

106TH CONGRESS
2D SESSION

S. 2180

To repeal the increase in the tax on social security benefits, to eliminate the earnings test for individuals who have attained retirement age, and to gradually raise the age for required minimum distributions from pension plans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2000

Mr. ABRAHAM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To repeal the increase in the tax on social security benefits, to eliminate the earnings test for individuals who have attained retirement age, and to gradually raise the age for required minimum distributions from pension plans, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Senior Citizens’ Finan-
5 cial Freedom Act”.

1 **SEC. 2. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY**
2 **BENEFITS.**

3 (a) **IN GENERAL.**—Paragraph (2) of section 86(a) of
4 the Internal Revenue Code of 1986 (relating to social se-
5 curity and tier 1 railroad retirement benefits) is amended
6 by adding at the end the following new flush sentence:

7 “This paragraph shall not apply to any taxable year
8 beginning after December 31, 2000.”

9 (b) **EFFECTIVE DATE.**—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2000.

12 **SEC. 3. ELIMINATION OF EARNINGS TEST FOR INDIVID-**
13 **UALS WHO HAVE ATTAINED RETIREMENT**
14 **AGE.**

15 (a) **IN GENERAL.**—Section 203 of the Social Security
16 Act (42 U.S.C. 403) is amended—

17 (1) in subsection (c)(1), by striking “the age of
18 seventy” and inserting “retirement age (as defined
19 in section 216(l))”;

20 (2) in paragraphs (1)(A) and (2) of subsection
21 (d), by striking “the age of seventy” each place it
22 appears and inserting “retirement age (as defined in
23 section 216(l))”;

24 (3) in subsection (f)(1)(B), by striking “was
25 age seventy or over” and inserting “was at or above
26 retirement age (as defined in section 216(l))”;

1 (4) in subsection (f)(3)—

2 (A) by striking “33 $\frac{1}{3}$ percent” and all
3 that follows through “any other individual,”
4 and inserting “50 percent of such individual’s
5 earnings for such year in excess of the product
6 of the exempt amount as determined under
7 paragraph (8),”; and

8 (B) by striking “age 70” and inserting
9 “retirement age (as defined in section 216(l))”;

10 (5) in subsection (h)(1)(A), by striking “age
11 70” each place it appears and inserting “retirement
12 age (as defined in section 216(l))”; and

13 (6) in subsection (j)—

14 (A) in the heading, by striking “Age Sev-
15 enty” and inserting “Retirement Age”; and

16 (B) by striking “seventy years of age” and
17 inserting “having attained retirement age (as
18 defined in section 216(l))”.

19 (b) CONFORMING AMENDMENTS ELIMINATING THE
20 SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE
21 ATTAINED RETIREMENT AGE.—

22 (1) UNIFORM EXEMPT AMOUNT.—Section
23 203(f)(8)(A) of the Social Security Act (42 U.S.C.
24 403(f)(8)(A)) is amended by striking “the new ex-
25 empt amounts (separately stated for individuals de-

1 scribed in subparagraph (D) and for other individ-
2 uals) which are to be applicable” and inserting “a
3 new exempt amount which shall be applicable”.

4 (2) CONFORMING AMENDMENTS.—Section
5 203(f)(8)(B) of such Act (42 U.S.C. 403(f)(8)(B))
6 is amended—

7 (A) in the matter preceding clause (i), by
8 striking “Except” and all that follows through
9 “whichever” and inserting “The exempt amount
10 which is applicable for each month of a par-
11 ticular taxable year shall be whichever”;

12 (B) in clauses (i) and (ii), by striking “cor-
13 responding” each place it appears; and

14 (C) in the last sentence, by striking “an
15 exempt amount” and inserting “the exempt
16 amount”.

17 (3) REPEAL OF BASIS FOR COMPUTATION OF
18 SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of
19 such Act (42 U.S.C. (f)(8)(D)) is repealed.

20 (c) ADDITIONAL CONFORMING AMENDMENTS.—

21 (1) ELIMINATION OF REDUNDANT REFERENCES
22 TO RETIREMENT AGE.—Section 203 of the Social
23 Security Act (42 U.S.C. 403) is amended—

24 (A) in subsection (c), in the last sentence,
25 by striking “nor shall any deduction” and all

1 that follows and inserting “nor shall any deduc-
2 tion be made under this subsection from any
3 widow’s or widower’s insurance benefit if the
4 widow, surviving divorced wife, widower, or sur-
5 viving divorced husband involved became enti-
6 tled to such benefit prior to attaining age 60.”;
7 and

8 (B) in subsection (f)(1), by striking clause
9 (D) and inserting the following: “(D) for which
10 such individual is entitled to widow’s or wid-
11 ower’s insurance benefits if such individual be-
12 came so entitled prior to attaining age 60,”.

13 (2) CONFORMING AMENDMENT TO PROVISIONS
14 FOR DETERMINING AMOUNT OF INCREASE ON AC-
15 COUNT OF DELAYED RETIREMENT.—Section
16 202(w)(2)(B)(ii) of such Act (42 U.S.C.
17 402(w)(2)(B)(ii)) is amended—

18 (A) by striking “either”; and

19 (B) by striking “or suffered deductions
20 under section 203(b) or 203(c) in amounts
21 equal to the amount of such benefit”.

22 (3) PROVISIONS RELATING TO EARNINGS
23 TAKEN INTO ACCOUNT IN DETERMINING SUBSTAN-
24 TIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—

25 The second sentence of section 223(d)(4)(A) of the

1 Social Security Act (42 U.S.C. 423(d)(4)(A)) is
 2 amended by striking “if section 102 of the Senior
 3 Citizens’ Right to Work Act of 1996 had not been
 4 enacted” and inserting the following: “if the amend-
 5 ments to section 203 made by section 102 of the
 6 Senior Citizens’ Right to Work Act of 1996 and by
 7 the Senior Citizens’ Financial Freedom Act had not
 8 been enacted”.

9 (d) EFFECTIVE DATE.—The amendments and re-
 10 peals made by this section shall apply with respect to tax-
 11 able years ending after December 31, 2000.

12 **SEC. 4. GRADUAL INCREASE IN AGE FOR REQUIRED MIN-**
 13 **IMUM DISTRIBUTIONS FROM PENSION**
 14 **PLANS.**

15 (a) IN GENERAL.—Section 401(a)(9)(C) of the Inter-
 16 nal Revenue Code of 1986 (defining required beginning
 17 date) is amended—

18 (1) by striking “age 70½” and inserting “the
 19 applicable age”, and

20 (2) by adding at the end the following new
 21 clause:

22 “(v) APPLICABLE AGE.—For purposes
 23 of this subparagraph, the applicable age
 24 shall be determined in accordance with the
 25 following table:

“Calendar year:	Applicable
	Age:
2000	71
2001	72
2002	73
2003	74
2004	75
2005	76
2006	77
2007	78
2008	79
2009	80
2010	81
2011	82
2012	83
2013	84
2014 and thereafter	85.”

- 1 (b) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to years beginning after December
3 31, 1999.

○