

Union Calendar No. 283

103D CONGRESS
2D SESSION

H. R. 4277

[Report No. 103-506]

A BILL

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May 12, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1994

Mr. JACOBS (for himself and Mr. FORD of Tennessee) introduced the following bill; which was referred to the Committee on Ways and Means

MAY 12, 1994

Additional sponsors: Mr. ROSTENKOWSKI, Mr. ARCHER, Mr. PICKLE, Mr. STARK, Mrs. KENNELLY, Mr. COYNE, Mr. KLECZKA, Mr. PAYNE of Virginia, Mr. JEFFERSON, Mr. BREWSTER, Mr. REYNOLDS, Mr. THOMAS of California, Mrs. JOHNSON of Connecticut, Mr. BUNNING, Mr. GRANDY, Mr. HOUGHTON, Mr. HERGER, Mr. MCCRERY, Mr. SANTORUM, Mr. CAMP, Mrs. VUCANOVICH, and Mr. BACHUS of Alabama

MAY 12, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 21, 1994]

A BILL

To establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program.

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 AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “So-*
 5 *cial Security Administrative Reform Act of 1994”.*

6 (b) *TABLE OF CONTENTS.*—

Sec. 1. Short title and table of contents.

Sec. 2. Declaration of purposes.

*TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY
 ADMINISTRATION AS AN INDEPENDENT AGENCY*

*Sec. 101. Establishment of the Social Security Administration as a separate,
 independent agency; responsibilities of the agency.*

*Sec. 102. Social Security Board, executive director, deputy director, beneficiary
 ombudsman; other officers.*

Sec. 103. Personnel; budgetary matters; seal of office.

Sec. 104. Transfers to the new Social Security Administration.

Sec. 105. Transitional rules.

*Sec. 106. Conforming amendments to Titles II and XVI of the Social Security
 Act.*

Sec. 107. Other conforming amendments.

Sec. 108. Rules of construction.

Sec. 109. Effective dates.

*TITLE II—IMPROVEMENTS TO THE OLD-AGE, SURVIVORS, AND
 DISABILITY INSURANCE PROGRAM*

*Sec. 201. Restrictions on payment of benefits based on disability to substance
 abusers.*

*Sec. 202. Issuance of physical documents in the form of bonds, notes, or certifi-
 cates to the social security trust funds.*

*Sec. 203. Explicit requirements for maintenance of telephone access to local offices
 of the Social Security Administration.*

*Sec. 204. Expansion of State option to exclude service of election officials or elec-
 tion workers from coverage.*

*Sec. 205. Use of social security numbers by States and local governments and
 Federal district courts for jury selection purposes.*

*Sec. 206. Authorization for all States to extend coverage to State and local police-
 men and firemen under existing coverage agreements.*

*Sec. 207. Limited exemption for Canadian ministers from certain self-employ-
 ment tax liability.*

*Sec. 208. Exclusion of totalization benefits from the application of the windfall
 elimination provision.*

*Sec. 209. Exclusion of military reservists from application of the government pen-
 sion offset and windfall elimination provisions.*

Sec. 210. Repeal of the facility-of-payment provision.

Sec. 211. Maximum family benefits in guarantee cases.

- Sec. 212. Authorization for disclosure by the Secretary of Health and Human Services of information for purposes of public or private epidemiological and similar research.*
- Sec. 213. Misuse of symbols, emblems, or names in reference to social security programs and agencies.*
- Sec. 214. Increased penalties for unauthorized disclosure of social security information.*
- Sec. 215. Increase in authorized period for extension of time to file annual earnings report.*
- Sec. 216. Extension of disability insurance program demonstration project authority.*
- Sec. 217. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.*
- Sec. 218. Certain transfers to railroad retirement account made permanent.*
- Sec. 219. Authorization for use of social security account numbers by department of labor in administration of Federal workers' compensation laws.*
- Sec. 220. Coverage under FICA of Federal employees transferred temporarily to international organizations.*
- Sec. 221. Extension of the FICA tax exemption and certain tax rules to individuals who enter the United States under a visa issued under section 101 of the Immigration and Nationality Act.*
- Sec. 222. Study of rising costs of disability insurance benefits.*
- Sec. 223. Commission on childhood disability.*
- Sec. 224. Disregard deemed income and resources of ineligible spouse in determining continued eligibility under section 1619(b).*
- Sec. 225. Plans for achieving self-support not disapproved within 60 days to be deemed approved.*
- Sec. 226. Temporary authority to approve a limited number of plans for achieving self-support that include housing goals.*
- Sec. 227. Regulations regarding completion of plans for achieving self-support.*
- Sec. 228. Treatment of certain grant, scholarship, or fellowship income as earned income for SSI purposes.*
- Sec. 229. SSI eligibility for students temporarily abroad.*
- Sec. 230. Disregard of cost-of-living increases for continued eligibility for work incentives.*
- Sec. 231. Expansion of the authority of the Social Security Administration to prevent, detect, and terminate fraudulent claims for SSI benefits.*
- Sec. 232. Disability review required for SSI recipients who are 18 years of age.*
- Sec. 233. Continuing disability reviews.*
- Sec. 234. Technical and clerical amendments.*

1 SEC. 2. DECLARATION OF PURPOSES.

2 *The purposes of this Act are as follows:*

- 3 *(1) To establish the Social Security Administra-*
- 4 *tion as an independent agency, separate from the De-*
- 5 *partment of Health and Human Services.*

1 (2) *To charge the Social Security Administra-*
2 *tion with administration of the old-age, survivors,*
3 *and disability insurance program and supplemental*
4 *security income program.*

5 (3) *To establish a Social Security board as head*
6 *of the Social Security Administration and define the*
7 *powers and duties of such Board.*

8 (4) *To establish an Executive Director of the Ad-*
9 *ministration and define the powers and duties of the*
10 *Executive Director.*

11 (5) *To provide for delegating major authorities*
12 *to the Board and the Executive Director.*

13 (6) *To make other improvements in the old-age,*
14 *survivors, and disability insurance program under*
15 *title II of the Social Security Act.*

16 ***TITLE I—ESTABLISHMENT OF***
17 ***THE SOCIAL SECURITY AD-***
18 ***MINISTRATION AS AN INDE-***
19 ***PENDENT AGENCY***

20 ***SEC. 101. ESTABLISHMENT OF THE SOCIAL SECURITY AD-***
21 ***MINISTRATION AS A SEPARATE, INDEPEND-***
22 ***ENT AGENCY; RESPONSIBILITIES OF THE***
23 ***AGENCY.***

24 *Section 701 of the Social Security Act (42 U.S.C. 901)*
25 *is amended to read as follows:*

1 *years. A member of the Board may be removed only pursu-*
2 *ant to a finding by the President of neglect of duty or mal-*
3 *feasance in office. The President shall transmit any such*
4 *finding to the Speaker of the House of Representatives and*
5 *the majority leader of the Senate not later than five days*
6 *after the date on which such finding is made.*

7 “(ii) *Of the members first appointed—*

8 “(I) *one shall be appointed for a term of 2 years,*

9 “(II) *one shall be appointed for a term of 4*
10 *years, and*

11 “(III) *one shall be appointed for a term of 6*
12 *years,*

13 *as designated by the President at the time of appointment.*

14 *Such members shall be appointed after active consideration*
15 *of recommendations made by the chairman of the Commit-*
16 *tee on Ways and Means of the House of Representatives and*
17 *of recommendations made by the chairman of the Commit-*
18 *tee on Finance of the Senate.*

19 “(iii) *The President may not nominate an individual*
20 *for appointment to a term of office as member of the Board*
21 *before the commencement of the President’s term of office*
22 *in which the member’s term of office commences. Any mem-*
23 *ber appointed to a term of office after the commencement*
24 *of such term may serve under such appointment only for*
25 *the remainder of such term. A member may, at the request*

1 *of the President, serve for not more than one year after the*
2 *expiration of his or her term until his or her successor has*
3 *taken office. A member of the Board may be appointed for*
4 *additional terms.*

5 “(C) *Not more than two members of the Board shall*
6 *be of the same political party.*

7 “(D) *A member of the Board may not, during his or*
8 *her term as member, engage in any other business, vocation,*
9 *profession, or employment. A member of the Board may*
10 *continue as a member of the Board for not longer than the*
11 *30-day period beginning on the date such member first fails*
12 *to meet the requirements of the preceding sentence.*

13 “(E) *Two members of the Board shall constitute a*
14 *quorum, except that one member may hold hearings.*

15 “(F) *A member of the Board shall be designated by*
16 *the President to serve as Chairperson of the Board for a*
17 *term of 4 years.*

18 “(G) *The Board shall meet at the call of the Chair-*
19 *person or two members of the Board.*

20 “(2) *Each member of the Board shall be compensated*
21 *at the rate provided for level II of the Executive Schedule.*

22 “(3) *The Board shall—*

23 “(A) *govern by regulation the old-age, survivors,*
24 *and disability insurance program under title II and*

1 *the supplemental security income program under title*
2 *XVI,*

3 *“(B) establish the Administration and oversee its*
4 *efficient and effective operation,*

5 *“(C) establish policy and devise long-term plans*
6 *to promote and maintain the effective implementation*
7 *of programs referred to in subparagraph (A),*

8 *“(D) appoint an Executive Director of the Ad-*
9 *ministration, as described in subsection (b), to act as*
10 *the chief operating officer of the Administration re-*
11 *sponsible for administering the programs referred to*
12 *in subparagraph (A),*

13 *“(E) constitute three of the members of the Board*
14 *of Trustees of the Federal Old-Age and Survivors In-*
15 *surance Trust Fund and the Federal Disability In-*
16 *surance Trust Fund, with the Chairperson of the So-*
17 *cial Security Board serving as Chairperson of such*
18 *Board of Trustees,*

19 *“(F) prepare an annual budget for the Adminis-*
20 *tration, which shall be submitted by the President to*
21 *the Congress without revision, together with the Presi-*
22 *dent’s annual budget for the Administration,*

23 *“(G) study and make recommendations to the*
24 *Congress and the President as to the most effective*
25 *methods of providing economic security through social*

1 *insurance, supplemental security income, and related*
2 *programs and as to legislation and matters of admin-*
3 *istrative policy concerning the programs referred to*
4 *in subparagraph (A),*

5 *“(H) provide the Congress and the President*
6 *with the ongoing actuarial and other analysis under-*
7 *taken by the Administration with respect to the pro-*
8 *grams referred to in subparagraph (A) and any other*
9 *information relating to such programs, and*

10 *“(I) conduct policy analysis and research relat-*
11 *ing to the programs referred to in subparagraph (A).*

12 *“(4)(A) The Board may prescribe such rules and regu-*
13 *lations as the Board determines necessary or appropriate*
14 *to carry out the functions of the Administration. The regu-*
15 *lations prescribed by the Board shall be subject to the rule-*
16 *making procedures established under section 553 of title 5,*
17 *United States Code.*

18 *“(B) The Board may establish, alter, consolidate, or*
19 *discontinue such organizational units or components within*
20 *the Administration as the Board considers necessary or ap-*
21 *propriate to carry out its functions, except that this sub-*
22 *paragraph shall not apply with respect to any unit, compo-*
23 *nent, or position provided for by this Act.*

24 *“(C) The Board may, with respect to the administra-*
25 *tion of the old-age, survivors, and disability insurance pro-*

1 *gram under title II and the supplemental security income*
2 *program under title XVI, assign duties, and delegate, or*
3 *authorize successive redelegations of, authority to act and*
4 *to render decisions, to such officers and employees as the*
5 *Board may find necessary. Within the limitations of such*
6 *delegations, redelegations, or assignments, all official acts*
7 *and decisions of such officers and employees shall have the*
8 *same force and effect as though performed or rendered by*
9 *the Board.*

10 *“Executive Director*

11 *“(b)(1) There shall be in the Administration an Execu-*
12 *tive Director who shall be appointed by the Social Security*
13 *Board.*

14 *“(2)(A) The Executive Director shall be appointed for*
15 *a term of four years. An individual appointed to a term*
16 *of office as Executive Director after the commencement of*
17 *such term of office may serve under such appointment only*
18 *for the remainder of such term. An individual may, at the*
19 *request of the Chairperson of the Board, serve as Executive*
20 *Director after the expiration of his or her term for not more*
21 *than one year until his or her successor has taken office.*
22 *An individual may be appointed as Executive Director for*
23 *additional terms.*

1 “(B) An individual may be removed from the office
2 of Executive Director before completion of his or her term
3 only for cause found by the Board.

4 “(3) The Executive Director shall be compensated at
5 the rate provided for level II of the Executive Schedule.

6 “(4) The Executive Director shall—

7 “(A) constitute the chief operating officer of the
8 Administration, responsible for administering, in ac-
9 cordance with applicable statutes and regulations, the
10 old-age, survivors, and disability insurance program
11 under title II and the supplemental security income
12 program under title XVI,

13 “(B) maintain an efficient and effective oper-
14 ational structure for the Administration,

15 “(C) implement the long-term plans of the Board
16 to promote and maintain the effective implementation
17 of such programs,

18 “(D) report annually to the Board on program
19 costs under titles II and XVI, make annual budgetary
20 recommendations to the Board for the ongoing admin-
21 istrative costs of the Administration under this Act,
22 and defend the recommendations before the Board,

23 “(E) advise the Board and the Congress on the
24 effect on the administration of such programs of pro-
25 posed legislative changes in such programs,

1 “(F) serve as Secretary of the Board of Trustees
2 of the Federal Old-Age and Survivors Insurance Trust
3 Fund and the Federal Disability Insurance Trust
4 Fund,

5 “(G) report in December of each year to the
6 Board for transmittal to the Congress concerning the
7 administrative endeavors and accomplishments of the
8 Administration, and

9 “(H) carry out such additional duties as are as-
10 signed by the Board from time to time.

11 Any reference to the Board in this Act or any other provi-
12 sion of law in connection with the exercise of a function
13 of the Board which is delegated to the Executive Director
14 pursuant to this section shall be considered a reference to
15 the Executive Director.

16 “Deputy Director of Social Security

17 “(c)(1) There shall be in the Office of the Executive
18 Director a Deputy Director, who shall be appointed by and
19 serve at the pleasure of the Executive Director.

20 “(2) The Deputy Director shall be compensated at the
21 rate provided for level III of the Executive Schedule.

