with respect to the balance in such individual’s GROW account at the time of such individual’s election described in subsection (b)(3).

“(3) Irrevocability.—An election under this subsection shall be irrevocable.

“(4) Notification requirement.—The Board shall provide for immediate notification of any election under this subsection to the Commissioner and the Secretary of the Treasury.

“Interim investment by board

“Sec. 254. (a) Transfers to the board.—

“(1) In general.—During each calendar year, the Secretary of the Treasury shall transfer to the Board, for deposit into an interim fund maintained by the Board, from amounts held in the general fund of the Treasury, amounts equal, in the aggregate, to 100 percent of the net OASDI Trust Fund surplus for such calendar year.

“(2) Net OASDI Trust Fund surplus.—For purposes of paragraph (1), the term ‘net OASDI Trust Fund surplus’ for a calendar year means the excess, if any, of—
“(A) the sum of—

“(i) the total amounts which are appropriated to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund under subsections (a) and (b) of section 201 and attributable to such calendar year, and

“(ii) the total amounts which are appropriated to such Trust Funds under section 121 of the Social Security Amendments of 1983 and attributable to such calendar year, over

“(B) the amount estimated by the Commissioner to be the total amount to be paid from such Trust Funds during such calendar year for all purposes authorized by section 201 (other than payments of interest on, and repayments of, loans from the Federal Hospital Insurance Trust Fund under section 201(l)(1), but excluding any transfer payments between such Trust Funds and reducing the amount of any transfer to the Railroad Retirement Account by the amount of any transfers into such Trust Funds from such Account).
“(3) Transfers based on estimates.—The amounts transferred to the Board pursuant to paragraph (1) shall be transferred in at least monthly payments from the general fund of the Treasury to the Board. Such amounts shall be determined on the basis of estimates, by the Commissioner and certified to the Secretary of the Treasury, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than actual amounts.

“(4) Investment.—Amounts held in the interim fund maintained by the Board pursuant to paragraph (1) shall be invested by the Board in the same manner as is provided under section 256(e)(1).

“(b) Separate Accounting and Crediting.—The Board shall provide for prompt, separate crediting of the amounts received by the Board under subsection (a) to the GROW account deposit to be made for each calendar year under section 255(b) with respect to each participating individual. Such crediting shall be performed as soon as practicable.

“GROW ACCOUNTS

“Sec. 255. (a) Establishment of Accounts.—Under regulations which shall be prescribed by the Board in consultation with the Secretary of the Treasury—
“(1) the Board shall establish a GROW account for each individual who is a participating individual (for whom a GROW account has not otherwise been established under this part) upon receipt of notice from the Commissioner that the requirements of paragraphs (1), (2), and (3) of section 253(a) are met with respect to such individual, and

“(2) as provided in paragraph (2) of section 259(a) and paragraph (2) of section 259(b), the Board shall establish a GROW account for divorced spouses and surviving spouses referred to in such paragraphs.

“(b) TRANSFERS TO GROW ACCOUNTS.—

“(1) IN GENERAL.—Under regulations which shall be prescribed by the Board, upon crediting of amounts equivalent to the GROW account deposit with respect to each participating individual for a calendar year pursuant to section 254(b), the Board shall transfer such amounts, from the interim fund maintained by the Board pursuant to section 254(a)(1), to the participating individual’s GROW account.

“(2) GROW ACCOUNT DEPOSIT.—

“(A) IN GENERAL.—For purposes of paragraph (1), the GROW account deposit for a cal-
endar year with respect to a participating individual is the product derived by multiplying—

“(i) the sum of—

“(I) the total amount of wages paid to the participating individual during such calendar year on which there was imposed a tax under section 3101(a) of the Internal Revenue Code of 1986, and

“(II) the total amount of self-employment income derived by the participating individual during the taxable year ending during such calendar year on which there was imposed a tax under section 1401(a) of the Internal Revenue Code of 1986, by

“(ii) the surplus percentage for such calendar year determined under subparagraph (B), increased at a monthly rate equivalent to the average monthly rate of the yield on amounts held in the interim fund maintained by the Board pursuant to section 254(a)(1) from July 1 of such calendar year to the date of the deposit into the GROW account (minus the rat-
able portion with respect to such participating
individual of the total amount determined by
the Board as administrative costs for such cal-
endar year of such interim fund, not to exceed
30 basis points per year of the assets held in
such interim fund).

“(B) SURPLUS PERCENTAGE.—For pur-
poses of subparagraph (A)(ii), the term ‘surplus
percentage’ means, for a calendar year, the
ratio, expressed as a percentage, which—

“(i) the net OASDI Trust Fund sur-
plus for such calendar year (determined
under section 254(a)(2)), bears to

“(ii) the sum of—

“(I) the total amount of wages
paid to participating individuals dur-
ing such calendar year on which there
was imposed a tax under section
3101(a) of the Internal Revenue Code
of 1986, and

“(II) the total amount of self-em-
ployment income derived by partici-
pating individuals during taxable
years ending during such calendar
year on which there was imposed a
tax under section 1401(a) of such
Code.

