

113TH CONGRESS
2D SESSION

S. 2336

To eliminate the payroll tax for individuals who have attained retirement age, to amend title II of the Social Security Act to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 14, 2014

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

A BILL

To eliminate the payroll tax for individuals who have attained retirement age, to amend title II of the Social Security Act to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title, 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 “Let Seniors Work Act
5 of 2014”.

1 **SEC. 2. ELIMINATION OF PAYROLL TAX FOR INDIVIDUALS**
 2 **WHO HAVE ATTAINED RETIREMENT AGE.**

3 (a) IN GENERAL.—Section 230 of the Social Security
 4 Act (42 U.S.C. 430) is amended—

5 (1) in subsection (a), by striking “subsection
 6 (b) or (c)” and inserting “subsection (b), (c), or
 7 (e)”,

8 (2) in subsection (b), by striking “subsection
 9 (c)” and inserting “subsections (c) and (e)”, and

10 (3) by adding at the end the following new sub-
 11 section:

12 “(e) Notwithstanding any other provision of law, the
 13 contribution and benefit base determined under this sec-
 14 tion for any calendar year after 2014 for any individual
 15 who has attained retirement age (as defined in section
 16 216(l)(1)) shall be reduced to zero.”.

17 (b) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to remuneration paid in any cal-
 19 endar year after 2014.

20 **SEC. 3. REPEAL OF PROVISIONS RELATING TO DEDUC-**
 21 **TIONS ON ACCOUNT OF WORK.**

22 (a) IN GENERAL.—Subsections (b), (c)(1), (d), (f),
 23 (h), (j), and (k) of section 203 of the Social Security Act
 24 (42 U.S.C. 403) are repealed.

1 (b) CONFORMING AMENDMENTS.—Section 203 of
 2 such Act (as amended by subsection (a)) is further amend-
 3 ed—

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

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

8 (B) by redesignating paragraphs (2), (3),
 9 and (4) as paragraphs (1), (2), and (3), respec-
 10 tively;

11 (C) by striking “For purposes of para-
 12 graphs (2), (3), and (4)” and inserting “For
 13 purposes of paragraphs (1), (2), and (3)”; and

14 (D) by striking the last sentence;

15 (2) in subsection (e), by redesignating such sub-
 16 section as subsection (c), and by striking “sub-
 17 sections (c) and (d)” and inserting “subsection (b)”;
 18

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

22 (4) in subsection (l), by redesignating such sub-
 23 section as subsection (e), and by striking “sub-
 24 section (g) or (h)(1)(A)” and inserting “subsection
 25 (d)”.

1 **SEC. 4. ADDITIONAL CONFORMING AMENDMENTS.**

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

7 (b) PROVISIONS RELATING TO EXEMPTIONS FROM
 8 REDUCTIONS BASED ON EARLY RETIREMENT.—

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

12 (2) Section 202(q)(7)(A) of such Act (42
 13 U.S.C. 402(q)(7)(A)) is amended by striking “de-
 14 ductions under section 203(b), 203(c)(1), 203(d)(1),
 15 or 222(b)” and inserting “deductions on account of
 16 work under section 203 or deductions under section
 17 222(b)”.

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

21 (1) Section 202(s)(1) of such Act (42 U.S.C.
 22 402(s)(1)) is amended by striking “paragraphs (2),
 23 (3), and (4) of section 203(c)” and inserting “para-
 24 graphs (1), (2), and (3) of section 203(b)”.

25 (2) Section 202(s)(3) of such Act (42 U.S.C.
 26 402(s)(3)) is amended by striking “The last sen-

1 tence of subsection (c) of section 203, subsection
 2 (f)(1)(C) of section 203, and subsections” and in-
 3 serting “Subsections”.