22 “(3) The Deputy Director shall perform such duties
23 and exercise such powers as the Executive Director shall
24 from time to time assign or delegate. The Deputy Director
25 shall be Acting Executive Director of the Administration

1 *during the absence or disability of the Executive Director*
2 *and, unless the Board designates another officer of the Gov-*
3 *ernment as Acting Executive Director, in the event of a va-*
4 *cancy in the office of the Executive Director.*

5 *“General Counsel*

6 *“(d)(1) There shall be in the Administration a General*
7 *Counsel, who shall be appointed by and serve at the pleasure*
8 *of the Board. The General Counsel shall be the principal*
9 *legal officer in the Administration.*

10 *“(2) The General Counsel shall be compensated at the*
11 *rate provided for level IV of the Executive Schedule.*

12 *“Inspector General*

13 *“(e)(1) There shall be in the Administration an Office*
14 *of the Inspector General. Such Office shall be headed by an*
15 *Inspector General appointed in accordance with the Inspec-*
16 *tor General Act of 1978.*

17 *“(2) The Inspector General shall be compensated at the*
18 *rate provided for level IV of the Executive Schedule.*

19 *“Beneficiary Ombudsman*

20 *“(f)(1) There shall be in the Administration an Office*
21 *of the Beneficiary Ombudsman, to be headed by a Bene-*
22 *ficiary Ombudsman appointed by the Board.*

23 *“(2)(A) The Beneficiary Ombudsman shall be ap-*
24 *pointed for a term of five years, except that the individual*
25 *first appointed to the Office of Beneficiary Ombudsman*

1 *shall be appointed for a term ending September 30, 2000.*
2 *An individual appointed to a term of office as Beneficiary*
3 *Ombudsman after the commencement of such term may*
4 *serve under such appointment only for the remainder of*
5 *such term. An individual may, at the request of the Chair-*
6 *person of the Board, serve as Beneficiary Ombudsman after*
7 *the expiration of his or her term for not more than one*
8 *year until his or her successor has taken office. An individ-*
9 *ual may be appointed as Beneficiary Ombudsman for addi-*
10 *tional terms.*

11 *“(B) An individual may be removed from the office*
12 *of Beneficiary Ombudsman before completion of his or her*
13 *term only for cause found by the Board.*

14 *“(3) The Beneficiary Ombudsman shall be com-*
15 *pensated at the rate provided for level V of the Executive*
16 *Schedule.*

17 *“(4) The duties of the Beneficiary Ombudsman are as*
18 *follows:*

19 *“(A) To represent within the Administration’s*
20 *decisionmaking process the interests and concerns of*
21 *beneficiaries under the old-age, survivors, and disabil-*
22 *ity insurance program under title II and the supple-*
23 *mental security income program under title XVI.*

1 *Law Judge shall be to administer the affairs of the adminis-*
2 *trative law judges serving in the Administration in a man-*
3 *ner so as to ensure that hearings and other business are*
4 *conducted by the administrative law judges in accordance*
5 *with applicable law and regulations.*

6 “(2) *The Chief Administrative Law Judge shall report*
7 *directly to the Board.*”.

8 (b) *CONFORMING AMENDMENTS RELATING TO COM-*
9 *POSITION OF BOARD OF TRUSTEES OF OASDI TRUST*
10 *FUNDS.—Section 201(c) of such Act (42 U.S.C. 401(c)) is*
11 *amended—*

12 (1) *in the first sentence, by striking “shall be*
13 *composed of” and all that follows down through “ex*
14 *officio” and inserting the following: “shall be com-*
15 *posed of the members of the Social Security Board,*
16 *the Secretary of the Treasury, the Secretary of Health*
17 *and Human Services, all ex officio”;*

18 (2) *by inserting after the first sentence the fol-*
19 *lowing new sentence: “The Chairperson of the Social*
20 *Security Board shall be the Chairperson of the Board*
21 *of Trustees.”; and*

22 (3) *by striking “Commissioner of Social Secu-*
23 *rity” and inserting “Executive Director of the Social*
24 *Security Administration”.*

1 (c) *INTERIM AUTHORITY OF THE COMMISSIONER.*—
 2 *The President shall nominate for appointment the initial*
 3 *members of the Social Security Board not later than April*
 4 *1, 1995. In the event that, as of October 1, 1995, all mem-*
 5 *bers of the Social Security Board have not entered upon*
 6 *office, until all members of the Board have entered upon*
 7 *office, the officer serving on October 1, 1995, as Commis-*
 8 *sioner of Social Security in the Department of Health and*
 9 *Human Services (or Acting Commissioner, if applicable),*
 10 *or such officer's successor, shall, while continuing to serve*
 11 *as Commissioner of Social Security (or Acting Commis-*
 12 *sioner) in such Department, serve as head of the Social Se-*
 13 *curity Administration established under section 701 of the*
 14 *Social Security Act (as amended by this Act) and shall as-*
 15 *sume the powers and duties of such Board and of the Execu-*
 16 *tive Director under such Act (as amended by this Act).*

17 **SEC. 103. PERSONNEL; BUDGETARY MATTERS; SEAL OF**
 18 **OFFICE.**

19 *Section 703 of the Social Security Act (42 U.S.C. 903)*
 20 *is amended to read as follows:*

21 *"ADMINISTRATIVE DUTIES OF THE SOCIAL SECURITY*

22 *BOARD*

23 *"Personnel*

24 *"SEC. 703. (a)(1) The Social Security Board shall ap-*
 25 *point such additional officers and employees as it considers*
 26 *necessary to carry out its functions. Except as otherwise*

1 *provided in any other provision of law, such officers and*
2 *employees shall be appointed, and their compensation shall*
3 *be fixed, in accordance with title 5, United States Code.*

4 “(2) *The Board may procure the services of experts and*
5 *consultants in accordance with the provisions of section*
6 *3109 of title 5, United States Code.*

7 “(3) *The Director of the Office of Personnel Manage-*
8 *ment shall authorize for the Administration a total number*
9 *of Senior Executive Service positions which is greater than*
10 *the number of such positions authorized in the Social Secu-*
11 *rity Administration in the Department of Health and*
12 *Human Services as of immediately before the date of the*
13 *enactment of the Social Security Administrative Reform*
14 *Act of 1994, to the extent that the greater number of such*
15 *authorized positions is specified in the comprehensive*
16 *workforce plan as established and revised by the Board*
17 *under subsection (b)(1). The total number of such positions*
18 *authorized for the Administration pursuant to such section*
19 *3133 shall not at any time be less than the number of such*
20 *authorized positions as of immediately before such date.*

21 “(4) *In addition to the positions of the Administration*
22 *in the Executive Schedule specified in section 702, the Ad-*
23 *ministration is authorized six additional positions at level*
24 *IV of the Executive Schedule and six additional positions*
25 *at level V of the Executive Schedule.*

1 *“Budgetary Matters*

2 *“(b) Appropriations requests for staffing and personnel*
3 *of the Administration shall be based upon a comprehensive*
4 *workforce plan, which shall be established and revised from*
5 *time to time by the Board.*

6 *“Seal of Office*

7 *“(c) The Board shall cause a seal of office to be made*
8 *for the Administration of such design as the Board shall*
9 *approve. Judicial notice shall be taken of such seal.”.*

10 ***SEC. 104. TRANSFERS TO THE NEW SOCIAL SECURITY***
11 ***ADMINISTRATION.***

12 *(a) FUNCTIONS.—There are transferred to the Social*
13 *Security Administration all functions carried out by the*
14 *Secretary of Health and Human Services with respect to*
15 *the programs and activities the administration of which is*
16 *vested in the Social Security Administration by reason of*
17 *this Act and the amendments made thereby. The Social Se-*
18 *curity Board shall allocate such functions in accordance*
19 *with sections 701, 702, and 703 of the Social Security Act*
20 *(as amended by this Act).*

21 *(b) PERSONNEL, ASSETS, ETC.—(1) There are trans-*
22 *ferred from the Department of Health and Human Services*
23 *to the Social Security Administration, for appropriate allo-*
24 *cation by the Social Security Board in the Social Security*
25 *Administration—*

1 (A) the personnel (other than administrative law
2 judges) employed in connection with the functions
3 transferred by this Act and the amendments made
4 thereby, as considered appropriate by the Board in
5 consultation with the Secretary of Health and
6 Human Services,

7 (B) such number of administrative law judges as
8 are necessary to carry out the functions transferred
9 by this Act and the amendments made thereby, as de-
10 termined by the Board in consultation with the Sec-
11 retary of Health and Human Services, and

12 (C) the assets, liabilities, contracts, property,
13 records, and unexpended balance of appropriations,
14 authorizations, allocations, and other funds employed,
15 held, or used in connection with such functions, aris-
16 ing from such functions, or available, or to be made
17 available, in connection with such functions.

18 (2) Unexpended funds transferred pursuant to this
19 subsection shall be used only for the purposes for which the
20 funds were originally authorized and appropriated.

21 (3) The Secretary of Health and Human Services shall
22 terminate—

23 (A) six positions in the Department of Health
24 and Human Services placed in level IV of the Execu-
25 tive Schedule (or equivalent positions) other than po-

1 *sitions specifically required under section 5315 of title*
2 *5, United States Code, or any other provision of law,*
3 *and*

4 *(B) six positions in such Department placed in*
5 *level V of the Executive Schedule (or equivalent posi-*
6 *tions) other than positions specifically required under*
7 *section 5316 of such title or any other provision of*
8 *law.*

9 *(4) The transfer pursuant to this section of full-time*
10 *personnel (except special Government employees) and part-*
11 *time personnel holding permanent positions shall not cause*
12 *any such employees to be separated or reduced in grade or*
13 *compensation for 1 year after such transfer or October 1,*
14 *1995, whichever is later.*

15 *(c) ABOLISHMENT OF OFFICE OF COMMISSIONER IN*
16 *THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—*
17 *Effective upon the entry upon office of all initial members*
18 *of the Social Security Board pursuant to section 702 of the*
19 *Social Security Act (as amended by this Act), the position*
20 *of Commissioner of Social Security in the Department of*
21 *Health and Human Services is abolished.*

22 **SEC. 105. TRANSITIONAL RULES.**

23 *(a) INTERIM AUTHORITY FOR APPOINTMENT AND COM-*
24 *PENSATION.—At any time on or after the date of the enact-*
25 *ment of this Act—*

1 (1) any of the officers provided for in section 702
2 of the Social Security Act (as amended by this Act)
3 may enter upon office, as provided in such section,
4 and

5 (2) the Social Security Board, upon entry upon
6 office of all of the members thereof, may prescribe reg-
7 ulations providing for the orderly transfer of proceed-
8 ings before the Secretary of Health and Human Serv-
9 ices to the Social Security Board.

10 Funds available to any official or component of the Depart-
11 ment of Health and Human Services, functions of which
12 are transferred to the Social Security Board or the Social
13 Security Administration by this Act, may be used, with the
14 approval of the Director of the Office of Management and
15 Budget, to pay the compensation and expenses of any officer
16 entering upon office pursuant to this section until such time
17 as funds for that purpose are otherwise available.

18 (b) CONTINUATION OF ORDERS, DETERMINATIONS,
19 RULES, REGULATIONS, ETC.—All orders, determinations,
20 rules, regulations, permits, contracts, collective bargaining
21 agreements, recognitions of labor organizations, certificates,
22 licenses, and privileges—

23 (1) which have been issued, made, promulgated,
24 granted, or allowed to become effective, in the exercise
25 of functions (A) which were exercised by the Secretary

1 *of Health and Human Services (or his delegate), and*
2 *(B) which relate to functions which, by reason of this*
3 *Act, the amendments made thereby, and regulations*
4 *prescribed thereunder, are vested in the Social Secu-*
5 *rity Board, and*

6 *(2) which are in effect immediately before Octo-*
7 *ber 1, 1995,*

8 *shall (to the extent that they relate to functions described*
9 *in paragraph (1)(B)) continue in effect according to their*
10 *terms until modified, terminated, suspended, set aside, or*
11 *repealed, in accordance with law, by such Board.*

12 *(c) CONTINUATION OF PROCEEDINGS.—The provisions*
13 *of this Act (including the amendments made thereby) shall*
14 *not affect any proceeding pending before the Secretary of*
15 *Health and Human Services immediately before October 1,*
16 *1995, with respect to functions vested (by reason of this Act,*
17 *the amendments made thereby, and regulations prescribed*
18 *thereunder) in the Social Security Board, except that such*
19 *proceedings, to the extent that they relate to such functions,*
20 *shall continue before such Board. Orders shall be issued*
21 *under any such proceeding, appeals taken therefrom, and*
22 *payments shall be made pursuant to such orders, in like*
23 *manner as if this Act had not been enacted, and orders is-*
24 *sued in any such proceeding shall continue in effect until*
25 *modified, terminated, superseded, or repealed by such*

1 *Board, by a court of competent jurisdiction, or by operation*
2 *of law.*

3 (d) *CONTINUATION OF SUITS.—Except as provided in*
4 *this subsection—*

5 (1) *the provisions of this Act shall not affect*
6 *suits commenced prior to October 1, 1995; and*

7 (2) *in all such suits proceedings shall be had, ap-*
8 *peals taken, and judgments rendered, in the same*
9 *manner and effect as if this Act had not been enacted.*
10 *No cause of action, and no suit, action, or other pro-*
11 *ceeding commenced by or against any officer in his*
12 *official capacity as an officer of the Department of*
13 *Health and Human Services, shall abate by reason of*
14 *the enactment of this Act. Causes of action, suits, ac-*
15 *tions, or other proceedings may be asserted by or*
16 *against the United States and the Social Security Ad-*
17 *ministration, or such official of such Administration*
18 *as may be appropriate, and, in any litigation pend-*
19 *ing immediately before October 1, 1995, the court*
20 *may at any time, on its own motion or that of a*
21 *party, enter an order which will give effect to the pro-*
22 *visions of this subsection (including, where appro-*
23 *priate, an order for substitution of parties).*

24 (e) *CONTINUATION OF PENALTIES.—This Act shall not*
25 *have the effect of releasing or extinguishing any criminal*

1 *prosecution, penalty, forfeiture, or liability incurred as a*
2 *result of any function which (by reason of this Act), the*
3 *amendments made thereby, and regulations prescribed*
4 *thereunder) is vested in the Social Security Board.*

5 *(f) JUDICIAL REVIEW.—Orders and actions of the So-*
6 *cial Security Board in the exercise of functions vested in*
7 *such Board under this Act (and the amendments made*
8 *thereby) shall be subject to judicial review to the same extent*
9 *and in the same manner as if such orders had been made*
10 *and such actions had been taken by the Secretary of Health*
11 *and Human Services in the exercise of such functions im-*
12 *mediately before October 1, 1995. Any statutory require-*
13 *ments relating to notice, hearings, action upon the record,*
14 *or administrative review that apply to any function so vest-*
15 *ed in such Board shall continue to apply to the exercise*
16 *of such function by such Board.*

17 *(g) EXERCISE OF FUNCTIONS.—In the exercise of the*
18 *functions vested in the Social Security Board under this*
19 *Act, the amendments made thereby, and regulations pre-*
20 *scribed thereunder, such Board shall have the same author-*
21 *ity as that vested in the Secretary of Health and Human*
22 *Services with respect to the exercise of such functions imme-*
23 *diately preceding the vesting of such functions in such*
24 *Board, and actions of such Board shall have the same force*
25 *and effect as when exercised by such Secretary.*

