

Public Law 96-473  
96th Congress

An Act

To amend the Social Security Act with respect to the retirement test, to reduce spending under title II of the Social Security Act, and for other purposes.

Oct. 19, 1980  
[H.R. 5295]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Social Security  
Act,  
amendment.

PROVISION RELATING TO AVAILABILITY OF MONTHLY EARNINGS TEST

SECTION 1. (a)(1) Section 203(f)(1) of the Social Security Act is amended— 42 USC 403.

(A) by striking out “or” immediately before clause (E), and

(B) by inserting before the period at the end thereof the following: “, or (F) in which such individual did not engage in self-employment and did not render services for wages (determined as provided in paragraph (5) of this subsection) of more than the applicable exempt amount as determined under paragraph (8), in the case of an individual entitled to benefits under section 202(b) (but only by reason of having a child in her care within the meaning of paragraph (1)(B) of that subsection) or under section 202 (d) or (g), if such month is in a year in which such entitlement ends for a reason other than the death of such individual, and such individual is not entitled to any benefits under this title for the month following the month during which such entitlement under section 202 (b), (d), or (g) ended”.

42 USC 402.

(2) Section 203(f)(2) of such Act is amended by striking out “(D), and (E)” and inserting in lieu thereof “(D), (E), and (F)”.

(b) The amendments made by subsection (a) shall apply with respect to monthly benefits payable for months after December 1977.

42 USC 403 note.

MEDICARE ENTITLEMENT

SEC. 2. (a) Section 226(a)(2) of the Social Security Act is amended by inserting after “section 202” the following: “, or would be entitled to those benefits except that he has not filed an application therefor (or application has not been made for a benefit the entitlement to which for any individual is a condition of entitlement therefor) and, in conformity with regulations of the Secretary, files an application for hospital insurance benefits under part A of title XVIII.”

42 USC 426.

(b) Section 1811(1) of such Act is amended by striking out “are entitled to” and inserting in lieu thereof “are eligible for”.

42 USC 1395c.

42 USC 1395c.

(c) For purposes of section 226 of such Act as amended by subsection (a) of this section, an individual who filed an application for monthly insurance benefits under section 202 of such Act prior to the effective date of the amendment made by subsection (a) shall be deemed to have filed an application for hospital insurance benefits under part A of title XVIII of such Act, at the time he applied for such benefits under section 202 regardless of the continuing status or effect of the application for benefits under section 202, if he would have been

42 USC 426 note.

42 USC 402.

entitled to benefits under that section had such application remained in effect.

42 USC 426 note. (d) The amendments made by subsections (a) and (b) shall be effective after the second month beginning after the date on which this Act is enacted.

INCOME NOT ATTRIBUTABLE TO SERVICES PERFORMED AFTER  
ENTITLEMENT

42 USC 403. SEC. 3. (a) Section 203(f)(5)(D) of the Social Security Act is amended to read as follows:

“(D) In the case of—

“(i) an individual who has attained the age of 65 on or before the last day of the taxable year, and who shows to the satisfaction of the Secretary that he or she is receiving royalties attributable to a copyright or patent obtained before the taxable year in which he or she attained such age and that the property to which the copyright or patent relates was created by his or her own personal efforts, or

42 USC 423, 402. “(ii) an individual who has become entitled to insurance benefits under this title, other than benefits under section 223 or benefits payable under section 202(d) by reason of being under a disability, and who shows to the satisfaction of the Secretary that he or she is receiving, in a year after his or her initial year of entitlement to such benefits, any other income not attributable to services performed after the month in which he or she initially became entitled to such benefits,

there shall be excluded from gross income any such royalties or other income.”

42 USC 403 note. (b) The amendment made by subsection (a) shall apply with respect to taxable years ending after December 31, 1977, but only with respect to benefits payable for months after December 1977.

RETROSPECTIVE EFFECT OF ELIMINATION OF MONTHLY EARNINGS TEST

42 USC 403. SEC. 4. (a) Section 203(f)(1) of the Social Security Act is amended by striking out “the first month” in clause (E) and inserting in lieu thereof “the first month after December 1977”.

42 USC 403 note. (b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable for months after December 1977.

BENEFITS FOR CERTAIN PRISONERS

42 USC 423. SEC. 5. (a)(1) Section 223(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

“(6)(A) Notwithstanding any other provision of this title, any physical or mental impairment which arises in connection with the commission by an individual (after the date of the enactment of this paragraph) of an offense which constitutes a felony under applicable law and for which such individual is subsequently convicted, or which is aggravated in connection with such an offense (but only to the extent so aggravated), shall not be considered in determining whether an individual is under a disability.

“(B) Notwithstanding any other provision of this title, any physical or mental impairment which arises in connection with an individual’s confinement in a jail, prison, or other penal institution or correctional facility pursuant to such individual’s conviction of an

offense (committed after the date of the enactment of this paragraph) constituting a felony under applicable law, or which is aggravated in connection with such a confinement (but only to the extent so aggravated), shall not be considered in determining whether such individual is under a disability for purposes of benefits payable for any month during which such individual is so confined.”