“(3) CESSATION OF GROW ACCOUNT DEPOS-
ITS.—No wages paid to a participating individual,
and no self-employment income derived by a partici-
pating individual, after the date on which such indi-
vidual first becomes entitled to a retirement benefit
shall be taken into account in determining wages
and self-employment income for purposes of para-
graph (2)(A)(i).

“(4) TRANSITION RULE.—Notwithstanding
paragraph (1), amounts payable to GROW accounts
under paragraph (1) with respect to the first cal-
endar year described in paragraph (1) ending after
the date of the enactment of the Growing Real Own-
ership for Workers Act of 2005 shall be paid by the
Board as soon as practicable after the Board deter-
mines that the administrative mechanisms necessary
to provide for accurate and efficient payment of such
amounts have been established, but no later than 2
years after such date.

“(c) REQUIREMENTS FOR ACCOUNTS.—The following
requirements shall be met with respect to each GROW ac-
count:
“(1) The account assets consist solely of amounts deposited or transferred pursuant to this part, including investment earnings thereon under section 256.

“(2) In accordance with section 256, the account assets are held for purposes of investment under the Program by a certified account manager designated by (or on behalf of) the participating individual for whom such account is established under the Program.

“(3) Disposition of the account assets is made solely in accordance with sections 257 and 259.

“(d) ACCOUNTING OF RECEIPTS AND DISBURSEMENTS UNDER THE PROGRAM.—The Board shall provide by regulation for an accounting system for purposes of this part—

“(1) which shall be maintained by or under the Executive Director,

“(2) which shall provide for crediting of earnings to, and debiting of losses and administrative expenses from, amounts held in GROW accounts, and

“(3) under which receipts and disbursements under the Program which are attributable to each account are separately accounted for with respect to such account.
“(e) Correction of Erroneous Transfers.—

The Board, in consultation with the Commissioner, shall provide by regulation rules similar to paragraphs (4) through (7) and (9) of section 205(c) with respect to the correction of errors or omissions in determinations of amounts to be transferred to GROW accounts, and rules providing for the transfer, between such accounts and the interim fund maintained by the Board, of amounts necessary to compensate for such errors and omissions. In connection with the implementation of such rules, section 205(g) shall apply by substituting, for any reference therein to the Commissioner, a reference to the Board.

“Investment of Accounts

“Sec. 256. (a) Designation of Certified Account Managers.—Under the Program, a certified account manager shall be designated by or on behalf of each participating individual to hold for investment under this section the account assets of such individual’s GROW account.

“(b) Procedure for Designation.—Any designation made under subsection (a) shall be made at such times and in such form and manner as shall be prescribed in regulations prescribed by the Board. Such regulations shall provide for annual selection periods during which participating individuals may make designations pursuant to subsection (a). Designations made pursuant to sub-
section (a) during any such period shall be irrevocable for
the one-year period following such period, except that such
regulations shall provide for such interim designations as
may be necessitated by the decertification of a certified
account manager. Such regulations shall provide for such
designations made by the Board on behalf of a partici-
pating individual in any case in which a timely designation
is not made by the participating individual.

“(c) INVESTMENT.—The account assets of a partici-
pating individual’s GROW account which are not nec-
essary for immediate withdrawal (including administrative
costs charged in accordance with section 259(e)(1)) shall
be invested on behalf of such participating individual by
the certified account manager as follows:

“(1) INVESTMENT IN MARKETABLE GOVERN-
MENT SECURITIES.—In a representative mix of fixed
marketable interest-bearing obligations of the United
States then forming a part of the public debt which
are not due or callable earlier than 4 years after the
date of investment.

“(2) ADDITIONAL AND ALTERNATIVE INVEST-
MENTS.—Beginning at such time as the Board im-
plements an investment options plan to provide addi-
tional and alternative investment options in accord-
ance with section 103 of the Growing Real Owner-
ship for Workers Act of 2005, in such funds as a participating individual may elect that are offered under such plan.

"DISTRIBUTIONS OF ACCOUNT BALANCE AT RETIREMENT"

"SEC. 257. (a) AVAILABILITY FOR DISTRIBUTION.—

The GROW account of any participating individual shall be available for distribution under this section only—

"(1) on or after the participating individual’s retirement date, and

"(2) in such form and manner as is provided in this section.

"(b) REQUIREMENTS FOR ANNUITY DISTRIBUTIONS.—

"(1) IN GENERAL.—In any case in which distribution of all or a portion of the balance of a participating individual’s GROW account is to be made in the form of an annuity, in accordance with regulations which shall be prescribed by the Board, the Executive Director shall provide for such distribution in the form of an annuity—

"(A) which shall be purchased from the Board, as soon as practicable after the participating individual’s retirement date, from annuities offered by the Board, including such annuities as may be made available under proce-
dures established by the Board pursuant to subsection (f), and

“(B) which meets the requirements of this subsection.

“(2) **ANNUITY STARTING DATE.**—The annuity starting date (as defined in section 72(c)(4) of the Internal Revenue Code of 1986) of any annuity referred to in paragraph (1) shall be the first day of the month beginning after the date of the purchase of the annuity.

“(3) **LEVEL PAYMENTS.**—Subject to paragraph (4) and subsection (d), the terms of any annuity referred to in paragraph (1) shall provide for a series of substantially equal annual payments, payable monthly to the participating individual during the life of the participating individual.