1 (h) *OPERATION OF TRANSITIONAL RULES IN THE*
2 *EVENT OF INTERIM AUTHORITY IN THE COMMISSIONER.—*
3 *For purposes of this section, in any case in which the pow-*
4 *ers and duties to be transferred to the Social Security Board*
5 *are transferred to the Commissioner of Social Security (or*
6 *acting Commissioner) in the Department of Health and*
7 *Human Services for an interim period pursuant to section*
8 *102(c), the preceding provisions of this section shall apply*
9 *with respect to the transfer of such powers and duties to*
10 *and from such Commissioner (or acting Commissioner)*
11 *pursuant to section 102(c) in the same manner and to the*
12 *same extent as they would have applied to a direct transfer*
13 *from the Secretary of Health and Human Services to the*
14 *Social Security Board if all members of the Board had en-*
15 *tered upon office.*

16 **SEC. 106. CONFORMING AMENDMENTS TO TITLES II AND**
17 **XVI OF THE SOCIAL SECURITY ACT.**

18 (a) *IN GENERAL.—Title II of the Social Security Act*
19 *(other than section 201, section 218(d), section 226, section*
20 *226A, and section 231(c)) and title XVI of such Act are*
21 *each amended—*

22 (1) *by striking, wherever it appears therein,*
23 *“Secretary of Health and Human Services” and in-*
24 *serting “Social Security Board”;*

1 (2) *by striking, wherever it appears therein, “De-*
2 *partment of Health and Human Services” and insert-*
3 *ing “Social Security Administration”;*

4 (3) *by striking, wherever it appears therein, “De-*
5 *partment” (but only if it is not immediately suc-*
6 *ceeded by the words “of Health and Human Serv-*
7 *ices”, and only if it is used in reference to the De-*
8 *partment of Health and Human Services) and insert-*
9 *ing “Administration”;*

10 (4) *by striking, wherever it appears therein, each*
11 *of the following words (but, in the case of any such*
12 *word only if such word refers to the Secretary of*
13 *Health and Human Services): “Secretary”, “Sec-*
14 *retary’s”, “his”, “him”, and “he”, and inserting (in*
15 *the case of the word “Secretary”) “Social Security*
16 *Board”, (in the case of the word “Secretary’s”) “*
17 *Board’s”, (in the case of the word “his”) “the*
18 *Board’s”, (in the case of the word “him”) “the*
19 *Board”, and (in the case of the word “he”) “the*
20 *Board”;* and

21 (5) *by striking, wherever it appears therein, “In-*
22 *ternal Revenue Code of 1954” and inserting “Internal*
23 *Revenue Code of 1986”.*

24 (b) *AMENDMENTS TO SECTION 218.—Section 218(d) of*
25 *such Act (42 U.S.C. 418(d)) is amended by striking “Sec-*

1 *retary” each place it appears in paragraphs (3) and (7)*
2 *and inserting “Social Security Board”.*

3 *(c) AMENDMENTS TO SECTION 222.—Section 222(d) of*
4 *such Act (42 U.S.C. 422(d)) is amended—*

5 *(1) in the last sentence of paragraph (1), by*
6 *striking “Commissioner of Social Security” and in-*
7 *serting “Executive Director of the Social Security Ad-*
8 *ministration”; and*

9 *(2) in the first sentence of paragraph (2), by*
10 *striking “Commissioner of Social Security” and in-*
11 *serting “Executive Director of the Social Security Ad-*
12 *ministration”.*

13 *(d) AMENDMENT TO SECTION 231.—Section 231(c) of*
14 *such Act (42 U.S.C. 431(c)) is amended by striking “Sec-*
15 *retary determines” and inserting “Social Security Board*
16 *and the Secretary jointly determine”.*

17 *(e) AMENDMENT TO SECTION 1615.—Section 1615(d)*
18 *of such Act (42 U.S.C. 1832d(d)) is amended by striking*
19 *“Commissioner of Social Security” and inserting “Execu-*
20 *tive Director of the Social Security Administration”.*

21 **SEC. 107. OTHER CONFORMING AMENDMENTS.**

22 *Title VII of the Social Security Act is amended—*

23 *(1) by striking section 704 (42 U.S.C. 904) and*
24 *inserting the following new section:*

“REPORTS

1
2 *“SEC. 704. The Secretary and the Social Security*
3 *Board shall make full reports to Congress, within 120 days*
4 *after the beginning of each regular session, of the adminis-*
5 *tration of the functions with which they are charged under*
6 *this Act. In addition to the number of copies of such reports*
7 *authorized by other law to be printed, there is hereby au-*
8 *thorized to be printed not more than 5,000 copies of each*
9 *such report for use by the Secretary and Social Security*
10 *Board for distribution to Members of Congress and to State*
11 *and other public or private agencies or organizations par-*
12 *ticipating in or concerned with the programs provided for*
13 *in this Act.”;*

14 *(2) in section 709(b)(2) (42 U.S.C. 910(b)(2)),*
15 *by striking “(as estimated by the Secretary)” and in-*
16 *serting “, as estimated by the Social Security Board*
17 *or the Secretary (whichever administers the program*
18 *involved),”;* and

19 *(3) by adding at the end thereof the following*
20 *new section:*

“DUTIES AND AUTHORITY OF SECRETARY

22 *“SEC. 712. (a) The Secretary shall perform the duties*
23 *imposed upon him by this Act and shall also have the duty*
24 *of studying and making recommendations as to the most*
25 *effective methods of providing economic security and as to*
26 *legislation and matters of administrative policy concerning*

1 *the programs administered by the Secretary and related*
2 *subjects; except that nothing in this section shall be con-*
3 *strued to require the Secretary to make studies or rec-*
4 *ommendations with respect to programs administered by*
5 *the Social Security Administration.*

6 “(b) *The Secretary is authorized to appoint and fix*
7 *the compensation of such officers and employees, and to*
8 *make such expenditures, as may be necessary for carrying*
9 *out the Secretary’s functions under this Act. Appointments*
10 *of attorneys and experts may be made without regard to*
11 *the civil service laws.”.*

12 **SEC. 108. RULES OF CONSTRUCTION.**

13 (a) *REFERENCES TO THE DEPARTMENT OF HEALTH*
14 *AND HUMAN SERVICES.—Whenever any reference is made*
15 *in any provision of law (other than this Act or a provision*
16 *of law amended by this Act), regulation, rule, record, court*
17 *order, or other document to the Department of Health and*
18 *Human Services with respect to such Department’s func-*
19 *tions under the old-age, survivors, and disability insurance*
20 *program under title II of the Social Security Act or the*
21 *supplemental security income program under title XVI of*
22 *such Act, such reference shall be considered a reference to*
23 *the Social Security Administration.*

24 (b) *REFERENCES TO THE SECRETARY OF HEALTH AND*
25 *HUMAN SERVICES.—Whenever any reference is made in*

1 any provision of law (other than this Act or a provision
2 of law amended by this Act), regulation, rule, record, court
3 order, or other document to the Secretary of Health and
4 Human Services with respect to such Secretary's functions
5 under such programs, such reference shall be considered a
6 reference to the Social Security Board.

7 (c) REFERENCES TO OTHER OFFICERS AND EMPLOY-
8 EES.—Whenever any reference is made in any provision of
9 law (other than this Act or a provision of law amended
10 by this Act), regulation, rule, record, or document to any
11 other officer or employee of the Department of Health and
12 Human Services with respect to such officer's or employee's
13 functions under such programs, such reference shall be con-
14 sidered a reference to the appropriate officer or employee
15 of the Social Security Administration.

16 **SEC. 109. EFFECTIVE DATES.**

17 (a) IN GENERAL.—Sections 101, 102(a), 103, 104,
18 106, 107, and 108 of this Act (and the amendments made
19 thereby) shall take effect October 1, 1995.

20 (b) EXCEPTIONS.—Section 102(b) of this Act shall take
21 effect upon the entry upon office of all initial members of
22 the Social Security Board. Sections 102(c) and 105 of this
23 Act shall take effect on the date of the enactment of this
24 Act.

1 (c) *NEW SPENDING AUTHORITY.*—Any new spending
2 authority provided by this title shall be effective for any
3 fiscal year only to such extent or in such amounts as are
4 provided in advance in appropriation Acts.

5 **TITLE II—IMPROVEMENTS TO**
6 **THE OLD-AGE, SURVIVORS,**
7 **AND DISABILITY INSURANCE**
8 **PROGRAM**

9 **SEC. 201. RESTRICTIONS ON PAYMENT OF BENEFITS BASED**
10 **ON DISABILITY TO SUBSTANCE ABUSERS.**

11 (a) *AMENDMENTS RELATING TO BENEFITS BASED ON*
12 *DISABILITY UNDER TITLE II OF THE SOCIAL SECURITY*
13 *ACT.*—

14 (1) *REQUIRED PAYMENT OF BENEFITS TO REP-*
15 *RESENTATIVE PAYEES.*—

16 (A) *IN GENERAL.*—Section 205(j)(1) of the
17 *Social Security Act (42 U.S.C. 405(j)(1)) is*
18 *amended—*

19 (i) *by inserting after the first sentence*
20 *the following new sentence: “In the case of*
21 *an individual entitled to benefits based on*
22 *disability, if alcoholism or drug addiction is*
23 *a contributing factor material to the Sec-*
24 *retary’s determination that the individual*
25 *is under a disability, certification of pay-*

1 *ment of such benefits to a representative*
2 *payee shall be deemed to serve the interest*
3 *of such individual under this title.”; and*

4 *(ii) in the last sentence, by inserting*
5 *“, if the interest of the individual under*
6 *this title would be served thereby,” after “al-*
7 *ternative representative payee or”.*

8 *(B) EFFECTIVE DATE.—The amendments*
9 *made by subparagraph (A) shall apply with re-*
10 *spect to benefits for months beginning after 180*
11 *days after the date of the enactment of this Act.*

12 *(C) STUDY REGARDING FEASIBILITY, COST,*
13 *AND EQUITY OF REQUIRING REPRESENTATIVE*
14 *PAYEES FOR ALL DISABILITY BENEFICIARIES*
15 *SUFFERING FROM ALCOHOLISM OR DRUG ADDIC-*
16 *TION.—*

17 *(i) STUDY.—As soon as practicable*
18 *after the date of the enactment of this Act,*
19 *the Secretary of Health and Human Serv-*
20 *ices shall conduct a study of the representa-*
21 *tive payee program. In such study, the Sec-*
22 *retary shall examine—*

23 *(I) the feasibility, cost, and equity*
24 *of requiring representative payees for*
25 *all individuals entitled to benefits*

1 *based on disability under title II or*
2 *XVI of the Social Security Act who*
3 *suffer from alcoholism or drug addic-*
4 *tion, irrespective of whether the alco-*
5 *holism or drug addiction was material*
6 *in any case to the Secretary's deter-*
7 *mination of disability,*

8 *(II) the feasibility of and appro-*
9 *prate timetable for providing benefits*
10 *through non-cash means, including*
11 *(but not limited to) vouchers, debit*
12 *cards, and electronic benefits transfer*
13 *systems,*

14 *(III) the extent to which child*
15 *beneficiaries are afflicted by drug addi-*
16 *tion or alcoholism and ways of ad-*
17 *dresssing such affliction, including the*
18 *feasibility of requiring treatment, and*

19 *(IV) the extent to which children's*
20 *representative payees are afflicted by*
21 *drug addiction or alcoholism, and*
22 *methods to identify children's rep-*
23 *resentative payees afflicted by drug ad-*
24 *dition or alcoholism and to ensure that*

1 *benefits continue to be provided to*
2 *beneficiaries appropriately.*

3 (ii) *REPORT.*—*Not later than April 1,*
4 *1995, the Secretary shall transmit to the*
5 *Committee on Ways and Means of the*
6 *House of Representatives and the Committee*
7 *on Finance of the Senate a report setting*
8 *forth the findings of the Secretary based on*
9 *such Study. Such report shall include such*
10 *recommendations for administrative or leg-*
11 *islative changes as the Secretary considers*
12 *appropriate.*

13 (2) *INCREASED RELIANCE ON PROFESSIONAL*
14 *REPRESENTATIVE PAYEES.*—

15 (A) *PREFERENCE REQUIRED FOR ORGANI-*
16 *ZATIONAL REPRESENTATIVE PAYEES.*—*Section*
17 *205(j)(2)(C) of such Act (42 U.S.C. 405(j)(2)(C))*
18 *is amended by adding at the end the following*
19 *new clause:*

20 “(v) *In the case of an individual entitled to benefits*
21 *based on disability, if alcoholism or drug addiction is a*
22 *contributing factor material to the Secretary’s determina-*
23 *tion that the individual is under a disability, when select-*
24 *ing such individual’s representative payee, preference shall*
25 *be given to—*

1 “(I) a community-based nonprofit social service
2 agency licensed or bonded by the State,

3 “(II) a State or local government agency whose
4 mission is to carry out income maintenance, social
5 service, or health care-related activities, or

6 “(III) a State or local government agency with
7 fiduciary responsibilities,

8 (or a designee of such an agency if the Secretary deems it
9 appropriate), unless the Secretary determines that selection
10 of such an agency would not be appropriate.”

11 (B) AVAILABILITY OF PUBLIC AGENCIES
12 AND OTHER QUALIFIED ORGANIZATIONS TO
13 SERVE AS REPRESENTATIVE PAYEES.—Section
14 205(j)(4) of such Act (42 U.S.C. 405(j)(4)) is
15 amended—

16 (i) in subparagraph (A)—

17 (I) by striking “exceed the lesser
18 of—” and inserting “exceed—”; and

19 (II) by striking clauses (i) and
20 (ii) and inserting the following:

21 “(i) in any case in which an individ-
22 ual is entitled to benefits based on disability
23 and alcoholism or drug addiction is a con-
24 tributing factor material to the Secretary’s
25 determination that the individual is under

1 *a disability, 10 percent of the monthly bene-*
2 *fit involved, or*

3 *“(ii) in any other case, the lesser of—*

4 *“(I) 10 percent of the monthly*
5 *benefit involved, or*

6 *“(II) \$25.00 per month.”;*

7 *(ii) in subparagraph (B)—*

8 *(I) by inserting “State or local*
9 *government agency whose mission is to*
10 *carry out income maintenance, social*
11 *service, or health care-related activities,*
12 *any State or local government agency*
13 *with fiduciary responsibilities, or any”*
14 *after “means any”;*

15 *(II) by striking “representative*
16 *payee and which,” and inserting “rep-*
17 *resentative payee, if such agency,”;*

18 *(III) by striking “, and” at the*
19 *end of clause (ii) and inserting a pe-*
20 *riod; and*

21 *(IV) by striking clause (iii); and*

22 *(iii) by striking subparagraph (D), ef-*
23 *fective July 1, 1994.*

1 (C) *DEFINITION.*—Section 205(j) of such
2 Act (42 U.S.C. 405(j)) is amended by adding at
3 the end the following new paragraph:

4 “(7) For purposes of this subsection, the term ‘benefit
5 based on disability’ of an individual means a disability in-
6 surance benefit of such individual under section 223 or a
7 child’s, widow’s, or widower’s insurance benefit of such in-
8 dividual under section 202 based on such individual’s dis-
9 ability.”.