(2) The third sentence of section 216(i)(1) of such Act is amended by striking out “and (5)” and inserting in lieu thereof “(5), and (6)”. 42 USC 416.

(b) Section 202(d)(7)(A) of such Act is amended by adding at the end thereof the following: “An individual shall not be considered a ‘full-time student’ for the purpose of this section while that individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to his conviction of an offense (committed after the date of the enactment of this paragraph) which constituted a felony under applicable law.” “Fulltime student.” 42 USC 402.

(c) Section 223 of such Act is amended by adding at the end thereof the following new subsection: 42 USC 423.

#### “Suspension of Benefits for Inmates of Penal Institutions

“(f)(1) Notwithstanding any other provision of this title, no monthly benefits shall be paid under this section, or under section 202(d) by reason of being under a disability, to any individual for any month during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to his conviction of an offense which constituted a felony under applicable law, unless such individual is actively and satisfactorily participating in a rehabilitation program which has been specifically approved for such individual by a court of law and, as determined by the Secretary, is expected to result in such individual being able to engage in substantial gainful activity upon release and within a reasonable time.

“(2) Benefits which would be payable to any individual (other than a confined individual to whom benefits are not payable by reason of paragraph (1)) under this title on the basis of the wages and self-employment income of such a confined individual but for the provisions of paragraph (1), shall be payable as though such confined individual were receiving such benefits under this section.”

(d) The amendments made by this section shall be effective with respect to benefits payable for months beginning on or after October 1, 1980. 42 USC 402 note.

#### TECHNICAL CORRECTIONS

SEC. 6. (a) Section 202(e)(2)(B)(i) of such Act is amended by striking out the second comma following “where applicable”. 42 USC 402.

(b)(1) Section 203(a)(3)(A) of such Act is amended by striking out “bases” and inserting in lieu thereof “basis”. 42 USC 403.

(2) Section 203(a)(7) of such Act is amended by striking out “benefits base” and inserting in lieu thereof “benefit base”. *Ante*, p. 442.

(c) Section 213(a)(2)(A) of such Act is amended by striking out “quarters of coverage” and inserting in lieu thereof “quarter of coverage”. 42 USC 413.

(d) Section 215(a)(4)(B) of such Act is amended by striking out “computation or recommendation” and inserting in lieu thereof “computation or recomputation”. 42 USC 415.

(e)(1) Section 303 of such Act is amended by redesignating the second subsection (d) as subsection (e). *Ante*, p. 468.

(2) Section 304(a)(2) of such Act is amended to read as follows: 42 USC 504.

- 42 USC 503.                   “(2) makes a finding with respect to a State under subsection  
42 USC 602.                   (b), (c), (d), or (e) of section 303.”.
- (f)(1) Section 402(a)(27) of such Act is amended by striking out  
“provide, that the State” and inserting in lieu thereof “provide that  
the State”.
- (2) Section 402(a)(29) of such Act is amended by striking out  
“provided” and inserting in lieu thereof “provide”.
- Ante*, p. 466.               (3) Section 402 of such Act is amended by redesignating the second  
subsection (d) as subsection (e).
- 42 USC 1382a.               (g)(1) Section 1612(a)(1)(B) of such Act is amended by striking out  
“following subsection (a)(10)” and inserting in lieu thereof “following  
subsection (a)(11)”.
- (2) Section 1612(a)(1) of such Act is further amended—  
    (A) by striking out “and” at the end of subparagraph (B); and  
    (B) by redesignating the second subparagraph (C) as subpara-  
    graph (D).
- (3) Section 1612(b)(2)(B) of such Act is amended—  
    (A) by striking out “Monthly” and inserting in lieu thereof  
    “monthly”; and  
    (B) by striking out the period at the end thereof and inserting  
    in lieu thereof a semicolon.
- Ante*, p. 470.               (h) Section 1631(b) of such Act is amended—  
    (1) by striking out “(b)(1)(1)” and inserting in lieu thereof  
    “(b)(1)”; and  
    (2) by redesignating the second paragraph (2) as paragraph (3).
- 42 USC 1395g.               (i) Section 1815(c) of such Act is amended by striking out “for on in  
connection with” and inserting in lieu thereof “for or in connection  
with”.
- 42 USC 1395l.               (j) Section 1833 of such Act is amended by redesignating the second  
subsection (g) as subsection (h).
- 42 USC 1396d.               (k) Section 1905(c) of such Act is amended by striking out “under  
clauses (1)” and inserting in lieu thereof “under clause (1)”.
- 42 USC 1397b.               (l) Section 2003(e)(1) of such Act is amended by striking out “under  
subsection (g)” and inserting in lieu thereof “under subsection (d)”.

Approved October 19, 1980.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-537, Pts. 1 and 2 (Comm. on Ways and Means).  
SENATE REPORT No. 96-987 (Comm. on Finance).

CONGRESSIONAL RECORD:

Vol. 125 (1979): Dec. 19, considered and passed House.

Vol. 126 (1980): Sept. 30, considered and passed Senate, amended.

Oct. 1, House concurred in Senate amendments with an amend-  
ment; Senate concurred in House amendment.