“(4) **COST OF LIVING ADJUSTMENT.**—The terms of any annuity referred to in paragraph (1) shall include provision for increases in the monthly annuity payments thereunder determined in the same manner and at the same rate as primary insurance amounts are increased under section 215(i).

“(5) **ASSUMPTIONS.**—Determinations under this subsection shall be made in accordance with regulations which shall be prescribed by the Board,
providing for the use of generally accepted actuarial
assumptions, except that no differentiation shall be
made in such assumptions on the basis of sex, race,
health status, or other characteristics other than
age. Such assumptions shall include the life expect-
ancy of persons born in the same year as the partici-
pating individual, projected investment earnings
based on investment of the account assets, expected
price inflation, and reasonable administrative costs.
“(c) MINIMUM ANNUITY REQUIREMENT.—
“(1) IN GENERAL.—Except as provided in para-
graph (3), in any case in which the total amount of
retirement benefits payable under section 258(a) to
a participating individual for the month in which oc-
curs the participating individual’s retirement date is
less than the monthly poverty line for such month,
under regulations which shall be prescribed by the
Board, all or a portion of the participating individ-
ual’s GROW account balance shall be distributed in
the form of an annuity offered by the Board which
meets the requirements of subsection (b) and is in
the form of a minimum annuity.
“(2) MINIMUM ANNUITY DEFINED.—
“(A) IN GENERAL.—For purposes of this
subsection, the term ‘minimum annuity’ means
an annuity under which the monthly payments
are equal to at least the minimum annuity
amount (subject to subsections (b) and (d)(1)).

“(B) MINIMUM ANNUITY AMOUNT.—For
purposes of subparagraph (A), the term ‘min-
imum annuity amount’ means an amount equal
to the excess (but not less than zero) of—

“(i) the monthly poverty line for the
month in which occurs the participating in-
dividual’s retirement date, over

“(ii) the total amount of retirement
benefits payable under section 258(a) to
the participating individual for such
month.

“(C) MONTHLY POVERTY LINE.—For pur-
poses of this subparagraph (B)(i), the term
‘monthly poverty line’ for any month means the
monthly equivalent of the poverty line for an in-
dividual (determined under the poverty guide-
lines of the Department of Health and Human
Services issued under section 673(2) of the Om-
nibus Budget Reconciliation Act of 1981), as
most recently published prior to the date of the
annuity purchase in the Federal Register by the
Department of Health and Human Services.
“(3) Exception for minimal account balances.—Paragraph (1) shall not apply in any case in which the assets of the GROW account are insufficient to purchase a minimum annuity.

“(d) Requirement of joint and survivor annuity.—

“(1) In general.—Except as provided in paragraph (2), if the participating individual is married as of the participating individual’s retirement date, the entire GROW account balance available for distribution shall be distributed in the form of an annuity—

“(A) which meets the requirements of subsection (b), and

“(B) is in the form of a joint and survivor annuity under which payments are made during the joint lives of the participating individual and the participating individual’s spouse, with a survivor annuity for the life of the one of them who survives the other for the life of the survivor which is not less than 66⅔ percent of (and not greater than 100 percent of) the amount which would have continued to be payable to the participating individual but for the death of either spouse.
“(2) Election.—Paragraph (1) shall not apply in any case in which the participating individual and his or her spouse elect (in such form and manner as shall be prescribed by the Board) not to take the distribution of the participating individual’s GROW account in the form described in paragraph (1).

“(e) Authority to Contract for Annuities.—The Board may, under regulations prescribed by the Board, contract with insurance companies in the private sector through competitive bidding to provide for annuities to be offered by the Board under this section in cases in which the Board determines that annuities obtained in such manner would be in the best interest of participating individuals and administrative costs for such annuities would be reasonable.

“(f) Other Distributions.—The Board shall provide by regulation for distribution, on or after the participating individual’s retirement date, of any balance in the GROW account of a participating individual which remains available for distribution after the preceding requirements of this section, and the requirements for distribution under any payout options plan which has been implemented by the Board pursuant to section 103 of the Growing Real Ownership for Workers Act of 2005, have been met. Any such distribution shall be in the form of
a lump sum or in any other form provided for by the
Board and elected by the participating individual.

“TREATMENT OF PART A BENEFIT PAYMENTS

“SEC. 258. (a) APPLICATION OF GROW ACCOUNT
CREDITS AND EXCESS GROW ACCOUNT CREDITS.—The
total amount payable to an individual under part A as re-
tirement benefits for any month shall be equal to the ex-
cess (but not less than zero) of—

“(1) the total amount payable (after all applica-
tion of applicable deductions and reductions) as determined with-
out regard to this section and section 202(z), over

“(2) the sum of—

“(A) the amount of the individual’s GROW
account credit for such month (if any), plus

“(B) the sum of the excess GROW account
credits for such month (if any) determined in
the case of such individual for such month
under subsection (c).