10 (3) *NONPAYMENT OR TERMINATION OF BENE-*
11 *FITS.*—

12 (A) *IN GENERAL.*—Section 225 of such Act
13 (42 U.S.C. 425) is amended—

14 (i) by striking the heading and insert-
15 ing the following:

16 “*ADDITIONAL RULES RELATING TO BENEFITS BASED ON*
17 *DISABILITY*

18 “*Suspension of Benefits*”;

19 (ii) by inserting before subsection (b)
20 the following new heading:

21 “*Continued Payments During Rehabilitation Program*”;

22 and

23 (iii) by adding at the end the following
24 new subsection:

1 *“Nonpayment or Termination of Benefits Where*
2 *Entitlement Involves Alcoholism or Drug Addiction*

3 *“(c)(1)(A) Notwithstanding any other provision of this*
4 *title, in the case of any individual entitled to benefits based*
5 *on disability, if alcoholism or drug addiction is a contribut-*
6 *ing factor material to the Secretary’s determination that*
7 *such individual is under a disability and such individual*
8 *is determined by the Secretary not to be in compliance with*
9 *the requirements of this subsection for a month, such bene-*
10 *fits shall be suspended for a period commencing with such*
11 *month and ending with the month preceding the first*
12 *month, after the determination of noncompliance, in which*
13 *such individual demonstrates that he or she has reestab-*
14 *lished and maintained compliance with such requirements*
15 *for the applicable period specified in paragraph (3).*

16 *“(B) For purposes of this subsection, in the case of an*
17 *individual who is entitled to benefits based on disability*
18 *for the first month ending after 180 days after the date of*
19 *the enactment of the Social Security Administrative Reform*
20 *Act of 1994, if such individual has a primary diagnosis*
21 *of alcoholism or drug addiction, such alcoholism or drug*
22 *addiction shall be treated as a contributing factor material*
23 *to the Secretary’s determination of disability.*

24 *“(2)(A) An individual described in paragraph (1) is*
25 *in compliance with the requirements of this subsection for*

1 *a month if such individual in such month undergoes any*
2 *medical or psychological treatment that may be appro-*
3 *priate, for such individual's condition diagnosed as sub-*
4 *stance abuse or alcohol abuse and for the stage of such indi-*
5 *vidual's rehabilitation, at an institution or facility ap-*
6 *proved for purposes of this subsection by the Secretary, and*
7 *complies in such month with the terms, conditions, and re-*
8 *quirements of such treatment and with requirements im-*
9 *posed by the Secretary under paragraph (6).*

10 *“(B) An individual described in paragraph (1) shall*
11 *not be determined to be not in compliance with the require-*
12 *ments of this subsection for a month if access by such indi-*
13 *vidual to such treatment is not reasonably available for that*
14 *month, as determined under regulations of the Secretary.*

15 *“(3) The applicable period specified in this paragraph*
16 *is—*

17 *“(A) 2 consecutive months, in the case of a first*
18 *determination that an individual is not in compli-*
19 *ance with the requirements of this subsection,*

20 *“(B) 3 consecutive months, in the case of the sec-*
21 *ond such determination with respect to the individ-*
22 *ual, and*

23 *“(C) 6 consecutive months, in the case of the*
24 *third or subsequent such determination with respect*
25 *to the individual.*

1 “(4) In any case in which an individual’s benefit is
2 suspended for a period of 12 consecutive months for failure
3 to comply with treatment described in paragraph (2) of this
4 subsection, the month following such period shall be deemed,
5 for purposes of section 223(a)(1) or subsection (d)(1)(G)(i),
6 (e)(1), or (f)(1) of section 202 (as applicable), as the termi-
7 nation month with respect to such entitlement.

8 “(5)(A) Subject to subparagraph (B), monthly insur-
9 ance benefits under this title which would be payable to any
10 individual (other than the disabled individual to whom ben-
11 efits are not payable by reason of this subsection) on the
12 basis of the wages and self-employment income of such dis-
13 abled individual but for the provisions of paragraph (1)
14 or (4), shall be payable as though such disabled individual
15 were receiving such benefits which are not payable under
16 this subsection (and, in the case of a disabled individual
17 whose entitlement is terminated under paragraph (4), as
18 though such disabled individual’s entitlement were not ter-
19 minated).

20 “(B) If the monthly insurance benefits of a disabled
21 individual referred to in subparagraph (A) are not payable
22 by reason of termination of entitlement under paragraph
23 (4), monthly insurance benefits which are payable to any
24 other individual on the basis of the wages and self-employ-
25 ment income of such disabled individual pursuant to sub-

1 paragraph (A) shall not be payable for any month after
2 2 years after the last month of such entitlement.

3 “(6)(A) The Secretary shall provide for the monitoring
4 and testing of all individuals who are receiving benefits
5 under this title and who as a condition of payment of such
6 benefits are required to be undergoing treatment and com-
7 plying with the terms, conditions, and requirements thereof
8 as described in paragraph (2)(A), in order to assure such
9 compliance and to determine the extent to which the imposi-
10 tion of such requirements is contributing to the achievement
11 of the purposes of this title. The Secretary shall annually
12 submit to the Congress a full and complete report on the
13 Secretary’s activities under this paragraph. Each such an-
14 nual report shall include the number and percentage of such
15 individuals who did not receive regular drug testing during
16 the year covered by the report.

17 “(B) The Secretary, in consultation with drug and al-
18 cohol treatment professionals, shall issue regulations—

19 “(i) defining appropriate treatment for alcohol-
20 ics and drug addicts who are subject to required med-
21 ical or psychological treatment under this subsection,
22 and

23 “(ii) establishing guidelines to be used to review
24 and evaluate their compliance, including measures of
25 the progress of participants in such programs.

1 “(C)(i) For purposes of carrying out the requirements
2 of subparagraphs (A) and (B), the Secretary shall establish
3 in each State a referral and monitoring agency for such
4 State.

5 “(ii) Each referral and monitoring agency for a State
6 shall—

7 “(I) identify appropriate placements, for indi-
8 viduals residing in such State who are entitled to
9 benefits based on disability and with respect to whom
10 alcoholism or drug addiction is a contributing factor
11 material to the Secretary’s determination that they
12 are under a disability, where they may obtain treat-
13 ment described in paragraph (2)(A),

14 “(II) refer such individuals to such placements
15 for such treatment, and

16 “(III) monitor compliance with the requirements
17 of paragraph (2)(A) by individuals who are referred
18 by the agency to such placements and promptly re-
19 port failures to comply to the Secretary.

20 “(7) In the case of any individual who is entitled to
21 a benefit based on disability for any month, if alcoholism
22 or drug addiction is a contributing factor material to the
23 Secretary’s determination that the individual is under a
24 disability, payment of any past-due monthly insurance
25 benefits under this title to which such individual is entitled

1 *shall be made in any month only to the extent that the sum*
2 *of—*

3 *“(A) the amount of such past-due benefit paid in*
4 *such month, and*

5 *“(B) the amount of any benefit for the preceding*
6 *month under such current entitlement which is pay-*
7 *able in such month,*

8 *does not exceed 200 percent of the amount of such benefit*
9 *for the preceding month.*

10 *“(8) In the case of any individual entitled to benefits*
11 *based on disability, if alcoholism or drug addiction is a*
12 *contributing factor material to the Secretary’s determina-*
13 *tion that such individual is under a disability, the month*
14 *following the 36-month period beginning with such individ-*
15 *ual’s first month of entitlement shall be deemed, for pur-*
16 *poses of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1),*
17 *or (f)(1) of section 202 (as applicable), as the termination*
18 *month with respect to such entitlement, and such individual*
19 *shall be deemed not to be entitled to any past-due benefits*
20 *under such entitlement remaining unpaid as of the end of*
21 *such 36-month period. Such individual may not be entitled*
22 *to benefits based on disability for any month after such 36-*
23 *month period if, with respect to such entitlement, alcohol-*
24 *ism or drug addition is a contributing factor material to*

1 *the Secretary's determination that such individual is under*
2 *a disability.*

3 *“(9) For purposes of this subsection, the term ‘benefit*
4 *based on disability’ of an individual means a disability in-*
5 *surance benefit of such individual under section 223 or a*
6 *child's, widow's, or widower's insurance benefit of such in-*
7 *dividual under section 202 based on the disability of such*
8 *individual.”.*

9 *(B) PRESERVATION OF MEDICARE BENE-*
10 *FITS.—Section 226 of such Act (42 U.S.C. 426)*
11 *is amended by adding at the end the following:*

12 *“(i) For purposes of this section, each person whose*
13 *benefit for any month is not payable by reason of para-*
14 *graph (1) of section 225(c) (and is not terminated by reason*
15 *of paragraph (4) or (8) of section 225(c)) shall be treated*
16 *as entitled to such benefit for such month if such person*
17 *would be entitled to such benefit for such month in the ab-*
18 *sence of such section.”.paragraph (other than paragraphs*
19 *(6)(C) and (8) of section 225(c) of the Social Security Act*
20 *added by this paragraph) shall apply with respect to bene-*
21 *fits based on disability (as defined in section 225(c)(9) of*
22 *the Social Security Act, added by this section) of individ-*
23 *uals becoming entitled to such benefits for months beginning*
24 *after 180 days after the date of the enactment of this Act.*
25 *Section 225(c)(6)(C) of the Social Security Act shall take*

1 *effect 180 days after the date of the enactment of this Act.*
2 *Section 225(c)(8) of the Social Security Act (added by this*
3 *section) shall apply with respect to benefits for months end-*
4 *ing after 180 days after the date of the enactment of this*
5 *Act, and, for purposes of such section 225(c)(8), in the case*
6 *of any individual entitled to benefits based on disability*
7 *(as so defined) for the first month ending after 180 days*
8 *after the date of the enactment of this Act, such month shall*
9 *be treated as such individual's first month of entitlement*
10 *to such benefits.*

11 *(4) IRRELEVANCE OF LEGALITY OF SERVICES*
12 *PERFORMED IN DETERMINING SUBSTANTIAL GAINFUL*
13 *ACTIVITY.—*

14 *(A) IN GENERAL.—Section 223(d)(4) of*
15 *such Act (42 U.S.C. 423(d)(4)) is amended—*

16 *(i) by inserting “(A)” after “(4)”;* and

17 *(ii) by adding at the end the following*
18 *new subparagraph:*

19 *“(B) In determining under subparagraph (A) when*
20 *services performed or earnings derived from services dem-*
21 *onstrate an individual's ability to engage in substantial*
22 *gainful activity, the Secretary apply the criteria described*
23 *in subparagraph (A) with respect to services performed by*
24 *any individual without regard to the legality of such*
25 *services.”.*

1 (B) *EFFECTIVE DATE.*—*The amendments*
2 *made by this paragraph shall take effect on the*
3 *date of the enactment of this Act.*

4 (b) *AMENDMENTS RELATING TO SUPPLEMENTAL SE-*
5 *CURITY INCOME BENEFITS UNDER TITLE XVI OF THE SO-*
6 *CIAL SECURITY ACT.*—

7 (1) *REQUIRED PAYMENT OF BENEFITS TO REP-*
8 *RESENTATIVE PAYEES.*—

9 (A) *IN GENERAL.*—*Section 1631(a)(2)(A) of*
10 *the Social Security Act (42 U.S.C.*
11 *1383(a)(2)(A)) is amended—*

12 (i) *in clause (ii), by adding at the end*
13 *the following: “In the case of an individual*
14 *entitled to benefits under this title by reason*
15 *of disability, if alcoholism or drug addic-*
16 *tion is a contributing factor material to the*
17 *Secretary’s determination that the individ-*
18 *ual is disabled, the payment of such benefits*
19 *to a representative payee shall be deemed to*
20 *serve the interest of such individual under*
21 *this title.”; and*

22 (ii) *in clause (iii), by striking “to the*
23 *individual or eligible spouse or to an alter-*
24 *native representative payee of the individ-*
25 *ual or eligible spouse” and inserting “to an*

1 *alternative representative payee of the indi-*
2 *vidual or eligible spouse or, if the interest of*
3 *the individual under this title would be*
4 *served thereby, to the individual or eligible*
5 *spouse”.*

6 (B) *CONFORMING AMENDMENT.*—Section
7 1631(a)(2)(B)(viii)(II) of such Act (42 U.S.C.
8 1383(a)(2)(B)(viii)(II)) is amended by striking
9 “15 years” and all that follows and inserting “of
10 15 years, or (if alcoholism or drug addition is a
11 contributing factor material to the Secretary’s
12 determination that the individual is disabled) is
13 entitled to benefits under this title by reason of
14 disability.”.

15 (C) *EFFECTIVE DATE.*—The amendments
16 made by subparagraphs (A) and (B) shall apply
17 with respect to benefits for months beginning
18 after 180 days after the date of the enactment of
19 this Act.

20 (2) *INCREASED RELIANCE ON PROFESSIONAL*
21 *REPRESENTATIVE PAYEES.*—

22 (A) *PREFERENCE REQUIRED FOR ORGANI-*
23 *ZATIONAL REPRESENTATIVE PAYEES.*—Section
24 1631(a)(2)(B) of such Act (42 U.S.C.
25 1383(a)(2)(B)) is amended—

1 (i) by redesignating clauses (vii)
2 through (xii) as clauses (viii) through (xiii),
3 respectively;

4 (ii) by inserting after clause (vi) the
5 following:

6 “(vii) In the case of an individual entitled to benefits
7 under this title by reason of disability, if alcoholism or drug
8 addiction is a contributing factor material to the Sec-
9 retary’s determination that the individual is disabled, when
10 selecting such individual’s representative payee, preference
11 shall be given to—

12 “(I) a community-based nonprofit social service
13 agency licensed or bonded by the State;

14 “(II) a State or local government agency whose
15 mission is to carry out income maintenance, social
16 service, or health care-related activities; or

17 “(III) a State or local government agency with
18 fiduciary responsibilities,

19 (or a designee of such an agency if the Secretary deems it
20 appropriate), unless the Secretary determines that selection
21 of such an agency would not be appropriate.”;

22 (iii) in clause (viii) (as so redesign-
23 ated), by striking “clause (viii)” and in-
24 serting “clause (ix)”;

1 (iv) in clause (ix) (as so redesignated),
2 by striking “(vii)” and inserting “(viii)”;

3 (v) in clause (xiii) (as so redesignated)—

4
5 (I) by striking “(xi)” and insert-
6 ing “(xii)”;

7 (II) by striking “(x)” and insert-
8 ing “(xi)”.

