

104TH CONGRESS
1ST SESSION

H. R. 243

To amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained age 65, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. EMERSON 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 to phase out the earnings test over a 5-year period for individuals who have attained age 65, 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. LIBERALIZATION OF EARNINGS TEST FOR INDI-**
4 **VIDUALS WHO HAVE ATTAINED RETIREMENT**
5 **AGE.**

6 (a) IN GENERAL.—Effective with respect to taxable
7 years ending after 1995, subparagraph (D) of section
8 203(f)(8) of the Social Security Act (42 U.S.C. 403(f)(8))
9 is amended to read as follows:

1 “(D) Notwithstanding any other provision of
2 this subsection, the exempt amount which is applica-
3 ble to an individual who has attained retirement age
4 (as defined in section 216(l)) before the close of the
5 taxable year involved—

6 “(i) shall be \$1,140 for each month of any
7 taxable year ending after 1995 and before
8 1997,

9 “(ii) shall be \$1,390 for each month of any
10 taxable year ending after 1996 and before
11 1998,

12 “(iii) shall be \$1,640 for each month of
13 any taxable year ending after 1997 and before
14 1999,

15 “(iv) shall be \$1,890 for each month of
16 any taxable year ending after 1998 and before
17 2000, and

18 “(v) shall be \$2,140 for each month of any
19 taxable year ending after 1999 and before
20 2001.”.

21 (b) CONFORMING AMENDMENT.—The second sen-
22 tence of section 223(d)(4) of such Act (42 U.S.C.
23 423(d)(4)) is amended by striking “which is applicable to
24 individuals described in subparagraph (D) thereof” and
25 inserting “which would be applicable to individuals who

1 have attained retirement age (as defined in section 216(l))
2 without regard to any increase in such amount resulting
3 from a law enacted in 1995”.

4 **SEC. 2. REPEAL OF EARNINGS TEST IN 2001 FOR INDIVID-**
5 **UALS WHO HAVE ATTAINED RETIREMENT**
6 **AGE.**

7 Effective with respect to taxable years ending after
8 2000—

9 (1) clause (B) in the third sentence of section
10 203(f)(1) of the Social Security Act (42 U.S.C.
11 403(f)(1)) is amended to read as follows: “(B) in
12 any taxable year before the close of which such indi-
13 vidual has attained retirement age (as defined in
14 section 216(l)),”; and

15 (2) the first sentence of section 203(f)(3) of
16 such Act (42 U.S.C. 403(f)(3)) is amended to read
17 as follows: “For purposes of paragraph (1) and sub-
18 section (h), an individual’s excess earnings for a tax-
19 able year shall be 50 percent of his earnings for
20 such year in excess of the product of (A) the appli-
21 cable exempt amount as determined under para-
22 graph (8), and (B) the number of months in such
23 year; except that no part of the earnings of an indi-
24 vidual for any taxable year shall constitute excess
25 earnings for such purposes if the individual has at-

1 (A) by striking “(D) In the case of” and
2 all that follows down through “(ii) an individ-
3 ual” and inserting the following:

4 “(D) In the case of an individual”;

5 (B) by striking “became entitled to such
6 benefits” and all that follows and inserting “be-
7 came entitled to such benefits, there shall be ex-
8 cluded from gross income any such other in-
9 come.”; and

10 (C) by shifting such subparagraph as so
11 amended to the left to the extent necessary to
12 align its left margin with that of subparagraphs
13 (A) through (C) of such section;

14 (4) section 203(f)(8)(A) of such Act (42 U.S.C.
15 403(f)(8)(A)) is amended by striking “the new ex-
16 empt amounts (separately stated for individuals de-
17 scribed in subparagraph (D) and for other individ-
18 uals) which are to be applicable” and inserting “the
19 new exempt amount which is to be applicable”;

20 (5) section 203(f)(8)(B) of such Act (42 U.S.C.
21 403(f)(8)(B)) is amended—

22 (A) by striking all that precedes clause (i)
23 and inserting the following:

1 “(B) The exempt amount which is applicable
2 for each month of a particular taxable year shall be
3 whichever of the following is the larger—”;

4 (B) by striking “corresponding” in clause
5 (i); and

6 (C) by striking “an exempt amount” in the
7 matter following clause (ii) and inserting “the
8 exempt amount”;

9 (6) section 203(f)(8)(D) of such Act (42 U.S.C.
10 403(f)(8)(D)) (as amended by section 1 of this Act)
11 is repealed;

12 (7) section 203(f)(9) of such Act (42 U.S.C.
13 403(f)(9)) is repealed;

14 (8) section 203(h)(1)(A) of such Act (42 U.S.C.
15 403(h)(1)(A)) is amended by striking “age 70” each
16 place it appears and inserting “retirement age (as
17 defined in section 216(l))”;

18 (9) section 203(j) of such Act (42 U.S.C.
19 403(j)) is amended to read as follows:

20 “Attainment of Retirement Age

21 “(j) For purposes of this section—

22 “(1) an individual shall be considered as having
23 attained retirement age (as defined in section
24 216(l)) during the entire month in which he attains
25 such age; and

1 “(2) the term ‘retirement age (as defined in
2 section 216(l))’, with respect to any individual enti-
3 tled to monthly insurance benefits under section
4 202, means the retirement age (as so defined) which
5 is applicable in the case of old-age insurance bene-
6 fits, regardless of whether or not the particular ben-
7 efits to which the individual is entitled (or the only
8 such benefits) are old-age insurance benefits.”; and
9 (10) the second sentence of section 223(d)(4) of
10 such Act (42 U.S.C. 423(d)(4)) (as amended by sec-
11 tion 1(b) of this Act) is further amended by striking
12 “without regard to any increase in such amount re-
13 sulting from a law enacted in 1995” and inserting
14 “but for the liberalization and repeal of the earnings
15 test for such individuals in 1995”.

○