“(b) GROW ACCOUNT CREDIT.—

“(1) IN GENERAL.—In accordance with regula-
tions of the Board, the Board shall determine, for
purposes of this section, the GROW account credit
of each participating individual for each month for
which such individual is entitled to any retirement
benefit.
“(2) Determination of grow account credit.—

“(A) In general.—The GROW account credit of a participating individual for any month shall be equal to the amount which would be the monthly payment for such month under an annuity—

“(i) purchased with the participating individual’s benchmark account balance, and

“(ii) meeting the requirements of section 257(b) and of section 257(d) (with no election under section 257(d)(2) and a reduction for the survivor annuity to 66 2/3 percent).

“(B) Reduction in grow account credit in the case of survivors.—In any case in which the participating individual is married as of the participating individual’s retirement date, the GROW account credit determined for any month in connection with the participating individual shall reflect, for months after the death of the participating individual or the death of the participating individual’s spouse, a reduction in the amount of the sur-
vivor annuity described in section 257(d)(1) to 66\(^{2/3}\) percent.

“(C) **Benchmark account balance.**—

For purposes of subparagraph (A), the benchmark account balance is an amount equal to—

“(i) the total amount deposited into the participating individual’s GROW account under section 255(b) as of immediately before the participating individual’s retirement date,

“(ii) increased by any net deposits to the account, and decreased by any net withdrawals from the account, under section 259(a), occurring prior to such date,

“(iii) increased by any deposits to the account under section 259(b) in the case of a spouse who dies prior to such spouse’s retirement date, and

“(iv) adjusted, under regulations of the Board, to reflect any net increase or any net decrease in the balance, as it accrued under clauses (i), (ii), and (iii), which would be attributable to investment of the balance in the manner described in section 256(c)(1), assuming payment of
administrative costs at the rate experienced in connection with investments of the account assets of the participating individual’s GROW account under section 256 (not to exceed 30 basis points per year).

“(c) Excess GROW Account Credit.—

“(1) In general.—In accordance with regulations of the Board meeting the requirements of this section, for purposes of determining under subsection (a) the total amount payable to any individual under part A as retirement benefits for any month, the Board shall determine, in the case of any such individual who was married to his or her spouse on such spouse’s retirement date, the excess GROW account credit of such spouse for such month.

“(2) Determination of excess grow account credit.—The excess GROW account credit of the spouse referred to in paragraph (1) for a month is the excess (not less than zero) of—

“(A) such spouse’s GROW account credit

for such month, over
“(B) the total of the retirement benefits (if any) to which such spouse is entitled for such month.

“ADDITIONAL RULES RELATING TO DISPOSITION OF ACCOUNT ASSETS

“Sec. 259. (a) SPLITTING OF ACCOUNT ASSETS UPON DIVORCE AFTER 1 YEAR OF MARRIAGE.—Subject to subsection (c)—

“(1) In general.—In the case of a divorce of a participating individual for whom a GROW account has been established under this part, if the divorce occurs—

“(A) prior to the participating individual’s retirement date, and

“(B) the participating individual and his or her divorced spouse were married to each other for at least 1 year prior to the date of the divorce,

the Board shall, upon the date of the divorce, direct the appropriate certified account manager to transfer, from the GROW account of the participating individual to the GROW account of the divorced spouse, an amount equal to one-half of the total amount of GROW account deposits made to the GROW account of the participating individual under section 255(b) during the period of the marriage
(taking into account earnings and losses attributable
to such deposits during such period), disregarding,
for purposes of determining such total amount, any
amounts similarly transferred, pursuant to this
paragraph, to such participating individual’s account
from the account (if any) of such divorced spouse.

“(2) **Treatment of Divorced Spouse Who**
**Is Not a Participating Individual.—**In the case
of a divorced spouse referred to in paragraph (1)
who, as of the time of the transfer required under
paragraph (1), is not a participating individual—

“(A) the divorced spouse shall be deemed
a participating individual for purposes of this
part (subject to renunciation under section
253(b)), and

“(B) the Board shall establish a GROW
account for the divorced spouse and shall direct
the appropriate certified account manager to
perform the transfer.

“(3) **Preemption.—**The provisions of this sub-
section, and subsection (c) (to the extent it relates
to this subsection), shall supersede any provision of
law of any State or political subdivision thereof
which is inconsistent with the requirements of this
subsection.
“(b) Closing of Account Upon the Death of the Participating Individual.—Subject to subsection (c)—

“(1) In General.—Upon the death of a participating individual, the Executive Director shall close out any remaining balance in the participating individual’s GROW account. In closing out the account, the Executive Director shall certify to the certified account manager the amount of the account assets, and, upon receipt of such certification, the certified account manager shall transfer from such account an amount equal to such certified amount to the Secretary of the Treasury for subsequent transfer to—

“(A) the GROW account of the surviving spouse of such participating individual,

“(B) if there is no person described in subparagraph (A), to such other person as may be designated by the participating individual in accordance with regulations which shall be prescribed by the Board,

“(C) if there is no person described in subparagraph (A) or (B), to such successors in interest to such balance as may be specified under applicable law and claim such interest
(within such reasonable time and in such form
and manner as shall be prescribed in regula-
tions of the Board), or

“(D) if there is no person described in sub-
paragraph (A), (B), or (C), to the Federal Old-
Age and Survivors Insurance Trust Fund and
the Federal Disability Insurance Trust Fund,
allocated between such Trust Funds as deter-
dined appropriate by the Commissioner.

