

103^D CONGRESS
1ST SESSION

H. R. 397

To amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. SOLOMON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Earn-
5 ings Test Elimination Act”.

1 **SEC. 2. REPEAL OF PROVISIONS RELATING TO DEDUC-**
2 **TIONS ON ACCOUNT OF WORK.**

3 (a) IN GENERAL.—Subsections (b), (c)(1), (d), (f),
4 (h), (j), and (k) of section 203 of the Social Security Act
5 (42 U.S.C. 403) are repealed.

6 (b) CONFORMING AMENDMENTS.—Section 203 of
7 such Act (as amended by subsection (a)) is further amend-
8 ed—

9 (1) in subsection (c), by redesignating such sub-
10 section as subsection (b), and—

11 (A) by striking “Noncovered Work Outside
12 the United States or” in the heading;

13 (B) by redesignating paragraphs (2), (3),
14 and (4) as paragraphs (1), (2), and (3), respec-
15 tively;

16 (C) by striking “For purposes of para-
17 graphs (2), (3), and (4)” and inserting in lieu
18 thereof “For purposes of paragraphs (1), (2),
19 and (3)”; and

20 (D) by striking the last sentence;

21 (2) in subsection (e), by redesignating such sub-
22 section as subsection (c), and by striking “sub-
23 sections (c) and (d)” and inserting “subsection (b)”;
24

25 (3) in subsection (g), by redesignating such
subsection as subsection (d), and by striking “sub-

1 section (c)” each place it appears and inserting
2 “subsection (b)”;

3 (4) in subsection (i), by redesignating such sub-
4 section as subsection (e), and by striking “sub-
5 section (b), (c), (g), or (h)” and inserting “sub-
6 sections (b) or (d)”;

7 (5) in subsection (l), by redesignating such sub-
8 section as subsection (f), and by striking “subsection
9 (g) or (h)(1)(A)” and inserting “subsection (d)”.

10 **SEC. 3. ADDITIONAL CONFORMING AMENDMENTS.**

11 (a) PROVISIONS RELATING TO APPLICATIONS FOR
12 RETROACTIVE BENEFITS.—Section 202(j)(4)(B) of the
13 Social Security Act (42 U.S.C. 402(j)(4)(B)) is amended
14 by striking clause (iv), and by redesignating clause (v) as
15 clause (iv).

16 (b) PROVISIONS RELATING TO BENEFITS TERMI-
17 NATED UPON DEPORTATION.—Section 202(n)(1) of such
18 Act (42 U.S.C. 402(n)(1)) is amended by striking “Sec-
19 tion 203(b), (c), and (d)” and inserting “Section 203(b)”.

20 (c) PROVISIONS RELATING TO EXEMPTIONS FROM
21 REDUCTIONS BASED ON EARLY RETIREMENT.—

22 (1) Section 202(q)(5)(B) of such Act (42
23 U.S.C. 402(q)(5)(B)) is amended by striking “sec-
24 tion 203(c)(2)” and inserting “section 203(b)(1)”.

1 (2) Section 202(q)(7)(A) of such Act (42
2 U.S.C. 402(q)(7)(A)) is amended by striking “de-
3 ductions under section 203(b), 203(c)(1), 203(d)(1),
4 or 222(b)” and inserting “deductions on account of
5 work under section 203 or deductions under section
6 222(b)”.

7 (d) PROVISIONS RELATING TO EXEMPTIONS FROM
8 REDUCTIONS BASED ON DISREGARD OF CERTAIN ENTI-
9 TLEMENTS TO CHILD’S INSURANCE BENEFITS.—

10 (1) Section 202(s)(1) of such Act (42 U.S.C.
11 402(s)(1)) is amended by striking “paragraphs (2),
12 (3), and (4) of section 203(c)” and inserting “para-
13 graphs (1), (2), and (3) of section 203(b)”.

14 (2) Section 202(s)(3) of such Act (42 U.S.C.
15 402(s)(3)) is amended by striking “The last sen-
16 tence of subsection (c) of section 203, subsection
17 (f)(1)(C) of section 203, and subsections” and in-
18 serting “Subsections”.

19 (e) PROVISIONS RELATING TO SUSPENSION OF
20 ALIENS’ BENEFITS.—Section 202(t)(7) of such Act (42
21 U.S.C. 402(t)(7)) is amended by striking “Subsections
22 (b), (c), and (d)” and inserting “Subsection (b)”.

23 (f) PROVISIONS RELATING TO BENEFITS INCREASED
24 ON ACCOUNT OF DELAYED RETIREMENT.—Section

1 202(w)(2)(B)(ii) of such Act (42 U.S.C. 402(w)(2)(B)(ii))
2 is amended by striking “or 203(c)”.