9 (B) AVAILABILITY OF PUBLIC AGENCIES
10 AND OTHER QUALIFIED ORGANIZATIONS TO
11 SERVE AS REPRESENTATIVE PAYEES.—Section
12 1631(a)(2)(D) of such Act (42 U.S.C.
13 1383(a)(2)(D)) is amended—

14 (i) in clause (i)—

15 (I) by striking “exceed the lesser
16 of—” and inserting “exceed—”; and

17 (II) by striking subclauses (I) and
18 (II) and inserting the following:

19 “(I) in any case in which an individual is enti-
20 tled to benefits under this title by reason of disability
21 and alcoholism or drug addiction is a contributing
22 factor material to the Secretary’s determination that
23 the individual is disabled, 10 percent of the monthly
24 benefit involved, or

25 “(II) in any other case, the lesser of—

1 “(aa) 10 percent of the monthly benefit in-
2 volved, or

3 “(bb) \$25.00 per month.”;

4 (ii) in clause (ii)—

5 (I) by inserting “State or local
6 government agency whose mission is to
7 carry out income maintenance, social
8 service, or health care-related activities,
9 any State or local government agency
10 with fiduciary responsibilities, or any”
11 after “means any”;

12 (II) by inserting a comma after
13 “service agency”;

14 (III) by adding “and” at the end
15 of subclause (I); and

16 (IV) in subclause (II)—

17 (aa) by adding “and” at the
18 end of item (aa);

19 (bb) by striking “; and” at
20 the end of item (bb) and inserting
21 a period; and

22 (cc) by striking item (cc);

23 and

24 (iii) by striking clause (iv), effective

25 July 1, 1994.

1 (3) *NONPAYMENT OR TERMINATION OF BENE-*
2 *FITS.—*

3 (A) *IN GENERAL.—Section 1611(e)(3) of*
4 *such Act (42 U.S.C. 1382(e)(3)), is amended by*
5 *redesignating subparagraph (B) as subpara-*
6 *graph (C) and by inserting after subparagraph*
7 *(A) the following:*

8 “(B)(i) *Notwithstanding any other provision of this*
9 *title, in the case of any individual entitled to benefits under*
10 *this title solely by reason of disability, if alcoholism or drug*
11 *addiction is a contributing factor material to the Sec-*
12 *retary’s determination that such individual is disabled and*
13 *such individual is determined by the Secretary not to be*
14 *in compliance with the requirements of this subparagraph*
15 *for a month, such benefits shall be suspended for a period*
16 *commencing with such month and ending with the month*
17 *preceding the first month, after the determination of non-*
18 *compliance, in which such individual demonstrates that he*
19 *or she has reestablished and maintained compliance with*
20 *such requirements for the applicable period specified in*
21 *clause (iii).*

22 “(ii)(I) *An individual described in clause (i) is in*
23 *compliance with the requirements of this subparagraph for*
24 *a month if the individual in such month undergoes any*
25 *medical or psychological treatment that may be appro-*

1 *priate, for the individual's condition diagnosed as substance*
2 *abuse or alcohol abuse and for the stage of the individual's*
3 *rehabilitation, at an institution or facility approved for*
4 *purposes of this subparagraph by the Secretary, and com-*
5 *plies in such month with the terms, conditions, and require-*
6 *ments of such treatment and with requirements imposed by*
7 *the Secretary under subparagraph (C).*

8 *“(II) An individual described in clause (i) shall not*
9 *be determined to be not in compliance with the require-*
10 *ments of this subparagraph for a month if access by such*
11 *individual to such treatment is not reasonably available for*
12 *the month, as determined under regulations of the Sec-*
13 *retary.*

14 *“(iii) The applicable period specified in this clause*
15 *is—*

16 *“(I) 2 consecutive months, in the case of a 1st*
17 *determination that an individual is not in compli-*
18 *ance with the requirements of this subparagraph;*

19 *“(II) 3 consecutive months, in the case of the 2nd*
20 *such determination with respect to the individual; or*

21 *“(III) 6 consecutive months, in the case of the*
22 *3rd or subsequent such determination with respect to*
23 *the individual.*

24 *“(iv) An individual shall not be an eligible individual*
25 *for purposes of this title for the 12-month period that begins*

1 *with the end of any period of 12 consecutive months for*
2 *which the benefits of the individual under this title have*
3 *been suspended by reason of this subparagraph.*

4 “(v) *In the case of any individual entitled to benefits*
5 *under this title by reason of disability, if alcoholism or drug*
6 *addiction is a contributing factor material to the Sec-*
7 *retary’s determination that such individual is disabled,*
8 *such individual may not be entitled to such benefits by rea-*
9 *son of disability (or any past-due benefits under such enti-*
10 *tlement) for any month after the 36-month period beginning*
11 *with such individual’s first month of such entitlement, not-*
12 *withstanding section 1619(a).*

13 “(vi)(I) *The Secretary shall not, in a month, pay to*
14 *an individual described in clause (i) benefits under this title*
15 *the payment of which is past due, in an amount that ex-*
16 *ceeds the amount of benefits under this title which are pay-*
17 *able to the individual for the month and the payment of*
18 *which is not past due.*

19 “(II) *As used in subclause (I) of this clause, the term*
20 *‘benefits under this title’ includes supplementary payments*
21 *of the type described in section 1616(a) and payments pur-*
22 *suant to an agreement entered into under section 212(a)*
23 *of Public Law 93–66.”.*

24 (B) *REFERRAL, MONITORING, AND TREAT-*
25 *MENT.—Section 1611(e)(3)(C) of such Act (42*

1 *U.S.C. 1382(e)(3)(C)), as so designated by the*
2 *amendment made by subparagraph (A) of this*
3 *paragraph, is amended—*

4 *(i) by adding at the end the following:*

5 *“Each such annual report shall include the*
6 *number and percentage of such individuals*
7 *who did not receive regular drug testing*
8 *during the year covered by the report.”;*

9 *(ii) by inserting “(i)” after “(C)”;* and

10 *(iii) by adding after and below the end*
11 *following:*

12 *“(ii) The Secretary, in consultation with drug and al-*
13 *cohol treatment professionals, shall issue regulations—*

14 *“(I) defining appropriate treatment for alcohol-*
15 *ics and drug addicts who are subject to required med-*
16 *ical or psychological treatment under this subpara-*
17 *graph; and*

18 *“(II) establishing guidelines to be used to review*
19 *and evaluate their compliance, including measures of*
20 *the progress of participants in such programs.*

21 *“(iii)(I) For purposes of carrying out the requirements*
22 *of clauses (i) and (ii), the Secretary shall establish in each*
23 *State a referral and monitoring agency for the State.*

24 *“(II) Each referral and monitoring agency for a State*
25 *shall—*

1 “(aa) identify appropriate placements, for indi-
2 viduals residing in the State who are entitled to bene-
3 fits under this title by reason of disability and with
4 respect to whom alcoholism or drug addiction is a
5 contributing factor material to the Secretary’s deter-
6 mination that they are disabled, where they may ob-
7 tain treatment described in subparagraph (B)(ii)(I);

8 “(bb) refer such individuals to such placements
9 for such treatment; and

10 “(cc) monitor compliance with the requirements
11 of subparagraph (B) by individuals who are referred
12 by the agency to such placements, and promptly re-
13 port to the Secretary any failure to comply with such
14 requirements.”.

15 (C) PRESERVATION OF MEDICAID BENE-
16 FITS.—Section 1634 of such Act (42 U.S.C.
17 13283c) is amended by adding at the end the fol-
18 lowing:

19 “(e) Each person to whom benefits under this title by
20 reason of disability are not payable for any month solely
21 by reason of section 1611(e)(3)(B) shall be treated, for pur-
22 poses of title XIX, as receiving benefits under this title for
23 such month.”.

24 (D) CONFORMING AMENDMENTS.—Section
25 1611(e)(3) of such Act (42 U.S.C. 1382(e)(3)), as

1 amended by subparagraphs (A) and (B) of this
2 paragraph, is amended—

3 (i) in subparagraph (A), by striking
4 “(B)” and inserting “(C)”; and

5 (ii) in subparagraph (C), by inserting
6 “or (B)” after “(A)”.

7 (E) *EFFECTIVE DATE.*—

8 (i) *IN GENERAL.*—Except as provided
9 in clauses (ii) and (iii), the amendments
10 made by this paragraph shall apply with
11 respect to benefits for months beginning
12 after 180 days after the date of the enact-
13 ment of this Act.

14 (ii) *TIME LIMITATION ON BENEFITS.*—
15 Section 1611(e)(3)(B)(v) of the Social Secu-
16 rity Act (as added by the amendment made
17 by subparagraph (A) of this paragraph)
18 shall apply with respect to benefits for
19 months ending after 180 days after the date
20 of the enactment of this Act, and, for pur-
21 poses of such section, in the case of any in-
22 dividual entitled to benefits by reason of
23 disability for the first month ending after
24 180 days after the date of the enactment of
25 this Act, such month shall be treated as such

1 *individual's first month of entitlement to*
2 *such benefits.*

3 *(iii) ESTABLISHMENT OF REFERRAL*
4 *AND MONITORING AGENCIES.—Section*
5 *1611(e)(3)(C)(iii) of the Social Security Act*
6 *(as added by the amendment made by sub-*
7 *paragraph (B)(iii) of this paragraph) shall*
8 *take effect 180 days after the date of the en-*
9 *actment of this Act.*

10 *(4) IRRELEVANCE OF LEGALITY OF SUBSTANTIAL*
11 *GAINFUL ACTIVITY.—*

12 *(A) IN GENERAL.—Section 1614(a)(3)(D) of*
13 *such Act (42 U.S.C. 1382c(a)(3)(D)) is amended*
14 *by adding at the end the following: “The Sec-*
15 *retary shall make determinations under this title*
16 *with respect to substantial gainful activity, with-*
17 *out regard to the legality of the activity.”.*

18 *(B) EFFECTIVE DATE.—The amendment*
19 *made by subparagraph (A) shall take effect on*
20 *the date of the enactment of this Act.*

21 *(c) EFFECTIVE DATE.—The amendments made by the*
22 *preceding provisions of this section shall apply to benefits*
23 *payable for months beginning 180 or more days after the*
24 *date of the enactment of this Act.*

25 *(d) DEMONSTRATION PROJECTS.—*

1 (1) *IN GENERAL.*—*The Secretary of Health and*
2 *Human Services shall develop and carry out dem-*
3 *onstration projects designed to explore innovative re-*
4 *ferral, monitoring, and treatment approaches with re-*
5 *spect to—*

6 (A) *individuals who are entitled to disabil-*
7 *ity insurance benefits or child's, widow's, or wid-*
8 *ower's insurance benefits based on disability*
9 *under title II of the Social Security Act, and*

10 (B) *individuals who are eligible for supple-*
11 *mental security income benefits under title XVI*
12 *of such Act based solely on disability,*

13 *in cases in which alcoholism or drug addiction is a*
14 *contributing factor material to the Secretary's deter-*
15 *mination that individuals are under a disability.*

16 (2) *SCOPE.*—*The demonstration projects devel-*
17 *oped under paragraph (1) shall be of sufficient scope*
18 *and shall be carried out on a wide enough scale to*
19 *permit a thorough evaluation of the alternative ap-*
20 *proaches under consideration while giving assurance*
21 *that the results derived from the projects will obtain*
22 *generally in the operation of the programs involved*
23 *without committing such programs to the adoption of*
24 *any particular system either locally or nationally.*

1 (3) *FINAL REPORT.*—*The Secretary shall submit*
2 *to the Committee on Ways and Means of the House*
3 *of Representatives and the Committee on Finance of*
4 *the Senate no later than December 31, 1997, a final*
5 *report on the demonstration projects carried out*
6 *under this subsection, together with any related data*
7 *and materials which the Secretary may consider ap-*
8 *propriate. The authority under this section shall ter-*
9 *minate upon the transmittal of such final report.*

10 ***SEC. 202. ISSUANCE OF PHYSICAL DOCUMENTS IN THE***
11 ***FORM OF BONDS, NOTES, OR CERTIFICATES***
12 ***TO THE SOCIAL SECURITY TRUST FUNDS.***

13 (a) *REQUIREMENT THAT OBLIGATIONS ISSUED TO*
14 *THE OASDI TRUST FUNDS BE EVIDENCED BY PAPER IN-*
15 *STRUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFI-*
16 *CATES OF INDEBTEDNESS SETTING FORTH THEIR*
17 *TERMS.*—*Section 201(d) of the Social Security Act (42*
18 *U.S.C. 401(d)) is amended by inserting after the fifth sen-*
19 *tence the following new sentence: “Each obligation issued*
20 *for purchase by the Trust Funds under this subsection shall*
21 *be evidenced by a paper instrument in the form of a bond,*
22 *note, or certificate of indebtedness issued by the Secretary*
23 *of the Treasury setting forth the principal amount, date of*
24 *maturity, and interest rate of the obligation, and stating*
25 *on its face that the obligation shall be incontestable in the*

1 *hands of the Trust Fund to which it is issued, that the obli-*
2 *gation is supported by the full faith and credit of the United*
3 *States, and that the United States is pledged to the payment*
4 *of the obligation with respect to both principal and*
5 *interest.”.*

6 (b) *PAYMENT TO THE OASDI TRUST FUNDS FROM*
7 *THE GENERAL FUND OF THE TREASURY OF INTEREST ON*
8 *OBLIGATIONS, AND OF PROCEEDS FROM THE SALE OR RE-*
9 *DEMPTION OF OBLIGATIONS, REQUIRED TO BE IN THE*
10 *FORM OF CHECKS.—Section 201(f) of such Act (42 U.S.C.*
11 *401(f)) is amended by adding at the end the following new*
12 *sentence: “Payment from the general fund of the the Treas-*
13 *ury to either of the Trust Funds of any such interest or*
14 *proceeds shall be in the form of paper checks drawn on such*
15 *general fund to the order of such Trust Fund.”.*

16 (c) *EFFECTIVE DATE.—*

17 (1) *IN GENERAL.—The amendments made by*
18 *this section shall apply with respect to obligations is-*
19 *sued, and payments made, after 60 days after the*
20 *date of the enactment of this Act.*

21 (2) *TREATMENT OF OUTSTANDING OBLIGA-*
22 *TIONS.—Not later than 60 days after the date of the*
23 *enactment of this Act, the Secretary of the Treasury*
24 *shall issue to the Federal Old-Age and Survivors In-*
25 *surance Trust Fund or the Federal Disability Insur-*