“(2) TREATMENT OF SURVIVING SPOUSE WHO
IS NOT A PARTICIPATING INDIVIDUAL.—In the case
of a surviving spouse referred to in paragraph (1)
who, as of the time of the death of the participating
individual, is not a participating individual—

“(A) the surviving spouse shall be deemed
a participating individual for purposes of this
part (subject to renunciation under section
253(b)), and

“(B) the Board shall establish a GROW
account for the surviving spouse and shall di-
rect the appropriate certified account manager
to perform the such transfer.

“(3) DEATH DETERMINATIONS AND ABAN-
DONED ACCOUNTS.—The Board shall prescribe rules
similar to the rules applicable under part A for pur-
poses of determining whether an individual has died and such individual's date of death, including rules for treatment under this subsection of abandoned accounts.

“(c) CLOSING OF ACCOUNT OF PARTICIPATING INDIVIDUALS WHO ARE INELIGIBLE FOR BENEFITS UPON APPLICABLE CLOSE-OUT DATE.—

“(1) IN GENERAL.—In any case in which a participating individual is not eligible for a retirement benefit as of the applicable close-out date, the Commissioner shall so certify to the Executive Director and, upon receipt of such certification, the Executive Director shall close out the participating individual’s GROW account. In closing out the account, the Executive Director shall certify to the certified account manager the amount of the account assets, and upon receipt of such certification from the Executive Director, the account manager shall transfer from such account an amount equal to such certified amount to the Secretary of the Treasury for subsequent transfer to the participating individual.

“(2) APPLICABLE CLOSE-OUT DATE.—For purposes of paragraph (1), the term ‘applicable close-out date’, in connection with a participating individual, means the later of—
“(A) the date on which the participating individual attains retirement age (as defined in section 216(l)), or

“(B) in the case of a participating individual who is married on the date on which the participating individual attains retirement age (as so defined), the date on which the participating individual’s spouse attains retirement age (as so defined), or dies before attaining such age.

“(d) ADMINISTRATIVE EXPENSES.—

“(1) IN GENERAL.—Under regulations which shall be prescribed by the Board, account assets are available for payment of the reasonable administrative costs of the Program (including reasonable administration fees charged by certified account managers under the Program), but in no event to exceed 30 basis points per year of the assets under management.

“(2) TEMPORARY AUTHORIZATION OF APPROPRIATIONS FOR STARTUP ADMINISTRATIVE COSTS.— For any such administrative costs that remain after applying paragraph (1) for each of the first 5 fiscal years that end after the date on which GROW accounts are first established under section 255(a),
there are authorized to be appropriated such sums
as may be necessary for each of such fiscal years.

"ADMINISTRATION OF THE PROGRAM

"SEC. 260. (a) GENERAL PROVISIONS.—

"(1) ESTABLISHMENT AND DUTIES OF THE GROW ACCOUNTS BOARD.—

"(A) ESTABLISHMENT.—There is established in the Executive branch of the Government a GROW Accounts Board.

"(B) NUMBER AND APPOINTMENT.—The Board shall be composed of 7 members as follows:

"(i) 3 members appointed by the President, of whom 1 shall be designated by the President as Chairman; and

"(ii) 4 members appointed by the President, of whom—

"(I) 2 shall be appointed by the President after taking into consideration the recommendations made by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives; and

"(II) 2 shall be appointed by the President after taking into consider-
ation the recommendations made by
the majority leader of the Senate in
consultation with the minority leader
of the Senate.

“(C) MEMBERSHIP REQUIREMENTS.—
Members of the Board shall have substantial
experience, training, and expertise in the man-
agement of financial investments and pension
benefit plans. No more than 4 of the members
of the Board may be of the same political party.

“(D) TERMS.—Each member of the Board
shall be appointed for a term of 4 years, except
that of the members first appointed—

“(i) the Chairman shall be appointed
for a term of 4 years;

“(ii) the remaining members ap-
pointed under subsection (B)(i) shall be
appointed for terms of 3 years;

“(iii) one of the members appointed
under subsection (B)(ii)(I) shall be ap-
pointed for a term of 4 years and the other
for a term of two years; and

“(iv) one of the members appointed
under subsection (B)(ii)(II) shall be ap-
pointed for a term of 4 years and the other
for a term of 2 years.

“(E) VACANCIES.—A vacancy on the
Board shall be filled in the manner in which the
original appointment was made and shall be
subject to any conditions which applied with re-
spect to the original appointment. An individual
chosen to fill a vacancy shall be appointed for
the unexpired term of the member replaced.
The term of any member shall not expire before
the date on which the member’s successor takes
office.

“(F) POWERS AND DUTIES OF THE
BOARD.—

“(i) IN GENERAL.—The Board shall
have powers and duties solely as provided
in this part. The Board shall prescribe by
regulation—

“(I) the terms of the GROW Ac-
counts Program established under this
part, including policies for investment
under the Program of account assets,
and policies for the certification and
decertification of account managers
under the Program, which shall in-
clude consideration of the appropriateness of the marketing materials and plans of such managers, and

“(II) the policies for the purchase of annuities for purposes of distribution of GROW accounts under section 257.

