

105TH CONGRESS
1ST SESSION

H. R. 326

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 7, 1997

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 Limitation Repeal Act of 1997”.

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 5 (42 U.S.C. 403) are repealed.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
 8 amended—

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 “For
 18 purposes of paragraphs (1), (2), and (3)”; and

19 (D) by striking the last sentence;

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

24 (3) in subsection (g), by redesignating such
 25 subsection as subsection (d), and by striking “sub-
 26 section (c)” each place it appears and inserting
 “subsection (b)”;
 26

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

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

8 **SEC. 3. ADDITIONAL CONFORMING AMENDMENTS.**

9 (a) PROVISIONS RELATING TO BENEFITS TERMI-
 10 NATED UPON DEPORTATION.—Section 202(n)(1) of the
 11 Social Security Act (42 U.S.C. 402(n)(1)) is amended by
 12 striking “Section 203 (b), (c), and (d)” and inserting
 13 “Section 203(b)”.

14 (b) PROVISIONS RELATING TO EXEMPTIONS FROM
 15 REDUCTIONS BASED ON EARLY RETIREMENT.—

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

19 (2) Section 202(q)(7)(A) of such Act (42
 20 U.S.C. 402(q)(7)(A)) is amended by striking “de-
 21 ductions under section 203(b), 203(c)(1), 203(d)(1),
 22 or 222(b)” and inserting “deductions on account of
 23 work under section 203 or deductions under section
 24 222(b)”.

1 (c) PROVISIONS RELATING TO EXEMPTIONS FROM
 2 REDUCTIONS BASED ON DISREGARD OF CERTAIN ENTI-
 3 TLEMENTS TO CHILD’S INSURANCE BENEFITS.—

4 (1) Section 202(s)(1) of such Act (42 U.S.C.
 5 402(s)(1)) is amended by striking “paragraphs (2),
 6 (3), and (4) of section 203(c)” and inserting “para-
 7 graphs (1), (2), and (3) of section 203(b)”.

8 (2) Section 202(s)(3) of such Act (42 U.S.C.
 9 402(s)(3)) is amended by striking “The last sen-
 10 tence of subsection (c) of section 203, subsection
 11 (f)(1)(C) of section 203, and subsections” and in-
 12 serting “Subsections”.

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

17 (e) PROVISIONS RELATING TO BENEFITS INCREASED
 18 ON ACCOUNT OF DELAYED RETIREMENT.—Section
 19 202(w)(2)(B)(ii) of such Act (42 U.S.C. 402(w)(2)(B)(ii))
 20 is amended by striking “or 203(c)”.

21 (f) PROVISIONS RELATING TO REDUCTIONS IN BEN-
 22 EFITS BASED ON MAXIMUM BENEFITS.—Section
 23 203(a)(3)(B)(iii) of such Act (42 U.S.C.
 24 403(a)(3)(B)(iii)) is amended by striking “and subsections
 25 (b), (c), and (d)” and inserting “and subsection (b)”.

1 (g) PROVISIONS RELATING TO PENALTIES FOR MIS-
2 REPRESENTATIONS CONCERNING EARNINGS FOR PERI-
3 ODS SUBJECT TO DEDUCTIONS ON ACCOUNT OF WORK.—
4 Section 208(a)(1)(C) of such Act (42 U.S.C.
5 408(a)(1)(C)) is amended by striking “under section
6 203(f) of this title for purposes of deductions from bene-
7 fits” and inserting “under section 203 for purposes of de-
8 ductions from benefits on account of work”.

9 (h) PROVISIONS TAKING INTO ACCOUNT EARNINGS
10 IN DETERMINING BENEFIT COMPUTATION YEARS.—
11 Clause (I) in the next to last sentence of section
12 215(b)(2)(A) of such Act (42 U.S.C. 415(b)(2)(A)) is
13 amended by striking “no earnings as described in section
14 203(f)(5) in such year” and inserting “no wages, and no
15 net earnings from self-employment (in excess of net loss
16 from self-employment), in such year”.

17 (i) PROVISIONS RELATING TO ROUNDING OF BENE-
18 FITS.—Section 215(g) of such Act (42 U.S.C. 415(g)) is
19 amended by striking “and any deduction under section
20 203(b)”.

21 (j) PROVISIONS RELATING TO EARNINGS TAKEN
22 INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL
23 ACTIVITY OF BLIND INDIVIDUALS.—The second sentence
24 of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4))
25 is amended by striking “the exempt amount under section

1 203(f)(8) which is applicable to individuals described in
 2 subparagraph (D) thereof” and inserting the following:
 3 “an amount equal to the exempt amount which would have
 4 been applicable under section 203(f)(8), to individuals de-
 5 scribed in subparagraph (D) thereof, if subsections (b)
 6 through (l) of section 203, as in effect for the last taxable
 7 years ending before the date of the enactment of the Social
 8 Security Earnings Limitation Repeal Act of 1997, had re-
 9 mained in effect through the month in which such earn-
 10 ings were derived”.

11 (k) PROVISIONS DEFINING INCOME FOR PURPOSES
 12 OF SSI.—Section 1612(a) of such Act (42 U.S.C.
 13 1382a(a)) is amended—

14 (1) by striking “as determined under section
 15 203(f)(5)(C)” in paragraph (1)(A) and inserting “as
 16 defined in the last two sentences of this subsection”;
 17 and

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

20 “For purposes of paragraph (1)(A), the term ‘wages’
 21 means wages as defined in section 209, but computed
 22 without regard to the limitations as to amounts of remun-
 23 eration specified in paragraphs (1), (6)(B), (6)(C),
 24 (7)(B), and (8) of section 209(a). In making the computa-
 25 tion under the preceding sentence, (A) services which do

1 not constitute employment as defined in section 210, per-
2 formed within the United States by an individual as an
3 employee or performed outside the United States in the
4 active military or naval services of the United States, shall
5 be deemed to be employment as so defined if the remuneration for such services is not includible in computing
6 the individual's net earnings or net loss from self-employment for purposes of title II, and (B) the term 'wages'
7 shall be deemed not to include (i) the amount of any payment made to, or on behalf of, an employee or any of his
8 or her dependents (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement, or
9 (ii) any payment or series of payments by an employer to an employee or any of his or her dependents upon or
10 after the termination of the employee's employment relationship because of retirement after attaining an age specified in a plan referred to in section 209(m)(2) or in a
11 pension plan of the employer.".

20 (l) REPEAL OF DEDUCTIONS ON ACCOUNT OF WORK
21 UNDER THE RAILROAD RETIREMENT PROGRAM.—Section
22 2 of the Railroad Retirement Act of 1974 (45 U.S.C.
23 231a) is amended by striking subsections (f) and (g)(2).

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments and repeals made by this Act shall
3 apply with respect to taxable years ending on or after the
4 date of the enactment of this Act.

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