

106TH CONGRESS  
2D SESSION

# H. R. 3599

To amend title II of the Social Security Act to eliminate the earnings test.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2000

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

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## A BILL

To amend title II of the Social Security Act to eliminate the earnings test.

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 Repeal Act of 2000”.

6 **SEC. 2. ELIMINATION OF THE EARNINGS TEST.**

7 (a) REPEAL OF DEDUCTIONS ON ACCOUNT OF  
8 WORK.—

1           (1) IN GENERAL.—Subsections (b), (c)(1), (d),  
2           (f), (h), (j), and (k) of section 203 of the Social Se-  
3           curity Act (42 U.S.C. 403) are repealed.

4           (2) CONFORMING AMENDMENTS.—Section 203  
5           of such Act (as amended by paragraph (1)) is  
6           amended further—

7                   (A) in subsection (c), by redesignating  
8                   such subsection as subsection (b), and—

9                           (i) by striking “Noncovered Work  
10                          Outside the United States or” in the head-  
11                          ing;

12                           (ii) by redesignating paragraphs (2),  
13                          (3), and (4) as paragraphs (1), (2), and  
14                          (3), respectively;

15                           (iii) by striking “For purposes of  
16                          paragraphs (2), (3), and (4)” and inserting  
17                          “For purposes of paragraphs (1), (2), and  
18                          (3)”;

19                           (iv) by striking the last sentence;

20                   (B) in subsection (e), by redesignating  
21                   such subsection as subsection (c), and by strik-  
22                   ing “subsections (c) and (d)” and inserting  
23                   “subsection (b)”;

24                   (C) in subsection (g), by redesignating  
25                   such subsection as subsection (d), and by strik-

ing “subsection (c)” each place it appears and  
inserting “subsection (b)”;

(D) in subsection (l), by redesignating such  
subsection as subsection (e), and by striking  
“subsection (g) or (h)(1)(A)” and inserting  
“subsection (d)”.

(b) ADDITIONAL CONFORMING AMENDMENTS.—

(1) PROVISIONS RELATING TO BENEFITS TERMINATED UPON DEPORTATION.—Section 202(n)(1) of the Social Security Act (42 U.S.C. 402(n)(1)) is amended by striking “Section 203 (b), (c), and (d)” and inserting “Section 203(b)”.

(2) PROVISIONS RELATING TO EXEMPTIONS FROM REDUCTIONS BASED ON EARLY RETIREMENT.—

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

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

1           (3) PROVISIONS RELATING TO EXEMPTIONS  
2 FROM REDUCTIONS BASED ON DISREGARD OF CER-  
3 TAIN ENTITLEMENTS TO CHILD’S INSURANCE BENE-  
4 FITS.—

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

10          (B) Section 202(s)(3) of such Act (42  
11 U.S.C. 402(s)(3)) is amended by striking “The  
12 last sentence of subsection (c) of section 203,  
13 subsection (f)(1)(C) of section 203, and sub-  
14 sections” and inserting “Subsections”.

15          (4) PROVISIONS RELATING TO SUSPENSION OF  
16 ALIENS’ BENEFITS.—Section 202(t)(7) of such Act  
17 (42 U.S.C. 402(t)(7)) is amended by striking “Sub-  
18 sections (b), (c), and (d)” and inserting “Subsection  
19 (b)”.

20          (5) PROVISIONS RELATING TO BENEFITS IN-  
21 CREASED ON ACCOUNT OF DELAYED RETIRE-  
22 MENT.—Section 202(w)(2)(B)(ii) of such Act (42  
23 U.S.C. 402(w)(2)(B)(ii)) is amended by striking “or  
24 203(c)”.

1           (6) PROVISIONS RELATING TO REDUCTIONS IN  
2       BENEFITS BASED ON MAXIMUM BENEFITS.—Section  
3       203(a)(3)(B)(iii) of such Act (42 U.S.C.  
4       403(a)(3)(B)(iii)) is amended by striking “and sub-  
5       sections (b), (c), and (d)” and inserting “and sub-  
6       section (b)”.

7           (7) PROVISIONS RELATING TO PENALTIES FOR  
8       MISREPRESENTATIONS CONCERNING EARNINGS FOR  
9       PERIODS SUBJECT TO DEDUCTIONS ON ACCOUNT OF  
10      WORK.—Section 208(a)(1)(C) of such Act (42  
11      U.S.C. 408(a)(1)(C)) is amended by striking “under  
12      section 203(f) of this title for purposes of deductions  
13      from benefits” and inserting “under section 203 for  
14      purposes of deductions from benefits on account of  
15      work”.

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

1           (9) PROVISIONS RELATING TO ROUNDING OF  
2       BENEFITS.—Section 215(g) of such Act (42 U.S.C.  
3       415(g)) is amended by striking “and any deduction  
4       under section 203(b)”.

5           (10) PROVISIONS RELATING TO EARNINGS  
6       TAKEN INTO ACCOUNT IN DETERMINING SUBSTAN-  
7       TIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—  
8       The second sentence of section 223(d)(4) of such  
9       Act (42 U.S.C. 423(d)(4)) is amended by striking  
10      “if section 102 of the Senior Citizens’ Right to  
11      Work Act of 1996 had not been enacted” and insert-  
12      ing the following: “if the amendments to section 203  
13      made by section 102 of the Senior Citizens’ Right to  
14      Work Act of 1996 and by section 2 of the Social Se-  
15      curity Earnings Test Repeal Act of 2000 had not  
16      been enacted”.

17          (11) PROVISIONS DEFINING INCOME FOR PUR-  
18      POSES OF SSL.—Section 1612(a) of such Act (42  
19      U.S.C. 1382a(a)) is amended—

20            (A) by striking “as determined under sec-  
21            tion 203(f)(5)(C)” in paragraph (1)(A) and in-  
22            serting “as defined in the last two sentences of  
23            this subsection”; and

24            (B) by adding at the end (after and below  
25            paragraph (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 paragraphs (1), (6)(B), (6)(C),  
5 (7)(B), and (8) of section 209(a). In making the computation  
6 under the preceding sentence, (A) services which do  
7 not constitute employment as defined in section 210, performed  
8 within the United States by an individual as an  
9 employee or performed outside the United States in the  
10 active military or naval services of the United States, shall  
11 be deemed to be employment as so defined if the remuneration  
12 for such services is not includible in computing  
13 the individual’s net earnings or net loss from self-employment  
14 for purposes of title II, and (B) the term ‘wages’  
15 shall be deemed not to include (i) the amount of any payment  
16 made to, or on behalf of, an employee or any of his  
17 or her dependents (including any amount paid by an employer  
18 for insurance or annuities, or into a fund, to provide for any  
19 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 in a plan  
24 referred to in section 209(m)(2) or in a  
25 pension plan of the employer.”.

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

6   **SEC. 3. EFFECTIVE DATE.**

7       The amendments and repeals made by section 2 shall  
8       apply with respect to taxable years ending after December  
9       31, 2000.

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