“(ii) Budgetary requirements.— The Board shall prepare and submit to the President and to the appropriate committees of Congress an annual budget of the expenses and other items relating to the Board which shall be included as a separate item in the budget required to be transmitted to the Congress under section 1105 of title 31, United States Code. The Board shall provide for low administrative costs such that, to the extent practicable, overall administrative costs of the Program do not exceed 30 basis points per year in relation to assets under management under the Program.

“(iii) Additional authorities of the Board.— The Board may—

“(I) adopt, alter, and use a seal;
“(II) establish policies with which the Commissioner shall comply under this part; and

“(III) appoint and remove the Executive Director, as provided in paragraph (2).

“(iv) INDEPENDENCE OF CERTIFIED ACCOUNT MANAGERS.—The policies of the Board may not require a certified account manager to invest or to cause to be invested any account assets in a specific asset or to dispose of or cause to be disposed of any specific asset so held.

“(v) MEETINGS OF THE BOARD.—The Board shall meet at the call of the Chairman or upon the request of a quorum of the Board. The Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board. Four members of the Board shall constitute a quorum for the transaction of business.

“(vi) COMPENSATION OF BOARD MEMBERS.—
“(I) IN GENERAL.—Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at the daily rate of basic pay for level IV of the Executive Schedule for each day during which such member is engaged in performing a function of the Board. Any member who is such an officer or employee shall not suffer any loss of pay or deduction from annual leave on the basis of any time used by such member in performing such a function.

“(II) TRAVEL, PER DIEM, AND EXPENSES.—A member of the Board shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of title 5, United States Code, while traveling away from such member’s home or regular place of business in the performance of the duties of the Board.

“(vii) STANDARD FOR BOARD’S DISCHARGE OF RESPONSIBILITIES.—The
members of the Board shall discharge their responsibilities solely in the interest of participating individuals and the Program.

“(viii) ANNUAL REPORT.—The Board shall submit an annual report to the President, to each House of the Congress, and to the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund regarding the financial and operating condition of the Program.

“(ix) PUBLIC ACCOUNTANT.—

“(I) DEFINITION.—For purposes of this subparagraph, the term ‘qualified public accountant’ shall have the same meaning as provided in section 103(a)(3)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)(D)).

“(II) ENGAGEMENT.—The Executive Director, in consultation with the Board, shall annually engage, on behalf of all individuals for whom a GROW account is established under this part, an independent qualified
public accountant, who shall conduct
an examination of all records main-
tained in the administration of this
part that the public accountant con-
siders necessary.

“(III) Duties.—The public ac-
countant conducting an examination
under subclause (II) shall determine
whether the records referred to in
such subclause have been maintained
in conformity with generally accepted
accounting principles. The public ac-
countant shall transmit to the Board
a report on his examination.

“(IV) Reliance on Certified
Actuarial Matters.—In making a
determination under subclause (III), a
public accountant may rely on the cor-
rectness of any actuarial matter cer-
tified by an enrolled actuary if the
public accountant states his reliance
in the report transmitted to the Board
under such subclause.

“(2) Executive Director.—
“(A) APPOINTMENT AND REMOVAL.—The Board shall appoint, without regard to the provisions of law governing appointments in the competitive service, an Executive Director by action agreed to by a majority of the members of the Board. The Executive Director shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans. The Board may, with the concurrence of 4 members of the Board, remove the Executive Director from office for good cause shown.

“(B) POWERS AND DUTIES OF EXECUTIVE DIRECTOR.—The Executive Director shall—

“(i) carry out the policies established by the Board,

“(ii) administer the provisions of this part in accordance with the policies of the Board, and

“(iii) meet from time to time with the Board upon request of the Board.

“(C) ADMINISTRATIVE AUTHORITIES OF EXECUTIVE DIRECTOR.—The Executive Director may—
“(i) appoint such personnel as may be necessary to carry out the provisions of this part,

“(ii) subject to approval by the Board, procure the services of experts and consultants under section 3109 of title 5, United States Code,

“(iii) secure directly from any agency or instrumentality of the Federal Government on a reimbursable basis any information which, in the judgment of the Executive Director, is necessary to carry out the provisions of this part and the policies of the Board, and which shall be provided by such agency or instrumentality upon the request of the Executive Director,

“(iv) pay the compensation, per diem, and travel expenses of individuals appointed under clauses (i), (ii), and (v) of this subparagraph, subject to such limits as may be established by the Board,

“(v) accept and use the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized
by section 5703 of title 5, United States Code, including per diem as authorized by section 5702 of such title, and

“(vi) except as otherwise expressly prohibited by law or the policies of the Board, delegate any of the Executive Director’s functions to such employees under the Board as the Executive Director may designate and authorize such successive redelegations of such functions to such employees under the Board as the Executive Director may consider to be necessary or appropriate.

“(3) ROLE OF THE COMMISSIONER.—The Commissioner shall—

“(A) prescribe such regulations (supplementary to and consistent with the regulations prescribed by the Board) as may be necessary for carrying out the duties of the Commissioner under this part,

“(B) meet from time to time with, and provide information to, the Board upon request of the Board regarding matters relating to the Program, and
“(C) in consultation with the Board and utilizing available Federal agencies and resources, develop a campaign to educate workers about the Program.