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

8 (e) PROVISIONS RELATING TO REDUCTIONS IN BEN-
 9 EFITS BASED ON MAXIMUM BENEFITS.—Section
 10 203(a)(3)(B)(iii) of such Act (42 U.S.C.
 11 403(a)(3)(B)(iii)) is amended by striking “and subsections
 12 (b), (c), and (d)” and inserting “and subsection (b)”.

13 (f) PROVISIONS RELATING TO PENALTIES FOR MIS-
 14 REPRESENTATIONS CONCERNING EARNINGS FOR PERI-
 15 ODS SUBJECT TO DEDUCTIONS ON ACCOUNT OF WORK.—
 16 Section 208(a)(1)(C) of such Act (42 U.S.C.
 17 408(a)(1)(C)) is amended by striking “under section
 18 203(f) of this title for purposes of deductions from bene-
 19 fits” and inserting “under section 203 for purposes of de-
 20 ductions from benefits on account of work”.

21 (g) PROVISIONS TAKING INTO ACCOUNT EARNINGS
 22 IN DETERMINING BENEFIT COMPUTATION YEARS.—Sub-
 23 clause (I) in the next to last sentence of section
 24 215(b)(2)(A) of such Act (42 U.S.C. 415(b)(2)(A)) is
 25 amended by striking “no earnings as described in section

1 203(f)(5) in such year” and inserting “no wages, and no
 2 net earnings from self-employment (in excess of net loss
 3 from self-employment), in such year”.

4 (h) PROVISIONS RELATING TO ROUNDING OF BENE-
 5 FITS.—Section 215(g) of such Act (42 U.S.C. 415(g)) is
 6 amended by striking “and any deduction under section
 7 203(b)”.

8 (i) PROVISIONS RELATING TO EARNINGS TAKEN
 9 INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL
 10 ACTIVITY OF BLIND INDIVIDUALS.—The second sentence
 11 of section 223(d)(4)(A) of such Act (42 U.S.C.
 12 423(d)(4)(A)) is amended by striking “if section 102 of
 13 the Senior Citizens Right to Work Act of 1996 had not
 14 been enacted” and inserting the following: “if the amend-
 15 ments to section 203 made by section 102 of the Senior
 16 Citizens Right to Work Act of 1996 and by the Social Se-
 17 curity Earnings Test Repeal Act of 2014 had not been
 18 enacted”.

19 (j) PROVISIONS DEFINING INCOME FOR PURPOSES
 20 OF SSI.—Section 1612(a) of such Act (42 U.S.C.
 21 1382a(a)) is amended—

22 (1) by striking “as determined under section
 23 203(f)(5)(C)” in paragraph (1)(A) and inserting “as
 24 defined in the last two sentences of this subsection”;
 25 and

1 (2) by adding at the end (after and below para-
2 graph (2)(H)) the following:

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

1 ified in a plan referred to in section 209(a)(11)(B) or in
 2 a pension plan of the employer.”.

3 (k) REPEAL OF DEDUCTIONS ON ACCOUNT OF WORK
 4 UNDER THE RAILROAD RETIREMENT PROGRAM.—

5 (1) IN GENERAL.—Section 2 of the Railroad
 6 Retirement Act of 1974 (45 U.S.C. 231a) is amend-
 7 ed—

8 (A) by striking subsection (f); and

9 (B) by striking subsection (g)(2) and by
 10 redesignating subsection (g)(1) as subsection
 11 (g).

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 3(f)(1) of such Act (45 U.S.C.
 14 231b(f)(1)) is amended in the first sentence by
 15 striking “before any reductions under the provi-
 16 sions of section 2(f) of this Act,”.

17 (B) Section 4(g)(2) of such Act (45 U.S.C.
 18 231c(g)(2)) is amended—

19 (i) in clause (i), by striking “shall, be-
 20 fore any deductions under section 2(g) of
 21 this Act,” and inserting “shall”; and

22 (ii) in clause (ii), by striking “any de-
 23 ductions under section 2(g) of this Act and
 24 before”.

1 **SEC. 5. EFFECTIVE DATE.**

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