1 *ance Trust Fund, as applicable, a paper instrument,*
2 *in the form of a bond, note, or certificate of indebted-*
3 *ness, for each obligation which has been issued to the*
4 *Trust Fund under section 201(d) of the Social Secu-*
5 *rity Act and which is outstanding as of such date.*
6 *Each such document shall set forth the principal*
7 *amount, date of maturity, and interest rate of the ob-*
8 *ligation, and shall state on its face that the obligation*
9 *shall be incontestable in the hands of the Trust Fund*
10 *to which it was issued, that the obligation is sup-*
11 *ported by the full faith and credit of the United*
12 *States, and that the United States is pledged to the*
13 *payment of the obligation with respect to both prin-*
14 *cipal and interest.*

15 **SEC. 203. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF**
16 **TELEPHONE ACCESS TO LOCAL OFFICES OF**
17 **THE SOCIAL SECURITY ADMINISTRATION.**

18 *(a) MAINTENANCE OF SERVICE TO LOCAL OFFICES.—*

19 *(1) IN GENERAL.—Section 5110(a) of the Omni-*
20 *bus Budget Reconciliation Act of 1990 (104 Stat.*
21 *1388–272) is amended by adding at the end the fol-*
22 *lowing new sentence: “In carrying out the require-*
23 *ments of the preceding sentence, the Secretary shall*
24 *reestablish and maintain in service at least the same*
25 *number of telephone lines to each such local office as*

1 *was in place as of such date, including telephone sets*
2 *for connections to such lines.”.*

3 (2) *EFFECTIVE DATE.*—*The Secretary of Health*
4 *and Human Services shall ensure that the require-*
5 *ments of the amendment made by paragraph (1) are*
6 *carried out no later than 90 days after the date of the*
7 *enactment of this Act.*

8 (3) *GAO REPORT.*—*The Comptroller General of*
9 *the United States shall make an independent deter-*
10 *mination of the number of telephone lines to each*
11 *local office of the Social Security Administration*
12 *which are in place as of 90 days after the enactment*
13 *of this Act and shall report his findings to the Com-*
14 *mittee on Ways and Means of the House of Represent-*
15 *atives and the Committee on Finance of the Senate no*
16 *later than 150 days after the date of the enactment*
17 *of this Act.*

18 (b) *MAINTENANCE OF TOLL-FREE TELEPHONE NUM-*
19 *BER SERVICE.*—*The Secretary of Health and Human Serv-*
20 *ices shall ensure that toll-free telephone service provided by*
21 *the Social Security Administration is maintained at a level*
22 *which is at least equal to that in effect on the date of the*
23 *enactment of this Act.*

1 **SEC. 204. EXPANSION OF STATE OPTION TO EXCLUDE SERV-**
2 **ICE OF ELECTION OFFICIALS OR ELECTION**
3 **WORKERS FROM COVERAGE.**

4 (a) *LIMITATION ON MANDATORY COVERAGE OF STATE*
5 *ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT*
6 *STATE RETIREMENT SYSTEM.—*

7 (1) *AMENDMENT TO SOCIAL SECURITY ACT.—*
8 *Section 210(a)(7)(F)(iv) of the Social Security Act*
9 *(42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section*
10 *11332(a) of the Omnibus Budget Reconciliation Act*
11 *of 1990) is amended by striking “\$100” and inserting*
12 *“\$1,000 with respect to service performed during*
13 *1995, and the adjusted amount determined under sec-*
14 *tion 218(c)(8)(B) for any subsequent year with re-*
15 *spect to service performed during such subsequent*
16 *year”.*

17 (2) *AMENDMENT TO FICA.—Section*
18 *3121(b)(7)(F)(iv) of the Internal Revenue Code of*
19 *1986 (as amended by section 11332(b) of the Omnibus*
20 *Budget Reconciliation Act of 1990) is amended by*
21 *striking “\$100” and inserting “\$1,000 with respect to*
22 *service performed during 1995, and the adjusted*
23 *amount determined under section 218(c)(8)(B) of the*
24 *Social Security Act for any subsequent year with re-*
25 *spect to service performed during such subsequent*
26 *year”.*

1 (b) *CONFORMING AMENDMENTS RELATING TO MEDI-*
2 *CARE QUALIFIED GOVERNMENT EMPLOYMENT.*—

3 (1) *AMENDMENT TO SOCIAL SECURITY ACT.*—
4 *Section 210(p)(2)(E) of the Social Security Act (42*
5 *U.S.C. 410(p)(2)(E)) is amended by striking “\$100”*
6 *and inserting “\$1,000 with respect to service per-*
7 *formed during 1995, and the adjusted amount deter-*
8 *mined under section 218(c)(8)(B) for any subsequent*
9 *year with respect to service performed during such*
10 *subsequent year”.*

11 (2) *AMENDMENT TO FICA.*—*Section*
12 *3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of*
13 *1986 is amended by striking “\$100” and inserting*
14 *“\$1,000 with respect to service performed during*
15 *1995, and the adjusted amount determined under sec-*
16 *tion 218(c)(8)(B) of the Social Security Act for any*
17 *subsequent year with respect to service performed dur-*
18 *ing such subsequent year”.*

19 (c) *AUTHORITY FOR STATES TO MODIFY COVERAGE*
20 *AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS*
21 *AND ELECTION WORKERS.*—*Section 218(c)(8) of the Social*
22 *Security Act (42 U.S.C. 418(c)(8)) is amended—*

23 (1) *by striking “on or after January 1, 1968,”*
24 *and inserting “at any time”;*

1 (2) by striking “\$100” and inserting “\$1,000
2 with respect to service performed during 1995, and
3 the adjusted amount determined under subparagraph
4 (B) for any subsequent year with respect to service
5 performed during such subsequent year”; and

6 (3) by striking the last sentence and inserting
7 the following new sentence: “Any modification of an
8 agreement pursuant to this paragraph shall be effec-
9 tive with respect to services performed in and after
10 the calendar year in which the modification is mailed
11 or delivered by other means to the Secretary.”.

12 (d) INDEXATION OF EXEMPT AMOUNT.—Section
13 218(c)(8) of such Act (as amended by subsection (c)) is fur-
14 ther amended—

15 (1) by inserting “(A)” after “(8)”; and

16 (2) by adding at the end the following new sub-
17 paragraph:

18 “(B) For each year after 1995, the Secretary shall ad-
19 just the amount referred to in subparagraph (A) at the same
20 time and in the same manner as is provided under section
21 215(a)(1)(B)(ii) with respect to the amounts referred to in
22 section 215(a)(1)(B)(i), except that—

23 “(i) for purposes of this subparagraph, 1993
24 shall be substituted for the calendar year referred to
25 in section 215(a)(1)(B)(ii)(II), and

1 “(ii) such amount as so adjusted, if not a mul-
2 tiple of \$100, shall be rounded to the next higher mul-
3 tiple of \$100 where such amount is a multiple of \$50
4 and to the nearest multiple of \$100 in any other case.
5 The Secretary shall determine and publish in the Federal
6 Register each adjusted amount determined under this sub-
7 paragraph not later than November 1 preceding the year
8 for which the adjustment is made.”.

9 (e) *EFFECTIVE DATE.*—The amendments made by sub-
10 sections (a), (b), and (c) shall apply with respect to service
11 performed on or after January 1, 1995.

12 **SEC. 205. USE OF SOCIAL SECURITY NUMBERS BY STATES**
13 **AND LOCAL GOVERNMENTS AND FEDERAL**
14 **DISTRICT COURTS FOR JURY SELECTION**
15 **PURPOSES.**

16 (a) *IN GENERAL.*—Section 205(c)(2) of the Social Se-
17 curity Act (42 U.S.C. 405(c)(2)) is amended—

18 (1) in subparagraph (B)(i), by striking “(E)” in
19 the matter preceding subclause (I) and inserting
20 “(F)”;

21 (2) by redesignating subparagraphs (E) and (F)
22 as subparagraphs (F) and (G), respectively; and

23 (3) by inserting after subparagraph (D) the fol-
24 lowing:

25 “(E)(i) It is the policy of the United States that—

1 “(I) any State (or any political subdivision of a
2 State) may utilize the social security account num-
3 bers issued by the Secretary for the additional pur-
4 poses described in clause (ii) if such numbers have
5 been collected and are otherwise utilized by such State
6 (or political subdivision) in accordance with applica-
7 ble law, and

8 “(II) any district court of the United States may
9 use, for such additional purposes, any such social se-
10 curity account numbers which have been so collected
11 and are so utilized by any State.

12 “(ii) The additional purposes described in this clause
13 are the following:

14 “(I) Identifying duplicate names of individuals
15 on master lists used for jury selection purposes.

16 “(II) Identifying on such master lists those indi-
17 viduals who are ineligible to serve on a jury by rea-
18 son of their conviction of a felony.

19 “(iii) To the extent that any provision of Federal law
20 enacted before the date of the enactment of this subpara-
21 graph is inconsistent with the policy set forth in clause (i),
22 such provision shall, on and after that date, be null, void,
23 and of no effect.

1 “(iv) For purposes of this subparagraph, the term
2 ‘State’ has the meaning such term has in subparagraph
3 (D).”.

4 (b) *EFFECTIVE DATE.*—The amendments made by sub-
5 section (a) shall take effect on the date of the enactment
6 of this Act.

7 **SEC. 206. AUTHORIZATION FOR ALL STATES TO EXTEND**
8 **COVERAGE TO STATE AND LOCAL POLICEMEN**
9 **AND FIREMEN UNDER EXISTING COVERAGE**
10 **AGREEMENTS.**

11 (a) *IN GENERAL.*—Section 218(l) of the Social Secu-
12 rity Act (42 U.S.C. 418(l)) is amended—

13 (1) in paragraph (1), by striking “(1)” after
14 “(l)”, and by striking “the State of” and all that fol-
15 lows through “prior to the date of enactment of this
16 subsection” and inserting “a State entered into pur-
17 suant to this section”; and

18 (2) by striking paragraph (2).

19 (b) *CONFORMING AMENDMENT.*—Section 218(d)(8)(D)
20 of such Act (42 U.S.C. 418(d)(8)(D)) is amended by strik-
21 ing “agreements with the States named in” and inserting
22 “State agreements modified as provided in”.

23 (c) *EFFECTIVE DATE.*—The amendments made by this
24 section shall apply with respect to modifications filed by
25 States after the date of the enactment of this Act.

1 **SEC. 207. LIMITED EXEMPTION FOR CANADIAN MINISTERS**
2 **FROM CERTAIN SELF-EMPLOYMENT TAX LI-**
3 **ABILITY.**

4 (a) *IN GENERAL.*—Notwithstanding any other provi-
5 sion of law, if—

6 (1) *an individual performed services described in*
7 *section 1402(c)(4) of the Internal Revenue Code of*
8 *1986 which are subject to tax under section 1401 of*
9 *such Code,*

10 (2) *such services were performed in Canada at a*
11 *time when no agreement between the United States*
12 *and Canada pursuant to section 233 of the Social Se-*
13 *curity Act was in effect, and*

14 (3) *such individual was required to pay con-*
15 *tributions on the earnings from such services under*
16 *the social insurance system of Canada,*

17 *then such individual may file a certificate under this sec-*
18 *tion in such form and manner, and with such official, as*
19 *may be prescribed in regulations issued under chapter 2*
20 *of such Code. Upon the filing of such certificate, notwith-*
21 *standing any judgment which has been entered to the con-*
22 *trary, such individual shall be exempt from payment of*
23 *such tax with respect to services described in paragraphs*
24 *(1) and (2) and from any penalties or interest for failure*
25 *to pay such tax or to file a self-employment tax return as*
26 *required under section 6017 of such Code.*

1 (b) *PERIOD FOR FILING.*—A certificate referred to in
2 subsection (a) may be filed only during the 180-day period
3 commencing with the date on which the regulations referred
4 to in subsection (a) are issued.

5 (c) *TAXABLE YEARS AFFECTED BY CERTIFICATE.*—A
6 certificate referred to in subsection (a) shall be effective for
7 taxable years ending after December 31, 1978, and before
8 January 1, 1985.

9 (d) *RESTRICTION ON CREDITING OF EXEMPT SELF-*
10 *EMPLOYMENT INCOME.*—In any case in which an individ-
11 ual is exempt under this section from paying a tax imposed
12 under section 1401 of the Internal Revenue Code of 1986,
13 any income on which such tax would have been imposed
14 but for such exemption shall not constitute self-employment
15 income under section 211(b) of the Social Security Act (42
16 U.S.C. 411(b)), and, if such individual's primary insurance
17 amount has been determined under section 215 of such Act
18 (42 U.S.C. 415), notwithstanding section 215(f)(1) of such
19 Act, the Secretary of Health and Human Services shall re-
20 compute such primary insurance amount so as to take into
21 account the provisions of this subsection. The recomputation
22 under this subsection shall be effective with respect to bene-
23 fits for months following approval of the certificate of ex-
24 emption.

1 **SEC. 208. EXCLUSION OF TOTALIZATION BENEFITS FROM**
2 **THE APPLICATION OF THE WINDFALL ELIMI-**
3 **NATION PROVISION.**

4 (a) *IN GENERAL.*—Section 215(a)(7) of the Social Se-
5 curity Act (42 U.S.C. 415(a)(7)) is amended—

6 (1) in subparagraph (A), by striking “but ex-
7 cluding” and all that follows through “1937” and in-
8 serting “but excluding (I) a payment under the Rail-
9 road Retirement Act of 1974 or 1937, and (II) a pay-
10 ment by a social security system of a foreign country
11 based on an agreement concluded between the United
12 States and such foreign country pursuant to section
13 233”; and

14 (2) in subparagraph (E), by inserting after “in
15 the case of an individual” the following: “whose eligi-
16 bility for old-age or disability insurance benefits is
17 based on an agreement concluded pursuant to section
18 233 or an individual”.