“(b) Certification and Oversight of Account Managers.—

“(1) Certification by the Board.—

“(A) In general.—Any person that is a qualified professional asset manager (as defined in section 8438(a)(8) of title 5, United States Code) may apply to the Board (in such form and manner as shall be provided by the Board by regulation) for certification under this subsection as a certified account manager. In making certification decisions, the Board shall consider the applicant’s general character and fitness, financial history and future earnings prospects, and ability to serve participating individuals under the Program, and such other criteria as the Board deems necessary to carry out this part. Certification of any person under this subsection shall be contingent upon entry into a contractual arrangement between the Board and such person.
“(B) NONDELEGATION REQUIREMENT.—
The authority of the Board to make any determina-
tion to deny any application under this subsection may not be delegated by the Board.

“(2) OVERSIGHT OF CERTIFIED ACCOUNT MAN-
AGERS.—

“(A) ROLE OF REGULATORY AGENCIES.—
The Board may enter into cooperative arrange-
ments with Federal and State regulatory agen-
cies identified by the Board as having jurisdic-
tion over persons eligible for certification under this subsection so as to ensure that the provi-
sions of this part are enforced with respect to certified account managers in a manner con-
sistent with and supportive of the requirements of other provisions of Federal law applicable to them. Such Federal regulatory agencies shall cooperate with the Board to the extent that the Board determines that such cooperation is neces-
sary and appropriate to ensure that the provi-
sions of this part are effectively implemented.

“(B) ACCESS TO RECORDS.—The Board may from time to time require any certified ac-
count manager to file such reports as the Board may specify by regulation as necessary for the
administration of this part. In prescribing such regulations, the Board shall minimize the regulatory burden imposed upon certified account managers while taking into account the benefit of the information to the Board in carrying out its functions under this part.

“(3) Revocation of Certification.—The Board shall provide, in the contractual arrangements entered into under this subsection with each certified account manager, for revocation of such person’s status as a certified account manager upon determination by the Board of such person’s failure to comply with the requirements of such contractual arrangements. Such arrangements shall include provision for notice and opportunity for review of any such revocation.

“(c) Fiduciary Responsibilities.—

“(1) In General.—Rules similar to the provisions of section 8477 of title 5, United States Code (relating to fiduciary responsibilities; liability and penalties) shall apply in connection with account assets, in accordance with regulations which shall be issued by the Board. The Board shall issue regulations with respect to the investigative authority of
appropriate Federal agencies in cases involving ac-
count assets.

“(2) Exculpatory provisions voided.—Any
provision in an agreement or instrument which pur-
ports to relieve a fiduciary from responsibility or li-
ability for any responsibility, obligation, or duty
under this part shall be void.

“(d) Civil Actions by Board.—If any person fails
to meet any requirement of this part or of any contract
entered into under this part, the Board may bring a civil
action in any district court of the United States within
the jurisdiction of which such person’s assets are located
or in which such person resides or is found, without regard
to the amount in controversy, for appropriate relief to re-
dress the violation or enforce the provisions of this part,
and process in such an action may be served in any dis-
trict.

“(e) Representatives.—The Board shall provide
by regulation for elections and designations otherwise to
be made by an individual under this part to be made in-
stead on behalf of the individual by a designated rep-
resentative of the individual.

“(f) Preemption of Inconsistent State Law.—
A provision of this part shall not be construed to preempt
any provision of the law of any State or political subdivi-
sion thereof, or prevent a State or political subdivision thereof from enacting any provision of law with respect to the subject matter of this part, except to the extent that such provision of State law is inconsistent with this part, and then only to the extent of the inconsistency.

“(g) Authorization of Appropriations.—There are authorized to be appropriated to the Board, the Commissioner, and the Secretary of the Treasury, for fiscal years beginning on or after October 1, 2005, such sums as are necessary to carry out their respective duties under this part.”.

(b) Conforming Amendment to Part A.—Section 202 of such Act (42 U.S.C. 402) is amended by adding at the end the following new subsection:

“Adjustments Under Part B
“(z) The amount of benefits under subsections (a), (b), (c), (e), (f), and (h) which are otherwise payable under this part and which are retirement benefits (as defined in section 251(8)) shall be subject to adjustment as provided under section 258.”.

(c) Additional Conforming Amendments.—(1) Section 701(b) of the Social Security Act (42 U.S.C. 901(b)) is amended by striking “title II” and inserting “part A of title II, the GROW Accounts Program under part B of title II,”.
(2) Section 702(a)(4) of such Act (42 U.S.C. 902(a)(4)) is amended by inserting “other than those of the GROW Accounts Board” after “Administration”, and by striking “thereof” and inserting “of the Administration in connection with the exercise of such powers and the discharge of such duties”.

SEC. 102. ANNUAL ACCOUNT STATEMENTS.