3 (g) PROVISIONS RELATING TO REDUCTIONS IN BEN-
4 EFITS BASED ON MAXIMUM BENEFITS.—Section
5 203(a)(3)(B)(iii) of such Act (42 U.S.C.
6 403(a)(3)(B)(iii)) is amended by striking “and subsections
7 (b), (c), and (d)” and inserting “and subsection (b)”.

8 (h) PROVISIONS RELATING TO PENALTIES FOR MIS-
9 REPRESENTATIONS CONCERNING EARNINGS FOR PERI-
10 ODS SUBJECT TO DEDUCTIONS ON ACCOUNT OF WORK.—
11 Section 208(a)(3) of such Act (42 U.S.C. 408(a)(3)) is
12 amended by striking “under section 203(f) of this title for
13 purposes of deductions from benefits” and inserting
14 “under section 203 for purposes of deductions from bene-
15 fits on account of work”.

16 (i) PROVISIONS TAKING INTO ACCOUNT EARNINGS
17 IN DETERMINING BENEFIT COMPUTATION YEARS.—
18 Clause (I) in the next to last sentence of section
19 215(b)(2)(A) of such Act (42 U.S.C. 415(b)(2)(A)) is
20 amended by striking “no earnings as described in section
21 203(f)(5) in such year” and inserting “no wages, and no
22 net earnings from self-employment (in excess of net loss
23 from self-employment), in such year”.

24 (j) PROVISIONS RELATING TO ROUNDING OF BENE-
25 FITS.—Section 215(g) of such Act (42 U.S.C. 415(g)) is

1 amended by striking “and any deduction under section
2 203(b)”.

3 (k) PROVISIONS RELATING TO EARNINGS TAKEN
4 INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL
5 ACTIVITY OF BLIND INDIVIDUALS.—The second sentence
6 of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4))
7 is amended by striking “the exempt amount under section
8 203(f)(8) which is applicable to individuals described in
9 subparagraph (D) thereof” and inserting the following:
10 “an amount equal to the exempt amount which would have
11 been applicable under section 203(f)(8), to individuals de-
12 scribed in subparagraph (D) thereof, if subsections (b)
13 through (l) of section 203 as in effect in December 1988
14 had remained in effect through the month in which such
15 earnings were derived”.

16 (l) PROVISIONS DEFINING INCOME FOR PURPOSES
17 OF SSI.—Section 1612(a) of such Act (42 U.S.C.
18 1382a(a)) is amended—

19 (1) by striking “as determined under section
20 203(f)(5)(C)” in paragraph (1)(A) and inserting “as
21 defined in the last two sentences of this subsection”;
22 and

23 (2) by adding at the end (after and below para-
24 graph (2)(F)) the following new sentences:

1 “For purposes of paragraph (1)(A), the term ‘wages’
2 means wages as defined in section 209, but computed
3 without regard to the limitations as to amounts of remuneration
4 specified in subsections (a), (g)(2), (g)(3), (h)(2),
5 and (j) of such section. In making the computation under
6 the preceding sentence, (A) services which do not constitute
7 employment as defined in section 210, performed
8 within the United States by an individual as an employee
9 or performed outside the United States in the active military
10 or naval services of the United States, shall be
11 deemed to be employment as so defined if the remuneration
12 for such services is not includible in computing the
13 individual’s net earnings or net loss from self-employment
14 for purposes of title II, and (B) the term ‘wages’ shall
15 be deemed not to include (i) the amount of any payment
16 made to, or on behalf of, an employee or any of his or
17 her dependents (including any amount paid by an employer
18 for insurance or annuities, or into a fund, to provide
19 for any such payment) on account of retirement, or
20 (ii) any payment or series of payments by an employer
21 to an employee or any of his or her dependents upon or
22 after the termination of the employee’s employment relationship
23 because of retirement after attaining an age specified
24 in a plan referred to in section 209(m)(2) or in a
25 pension plan of the employer.”.

1 (m) REPEAL OF DEDUCTIONS ON ACCOUNT OF
2 WORK UNDER THE RAILROAD RETIREMENT PROGRAM.—
3 Section 2 of the Railroad Retirement Act of 1974 (45
4 U.S.C. 231a) is amended by striking subsections (f) and
5 (g)(2).

6 **SEC. 4. EFFECTIVE DATE.**

7 The amendments and repeals made by this Act shall
8 be effective with respect to taxable years ending on and
9 after the date of the enactment of this Act.

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