19 (b) *CONFORMING AMENDMENT RELATING TO BENE-*
20 *FITS UNDER 1939 ACT.*—Section 215(d)(3) of such Act (42
21 U.S.C. 415(d)(3)) is amended by striking “but excluding”
22 and all that follows through “1937” and inserting “but ex-
23 cluding (I) a payment under the Railroad Retirement Act
24 of 1974 or 1937, and (II) a payment by a social security
25 system of a foreign country based on an agreement con-

1 *cluded between the United States and such foreign country*
 2 *pursuant to section 233”.*

3 *(c) EFFECTIVE DATE.—The amendments made by this*
 4 *section shall apply (notwithstanding section 215(f)(1) of the*
 5 *Social Security Act (42 U.S.C. 415(f)(1))) with respect to*
 6 *benefits payable for months after January 1995.*

7 **SEC. 209. EXCLUSION OF MILITARY RESERVISTS FROM AP-**
 8 **PLICATION OF THE GOVERNMENT PENSION**
 9 **OFFSET AND WINDFALL ELIMINATION PROVI-**
 10 **SIONS.**

11 *(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET*
 12 *PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and*
 13 *(g)(4) of section 202 of the Social Security Act (42 U.S.C.*
 14 *402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amend-*
 15 *ed—*

16 *(1) in subparagraph (A)(ii), by striking “unless*
 17 *subparagraph (B) applies.”;*

18 *(2) in subparagraph (A), by striking “The” in*
 19 *the matter following clause (ii) and inserting “unless*
 20 *subparagraph (B) applies. The”;* and

21 *(3) in subparagraph (B), by redesignating the*
 22 *existing matter as clause (ii), and by inserting before*
 23 *such clause (ii) (as so redesignated) the following:*

24 *“(B)(i) Subparagraph (A)(i) shall not apply with re-*
 25 *spect to monthly periodic benefits based wholly on service*

1 *as a member of a uniformed service (as defined in section*
2 *210(m)).”.*

3 (b) *EXCLUSION FROM WINDFALL ELIMINATION PROVI-*
4 *SIONS.—Section 215(a)(7)(A) of such Act (as amended by*
5 *section 210(a) of this Act) and section 215(d)(3) of such*
6 *Act (as amended by section 210(b) of this Act) are each*
7 *further amended—*

8 (1) *by striking “and” before “(II)”;* and

9 (2) *by striking “section 233” and inserting “sec-*
10 *tion 233, and (III) a payment based wholly on serv-*
11 *ice as a member of a uniformed service (as defined in*
12 *section 210(m))”.*

13 (c) *EFFECTIVE DATE.—The amendments made by this*
14 *section shall apply (notwithstanding section 215(f) of the*
15 *Social Security Act) with respect to benefits payable for*
16 *months after January 1995.*

17 **SEC. 210. REPEAL OF THE FACILITY-OF-PAYMENT PROVI-**
18 **SION.**

19 (a) *REPEAL OF RULE PRECLUDING REDISTRIBUTION*
20 *UNDER FAMILY MAXIMUM.—Section 203(i) of the Social*
21 *Security Act (42 U.S.C. 403(i)) is repealed.*

22 (b) *COORDINATION UNDER FAMILY MAXIMUM OF RE-*
23 *DUCTION IN BENEFICIARY’S AUXILIARY BENEFITS WITH*
24 *SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENE-*
25 *FICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of*

1 *such Act (42 U.S.C. 403(a)(4)) is amended by striking “sec-*
2 *tion 222(b). Whenever” and inserting the following: “section*
3 *222(b). Notwithstanding the preceding sentence, any reduc-*
4 *tion under this subsection in the case of an individual who*
5 *is entitled to a benefit under subsection (b), (c), (d), (e),*
6 *(f), (g), or (h) of section 202 for any month on the basis*
7 *of the same wages and self-employment income as another*
8 *person—*

9 *“(A) who also is entitled to a benefit under sub-*
10 *section (b), (c), (d), (e), (f), (g), or (h) of section 202*
11 *for such month,*

12 *“(B) who does not live in the same household as*
13 *such individual, and*

14 *“(C) whose benefit for such month is suspended*
15 *(in whole or in part) pursuant to subsection (h)(3) of*
16 *this section,*

17 *shall be made before the suspension under subsection (h)(3).*

18 *Whenever”.*

19 *(c) CONFORMING AMENDMENT APPLYING EARNINGS*
20 *REPORTING REQUIREMENT DESPITE SUSPENSION OF BEN-*
21 *EFITS.—The third sentence of section 203(h)(1)(A) of such*
22 *Act (42 U.S.C. 403(h)(1)(A)) is amended by striking “Such*
23 *report need not be made” and all that follows through “The*
24 *Secretary may grant” and inserting the following: “Such*
25 *report need not be made for any taxable year—*

1 “(i) beginning with or after the month in which
2 such individual attained age 70, or

3 “(ii) if benefit payments for all months (in such
4 taxable year) in which such individual is under age
5 70 have been suspended under the provisions of the
6 first sentence of paragraph (3) of this subsection, un-
7 less—

8 “(I) such individual is entitled to benefits
9 under subsection (b), (c), (d), (e), (f), (g), or (h)
10 of section 202,

11 “(II) such benefits are reduced under sub-
12 section (a) of this section for any month in such
13 taxable year, and

14 “(III) in any such month there is another
15 person who also is entitled to benefits under sub-
16 section (b), (c), (d), (e), (f), (g), or (h) of section
17 202 on the basis of the same wages and self-em-
18 ployment income and who does not live in the
19 same household as such individual.

20 The Secretary may grant”.

21 (d) *CONFORMING AMENDMENT DELETING SPECIAL IN-*
22 *COME TAX TREATMENT OF BENEFITS NO LONGER RE-*
23 *QUIRED BY REASON OF REPEAL.*—Section 86(d)(1) of the
24 *Internal Revenue Code of 1986 (relating to income tax on*

1 *social security benefits) is amended by striking the last*
2 *sentence.*

3 *(e) EFFECTIVE DATES.—*

4 *(1) The amendments made by subsections (a),*
5 *(b), and (c) shall apply with respect to benefits pay-*
6 *able for months after December 1995.*

7 *(2) The amendment made by subsection (d) shall*
8 *apply with respect to benefits received after December*
9 *31, 1995, in taxable years ending after such date.*

10 **SEC. 211. MAXIMUM FAMILY BENEFITS IN GUARANTEE**

11 **CASES.**

12 *(a) IN GENERAL.—Section 203(a) of the Social Secu-*
13 *rity Act (42 U.S.C. 403(a)) is amended by adding at the*
14 *end the following new paragraph:*

15 *“(10)(A) Subject to subparagraphs (B) and (C)—*

16 *“(i) the total monthly benefits to which bene-*
17 *ficiaries may be entitled under sections 202 and 223*
18 *for a month on the basis of the wages and self-employ-*
19 *ment income of an individual whose primary insur-*
20 *ance amount is computed under section*
21 *215(a)(2)(B)(i) shall equal the total monthly benefits*
22 *which were authorized by this section with respect to*
23 *such individual’s primary insurance amount for the*
24 *last month of his prior entitlement to disability in-*
25 *surance benefits, increased for this purpose by the*

1 *general benefit increases and other increases under*
2 *section 215(i) that would have applied to such total*
3 *monthly benefits had the individual remained entitled*
4 *to disability insurance benefits until the month in*
5 *which he became entitled to old-age insurance benefits*
6 *or reentitled to disability insurance benefits or died,*
7 *and*

8 *“(ii) the total monthly benefits to which bene-*
9 *ficiaries may be entitled under sections 202 and 223*
10 *for a month on the basis of the wages and self-employ-*
11 *ment income of an individual whose primary insur-*
12 *ance amount is computed under section 215(a)(2)(C)*
13 *shall equal the total monthly benefits which were au-*
14 *thorized by this section with respect to such individ-*
15 *ual’s primary insurance amount for the last month of*
16 *his prior entitlement to disability insurance benefits.*

17 *“(B) In any case in which—*

18 *“(i) the total monthly benefits with respect to*
19 *such individual’s primary insurance amount for the*
20 *last month of his prior entitlement to disability in-*
21 *surance benefits was computed under paragraph (6),*
22 *and*

23 *“(ii) the individual’s primary insurance amount*
24 *is computed under subparagraph (B)(i) or (C) of sec-*

1 *tion 215(a)(2) by reason of the individual's entitle-*
2 *ment to old-age insurance benefits or death,*
3 *the total monthly benefits shall equal the total monthly ben-*
4 *efits that would have been authorized with respect to the*
5 *primary insurance amount for the last month of his prior*
6 *entitlement to disability insurance benefits if such total*
7 *monthly benefits had been computed without regard to*
8 *paragraph (6).*

9 *“(C) This paragraph shall apply before the application*
10 *of paragraph (3)(A), and before the application of section*
11 *203(a)(1) of this Act as in effect in December 1978.”.*

12 *(b) CONFORMING AMENDMENT.—Section 203(a)(8) of*
13 *such Act (42 U.S.C. 403(a)(8)) is amended by striking*
14 *“Subject to paragraph (7),” and inserting “Subject to para-*
15 *graph (7) and except as otherwise provided in paragraph*
16 *(10)(C).”.*

17 *(c) EFFECTIVE DATE.—The amendments made by this*
18 *section shall apply for the purpose of determining the total*
19 *monthly benefits to which beneficiaries may be entitled*
20 *under sections 202 and 223 of the Social Security Act based*
21 *on the wages and self-employment income of an individual*
22 *who—*

23 *(1) becomes entitled to an old-age insurance ben-*
24 *efit under section 202(a) of such Act,*

1 (2) becomes reentitled to a disability insurance
2 benefit under section 223 of such Act, or
3 (3) dies,
4 after January 1995.

5 **SEC. 212. AUTHORIZATION FOR DISCLOSURE BY THE SEC-**
6 **RETARY OF HEALTH AND HUMAN SERVICES**
7 **OF INFORMATION FOR PURPOSES OF PUBLIC**
8 **OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR**
9 **RESEARCH.**

10 (a) *IN GENERAL.*—Section 1106 of the Social Security
11 Act (42 U.S.C. 1306) is amended—

12 (1) by redesignating subsections (d) and (e) as
13 subsections (e) and (f), respectively;

14 (2) in subsection (f) (as so redesignated), by
15 striking “subsection (d)” and inserting “subsection
16 (e)”; and

17 (3) by inserting after subsection (c) the following
18 new subsection:

19 “(d) Notwithstanding any other provision of this sec-
20 tion, in any case in which—

21 “(1) information regarding whether an individ-
22 ual is shown on the records of the Secretary as being
23 alive or deceased is requested from the Secretary for
24 purposes of epidemiological or similar research which

1 *the Secretary finds may reasonably be expected to*
2 *contribute to a national health interest, and*

3 *“(2) the requester agrees to reimburse the Sec-*
4 *retary for providing such information and to comply*
5 *with limitations on safeguarding and rerelease or*
6 *redisclosure of such information as may be specified*
7 *by the Secretary,*

8 *the Secretary shall comply with such request, except to the*
9 *extent that compliance with such request would constitute*
10 *a violation of the terms of any contract entered into under*
11 *section 205(r).”.*

12 *(b) AVAILABILITY OF INFORMATION RETURNS RE-*
13 *GARDING WAGES PAID EMPLOYEES.—Section 6103(l)(5) of*
14 *the Internal Revenue Code of 1986 (relating to disclosure*
15 *of returns and return information to the Department of*
16 *Health and Human Services for purposes other than tax*
17 *administration) is amended—*

18 *(1) by striking “for the purpose of” and insert-*
19 *ing “for the purpose of—”;*

20 *(2) by striking “carrying out, in accordance*
21 *with an agreement” and inserting the following:*

22 *“(A) carrying out, in accordance with an*
23 *agreement”;*

24 *(3) by striking “program.” and inserting “pro-*
25 *gram; or”;* and

1 (4) by adding at the end the following new sub-
2 paragraph:

3 “(B) providing information regarding the
4 mortality status of individuals for epidemiolog-
5 ical and similar research in accordance with sec-
6 tion 1106(d) of the Social Security Act.”.

7 (c) *EFFECTIVE DATE.*—The amendments made by this
8 section shall apply with respect to requests for information
9 made after the date of the enactment of this Act.

10 **SEC. 213. MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN**

11 **REFERENCE TO SOCIAL SECURITY PROGRAMS**

12 **AND AGENCIES.**

13 (a) *PROHIBITION OF UNAUTHORIZED REPRODUCTION,*
14 *REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OF-*
15 *FICIAL PUBLICATIONS.*—Section 1140(a) of the Social Secu-
16 *rity Act (42 U.S.C. 1320b–10(a)) is amended—*

17 (1) by redesignating paragraphs (1) and (2) as
18 subparagraphs (A) and (B), respectively;

19 (2) by inserting “(1)” after “(a)”; and

20 (3) by adding at the end the following new para-
21 graph:

22 “(2) No person may, for a fee, reproduce, reprint, or
23 distribute any item consisting of a form, application, or
24 other publication of the Social Security Administration un-
25 less such person has obtained specific, written authorization

1 *for such activity in accordance with regulations which the*
2 *Secretary shall prescribe.”.*

3 (b) *ADDITION TO PROHIBITED WORDS, LETTERS,*
4 *SYMBOLS, AND EMBLEMS.—Paragraph (1) of section*
5 *1140(a) of such Act (as redesignated by subsection (a)) is*
6 *further amended—*

7 (1) *in subparagraph (A) (as redesignated), by*
8 *striking “Administration’, the letters ‘SSA’ or*
9 *‘HCFA’,” and inserting “Administration’, ‘Depart-*
10 *ment of Health and Human Services’, ‘Health and*
11 *Human Services’, ‘Supplemental Security Income*
12 *Program’, or ‘Medicaid’, the letters ‘SSA’, ‘HCFA’,*
13 *‘DHHS’, ‘HHS’, or ‘SSI’,”; and*

14 (2) *in subparagraph (B) (as redesignated), by*
15 *striking “Social Security Administration” each place*
16 *it appears and inserting “Social Security Adminis-*
17 *tration, Health Care Financing Administration, or*
18 *Department of Health and Human Services”, and by*
19 *striking “or of the Health Care Financing Adminis-*
20 *tration”.*

21 (c) *EXEMPTION FOR USE OF WORDS, LETTERS, SYM-*
22 *BOLS, AND EMBLEMS OF STATE AND LOCAL GOVERNMENT*
23 *AGENCIES BY SUCH AGENCIES.—Paragraph (1) of section*
24 *1140(a) of such Act (as redesignated by subsection (a)) is*
25 *further amended by adding at the end the following new*

1 sentence: “The preceding provisions of this subsection shall
2 not apply with respect to the use by any agency or instru-
3 mentality of a State or political subdivision of a State of
4 any words or letters which identify an agency or instru-
5 mentality of such State or of a political subdivision of such
6 State or the use by any such agency or instrumentality of
7 any symbol or emblem of an agency or instrumentality of
8 such State or a political subdivision of such State.”.

9 (d) *INCLUSION OF REASONABLENESS STANDARD.*—
10 Section 1140(a)(1) of such Act (as amended by the preced-
11 ing provisions of this section) is further amended, in the
12 matter following subparagraph (B) (as redesignated), by
13 striking “convey” and inserting “convey, or in a manner
14 which reasonably could be interpreted or construed as
15 conveying.”.