Section 1143 of the Social Security Act (42 U.S.C. 1320b–13) is amended by adding at the end the following new subsection:

“Performance of GROW Accounts

“(e) Beginning not later than 1 year after the date on which the first deposit is made to a participating individual’s GROW account, each statement provided to such participating individual under this section shall include information determined by the GROW Accounts Board as sufficient to fully inform such participating individual annually of the balance, investment performance, and administrative expenses of such account.”.

SEC. 103. REPORT AND CONGRESSIONAL CONSIDERATION OF PROPOSALS REGARDING ALTERNATIVE INVESTMENT OPTIONS AND OTHER MATTERS.

(a) Report.—During the period of 30 calendar days beginning on the first day of the 111th Congress, the
GROW Accounts Board shall submit to the President and each House of the Congress a report containing a consolidated implementation plan for the GROW Accounts Program, consisting of the following 3 components:

(1) **INVESTMENT OPTIONS PLAN.**—An investment options plan, which shall provide for additional and alternative investment options, for GROW account balances, in broad-based index funds—

(A) which are similar to the index fund investment options available within the Thrift Savings Fund established under section 8437 of title 5, United States Code, including a lifecycle fund in which investments are adjusted based on the number of years remaining prior to the participating individual’s attainment of age 62,

(B) which the Board determines would be prudent sources of retirement income that could yield greater amounts of income than the investment described in section 256(c)(1) of the Social Security Act (added by this title), and

(C) which a participating individual may elect.

(2) **PAYOUT OPTIONS PLAN.**—A payout options plan, which shall provide for additional and alternative options for the payout of GROW account bal-
ances to participating individuals upon their retire-
ment date (as defined in section 251(9) of the Social
Security Act) which the Board determines would be
appropriate.

(3) Public Education Plan.—A public edu-
cation plan, which shall provide for enhancement of
information dissemination under, and public edu-
cation regarding, the GROW Accounts Program.

(b) Implementation.—

(1) In General.—Subject to paragraph (2)—

(A) Investment Options Plan.—The in-
vestment options plan submitted pursuant to
subsection (a)(1) shall take effect on the date
immediately following the 90-day period begin-
ning on the date on which such plan is so sub-
mitted.

(B) Payout Options Plan and Public
Education Plan.—The payout options plan
submitted pursuant to subsection (a)(2) and the
public education plan submitted pursuant to
subsection (a)(3) shall be implemented in ac-
cordance with timetables which shall be in-
cluded with such plans.

(2) Congressional Review.—The consoli-
dated implementation plan submitted pursuant to
subsection (a) shall not become effective if, during
the 90-day period beginning on the date on which
such plan is so submitted, there is enacted by the
Congress a joint resolution of disapproval of such plan.

(3) TIME PERIODS.—For purposes of this sub-
section, the days on which either House of Congress
is not in session because of an adjournment of more
than 3 days to a day certain shall be excluded in the
computation of the 90-day period referred to in
paragraphs (1)(A) and (2).

(c) DEFINITIONS.—For purposes of this section—

(1) the term “Grow Accounts Board” or
“Board” means the GROW Accounts Board estab-
lished under section 260(a) of the Social Security
Act;

(2) the term “GROW Accounts Program”
means the GROW Accounts Program established
under part B of title II of such Act;

(3) the term “GROW account” means a GROW
account established under section 255 of such Act;

(4) the term “participating individual” has the
meaning provided in section 253(a) of such Act.
TITLE II—TAX TREATMENT

SEC. 201. TAX TREATMENT OF GROW ACCOUNTS.

Section 7701 of the Internal Revenue Code of 1986 (relating to definitions) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

“(o) TAX TREATMENT OF GROW ACCOUNTS.—

“(1) IN GENERAL.—All GROW accounts established under part B of title II of the Social Security Act shall be exempt from taxation under this title.

“(2) CERTAIN DISPOSITIONS OF ACCOUNT ASSETS.—No amount shall be includible in gross income by reason of a disposition under subsection (a) or (b) of section 259 of the Social Security Act.”.

SEC. 202. BENEFITS TAXABLE AS SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 is amended—

(1) in subparagraph (A) by inserting “part A of” after “benefit under”, and

(2) by striking “or” at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:
“(B) any distribution under section 257 of
the Social Security Act, or ”.

(b) EFFECTIVE DATE.—The amendments made by
this subsection shall apply to taxable years beginning after
the end of the calendar year in which this Act is enacted.

SEC. 203. ESTATE TAX NOT TO APPLY TO ASSETS OF GROW
ACCOUNTS.

(a) IN GENERAL.—Part IV of subchapter A of chap-
ter 11 of the Internal Revenue Code of 1986 (relating to
taxable estate) is amended by adding at the end the fol-
lowing new section:

“SEC. 2059. GROW ACCOUNTS.

“For purposes of the tax imposed by section 2001,
the value of the taxable estate shall be determined by de-
ducting from the value of the gross estate an amount
equal to the value of the assets of a GROW account trans-
ferred from such account by the Secretary under section
258 of the Social Security Act.”.

(b) CLERICAL AMENDMENT.—The table of sections
for part IV of subchapter A of chapter 11 of such Code
is amended by adding at the end the following new item:

“Sec. 2059. GROW accounts.”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to decedents dying in or after the
calendar year in which this Act is enacted.