16 (e) *INEFFECTIVENESS OF DISCLAIMERS.*—Subsection
17 (a) of section 1140 of such Act (as amended by the preceding
18 provisions of this section) is further amended by adding at
19 the end the following new paragraph:

20 “(3) Any determination of whether the use of one or
21 more words, letters, symbols, or emblems (or any combina-
22 tion or variation thereof) in connection with an item de-
23 scribed in paragraph (1) or the reproduction, reprinting,
24 or distribution of an item described in paragraph (2) is
25 a violation of this subsection shall be made without regard

1 *to any inclusion in such item (or any so reproduced, re-*
2 *printed, or distributed copy thereof) of a disclaimer of affili-*
3 *ation with the United States Government or any particular*
4 *agency or instrumentality thereof.”.*

5 (f) *VIOLATIONS WITH RESPECT TO INDIVIDUAL*
6 *ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b-*
7 *10(b)(1)) is amended by adding at the end the following*
8 *new sentence: “In the case of any items referred to in sub-*
9 *section (a)(1) consisting of pieces of mail, each such piece*
10 *of mail which contains one or more words, letters, symbols,*
11 *or emblems in violation of subsection (a) shall represent a*
12 *separate violation. In the case of any item referred to in*
13 *subsection (a)(2), the reproduction, reprinting, or distribu-*
14 *tion of such item shall be treated as a separate violation*
15 *with respect to each copy thereof so reproduced, reprinted,*
16 *or distributed.”.*

17 (g) *ELIMINATION OF CAP ON AGGREGATE LIABILITY*
18 *AMOUNT.—*

19 (1) *REPEAL.—Paragraph (2) of section 1140(b)*
20 *of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.*

21 (2) *CONFORMING AMENDMENTS.—Section*
22 *1140(b) of such Act is further amended—*

23 (A) *by striking “(1) Subject to paragraph*
24 *(2), the” and inserting “The”;*

1 (B) by redesignating subparagraphs (A)
2 and (B) as paragraphs (1) and (2), respectively;
3 and

4 (C) in paragraph (1) (as redesignated), by
5 striking “subparagraph (B)” and inserting
6 “paragraph (2)”.

7 (h) *REMOVAL OF FORMAL DECLINATION REQUIRE-*
8 *MENT.*—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–
9 10(c)(1)) is amended by inserting “and the first sentence
10 of subsection (c)” after “and (i)”.

11 (i) *PENALTIES RELATING TO SOCIAL SECURITY AD-*
12 *MINISTRATION DEPOSITED IN OASI TRUST FUND.*—Sec-
13 tion 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is
14 amended in the second sentence by striking “United
15 States.” and inserting “United States, except that, to the
16 extent that such amounts are recovered under this section
17 as penalties imposed for misuse of words, letters, symbols,
18 or emblems relating to the Social Security Administration,
19 such amounts shall be deposited into the Federal Old-Age
20 and Survivor’s Insurance Trust Fund.”.

21 (j) *ENFORCEMENT.*—Section 1140 of such Act (42
22 U.S.C. 1320b–10) is amended by adding at the end the fol-
23 lowing new subsection:

1 “(d) The preceding provisions of this section shall be
2 enforced through the Office of Inspector General of the De-
3 partment of Health and Human Services.”.

4 (k) ANNUAL REPORTS.—Section 1140 of such Act (as
5 amended by the preceding provisions of this section) is fur-
6 ther amended by adding at the end the following new sub-
7 section:

8 “(e) The Secretary shall include in the annual report
9 submitted pursuant to section 704 a report on the operation
10 of this section during the year covered by such annual re-
11 port. Such report shall specify—

12 “(1) the number of complaints of violations of
13 this section received by the Social Security Adminis-
14 tration during the year,

15 “(2) the number of cases in which a notice of
16 violation of this section was sent by the Social Secu-
17 rity Administration during the year requesting that
18 an individual cease activities in violation of this
19 section,

20 “(3) the number of complaints of violations of
21 this section referred by the Social Security Adminis-
22 tration to the Inspector General in the Department of
23 Health and Human Services during the year,

1 “(4) the number of investigations of violations of
2 this section undertaken by the Inspector General dur-
3 ing the year,

4 “(5) the number of cases in which a demand let-
5 ter was sent during the year assessing a civil money
6 penalty under this section,

7 “(6) the total amount of civil money penalties
8 assessed under this section during the year,

9 “(7) the number of requests for hearings filed
10 during the year pursuant to subsection (c)(1) of this
11 section and section 1128A(c)(2),

12 “(8) the disposition during such year of hearings
13 filed pursuant to sections 1140(c)(1) and 1128A(c)(2),
14 and

15 “(9) the total amount of civil money penalties
16 under this section deposited into the Federal Old-Age
17 and Survivors Insurance Trust Fund during the
18 year.”.

19 (1) PROHIBITION OF MISUSE OF DEPARTMENT OF THE
20 TREASURY NAMES, SYMBOLS, ETC.—

21 (1) GENERAL RULE.—Subchapter II of chapter 3
22 of title 31, United States Code, is amended by adding
23 at the end thereof the following new section:

1 **“§ 333. Prohibition of misuse of Department of the**
2 **Treasury names, symbols, etc.**

3 “(a) *GENERAL RULE.*—No person may use, in connec-
4 tion with, or as a part of, any advertisement, solicitation,
5 business activity, or product, whether alone or with other
6 words, letters, symbols, or emblems—

7 “(1) the words ‘Department of the Treasury’, or
8 the name of any service, bureau, office, or other sub-
9 division of the Department of the Treasury,

10 “(2) the titles ‘Secretary of the Treasury’ or
11 ‘Treasurer of the United States’ or the title of any
12 other officer or employee of the Department of the
13 Treasury,

14 “(3) the abbreviations or initials of any entity
15 referred to in paragraph (1),

16 “(4) the words ‘United States Savings Bond’ or
17 the name of any other obligation issued by the De-
18 partment of the Treasury,

19 “(5) any symbol or emblem of an entity referred
20 to in paragraph (1) (including the design of any en-
21 velope or stationary used by such an entity), and

22 “(6) any colorable imitation of any such words,
23 titles, abbreviations, initials, symbols, or emblems,
24 in a manner which could reasonably be interpreted or con-
25 strued as conveying the false impression that such advertise-
26 ment, solicitation, business activity, or product is in any

1 *manner approved, endorsed, sponsored, or authorized by, or*
2 *associated with, the Department of the Treasury or any en-*
3 *tity referred to in paragraph (1) or any officer or employee*
4 *thereof.*

5 “(b) *TREATMENT OF DISCLAIMERS.*—Any determina-
6 *tion of whether a person has violated the provisions of sub-*
7 *section (a) shall be made without regard to any use of a*
8 *disclaimer of affiliation with the United States Government*
9 *or any particular agency or instrumentality thereof.*

10 “(c) *CIVIL PENALTY.*—

11 “(1) *IN GENERAL.*—The Secretary of the Treas-
12 *ury may impose a civil penalty on any person who*
13 *violates the provisions of subsection (a).*

14 “(2) *AMOUNT OF PENALTY.*—The amount of the
15 *civil penalty imposed by paragraph (1) shall not ex-*
16 *ceed \$5,000 for each use of any material in violation*
17 *of subsection (a). If such use is in a broadcast or tele-*
18 *cast, the preceding sentence shall be applied by sub-*
19 *stituting ‘\$25,000’ for ‘\$5,000’.*

20 “(3) *TIME LIMITATIONS.*—

21 “(A) *ASSESSMENTS.*—The Secretary of the
22 *Treasury may assess any civil penalty under*
23 *paragraph (1) at any time before the end of the*
24 *3-year period beginning on the date of the viola-*

1 tion with respect to which such penalty is im-
2 posed.

3 “(B) CIVIL ACTION.—The Secretary of the
4 Treasury may commence a civil action to recover
5 any penalty imposed under this subsection at
6 any time before the end of the 2-year period be-
7 ginning on the date on which such penalty was
8 assessed.

9 “(4) COORDINATION WITH SUBSECTION (d).—No
10 penalty may be assessed under this subsection with
11 respect to any violation after a criminal proceeding
12 with respect to such violation has been commenced
13 under subsection (d).

14 “(d) CRIMINAL PENALTY.—

15 “(1) IN GENERAL.—If any person knowingly vio-
16 lates subsection (a), such person shall, upon convic-
17 tion thereof, be fined not more than \$10,000 for each
18 such use or imprisoned not more than 1 year, or both.
19 If such use is in a broadcast or telecast, the preceding
20 sentence shall be applied by substituting ‘\$50,000’ for
21 ‘\$10,000’.

22 “(2) TIME LIMITATIONS.—No person may be
23 prosecuted, tried, or punished under paragraph (1)
24 for any violation of subsection (a) unless the indict-
25 ment is found or the information instituted during

1 *the 3-year period beginning on the date of the viola-*
2 *tion.*

3 “(3) *COORDINATION WITH SUBSECTION (c).*—No
4 *criminal proceeding may be commenced under this*
5 *subsection with respect to any violation if a civil pen-*
6 *alty has previously been assessed under subsection (c)*
7 *with respect to such violation.”*

8 (2) *CLERICAL AMENDMENT.*—*The analysis for*
9 *chapter 3 of title 31, United States Code, is amended*
10 *by adding after the item relating to section 332 the*
11 *following new item:*

“333. Prohibition of misuse of Department of the Treasury names, symbols, etc.”.

12 (3) *REPORT.*—*Not later than May 1, 1996, the*
13 *Secretary of the Treasury shall submit a report to the*
14 *Committee on Ways and Means of the House of Rep-*
15 *resentatives and the Committee on Finance of the*
16 *Senate on the implementation of the amendments*
17 *made by this section. Such report shall include the*
18 *number of cases in which the Secretary has notified*
19 *persons of violations of section 333 of title 31, United*
20 *States Code (as added by subsection (a)), the number*
21 *of prosecutions commenced under such section, and*
22 *the total amount of the penalties collected in such*
23 *prosecutions.*

1 (m) *EFFECTIVE DATE.*—The amendments made by
2 this section shall apply with respect to violations occurring
3 after the date of the enactment of this Act.

4 **SEC. 214. INCREASED PENALTIES FOR UNAUTHORIZED DIS-**
5 **CLOSURE OF SOCIAL SECURITY INFORMA-**
6 **TION.**

7 (a) *UNAUTHORIZED DISCLOSURE.*—Section 1106(a) of
8 the Social Security Act (42 U.S.C. 1306(a)) is amended—

9 (1) by striking “misdemeanor” and inserting
10 “felony”;

11 (2) by striking “\$1,000” and inserting “\$10,000
12 for each occurrence of a violation”; and

13 (3) by striking “one year” and inserting “5
14 years”.

15 (b) *UNAUTHORIZED DISCLOSURE BY FRAUD.*—Section
16 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

17 (1) by inserting “social security account num-
18 ber,” after “information as to the”;

19 (2) by striking “misdemeanor” and inserting
20 “felony”;

21 (3) by striking “\$1,000” and inserting “\$10,000
22 for each occurrence of a violation”; and

23 (4) by striking “one year” and inserting “5
24 years”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to violations occurring on or after the*
3 *date of the enactment of this Act.*

4 **SEC. 215. INCREASE IN AUTHORIZED PERIOD FOR EXTEN-**
5 **SION OF TIME TO FILE ANNUAL EARNINGS**
6 **REPORT.**

7 (a) *IN GENERAL.*—*Section 203(h)(1)(A) of the Social*
8 *Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the*
9 *last sentence by striking “three months” and inserting “four*
10 *months”.*

11 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
12 *section (a) shall apply with respect to reports of earnings*
13 *for taxable years ending on or after December 31, 1994.*

14 **SEC. 216. EXTENSION OF DISABILITY INSURANCE PROGRAM**
15 **DEMONSTRATION PROJECT AUTHORITY.**

16 (a) *IN GENERAL.*—*Section 505 of the Social Security*
17 *Disability Amendments of 1980 (Public Law 96–265), as*
18 *amended by section 12101 of the Consolidated Omnibus*
19 *Budget Reconciliation Act of 1985 (Public Law 99–272),*
20 *section 10103 of the Omnibus Budget Reconciliation Act of*
21 *1989 (Public Law 101–239), and section 5120 of the Omni-*
22 *bus Budget Reconciliation Act of 1990 (Public Law 101–*
23 *508) is further amended—*

24 (1) *in paragraph (3) of subsection (a), by strik-*
25 *ing “June 10, 1993” and inserting “June 10, 1996”;*

1 (2) in paragraph (4) of subsection (a), by strik-
2 ing “1992” and inserting “1995”; and

3 (3) in subsection (c), by striking “October 1,
4 1993” and inserting “October 1, 1996”.

5 (b) *EFFECTIVE DATE.*—The amendments made by this
6 section shall take effect on the date of the enactment of this
7 Act.

8 **SEC. 217. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT**
9 **NUMBER INFORMATION AND EMPLOYER**
10 **IDENTIFICATION NUMBER INFORMATION**
11 **MAINTAINED BY THE DEPARTMENT OF AGRI-**
12 **CULTURE.**

13 (a) *SOCIAL SECURITY ACCOUNT NUMBER INFORMA-*
14 *TION.*—Clause (iii) of section 205(c)(2)(C) of the Social Se-
15 *curity Act (42 U.S.C. 405(c)(2)(C)) (as added by section*
16 *1735(a)(3) of the Food, Agriculture, Conservation, and*
17 *Trade Act of 1990 (Public Law 101–624; 104 Stat. 3791))*
18 *is amended—*

19 (1) by inserting “(I)” after “(iii)”; and

20 (2) by striking “The Secretary of Agriculture
21 shall restrict” and all that follows and inserting the
22 following:

23 “(II) The Secretary of Agriculture may share any in-
24 formation contained in any list referred to in subclause (I)
25 with any other agency or instrumentality of the United

1 *States which otherwise has access to social security account*
2 *numbers in accordance with this subsection or other appli-*
3 *cable Federal law, except that the Secretary of Agriculture*
4 *may share such information only to the extent that such*
5 *Secretary determines such sharing would assist in verifying*
6 *and matching such information against information main-*
7 *tained by such other agency or instrumentality. Any such*
8 *information shared pursuant to this subclause may be used*
9 *by such other agency or instrumentality only for the pur-*
10 *pose of effective administration and enforcement of the Food*
11 *Stamp Act of 1977 or for the purpose of investigation of*
12 *violations of other Federal laws or enforcement of such laws.*

13 *“(III) The Secretary of Agriculture, and the head of*
14 *any other agency or instrumentality referred to in this*
15 *subclause, shall restrict, to the satisfaction of the Secretary*
16 *of Health and Human Services, access to social security ac-*
17 *count numbers obtained pursuant to this clause only to offi-*
18 *cers and employees of the United States whose duties or re-*
19 *sponsibilities require access for the purposes described in*
20 *subclause (II).*

21 *“(IV) The Secretary of Agriculture, and the head of*
22 *any agency or instrumentality with which information is*
23 *shared pursuant to clause (II), shall provide such other safe-*
24 *guards as the Secretary of Health and Human Services de-*

1 *termines to be necessary or appropriate to protect the con-*
2 *fidentiality of the social security account numbers.”*

3 (b) *EMPLOYER IDENTIFICATION NUMBER INFORMA-*
4 *TION.—Subsection (f) of section 6109 of the Internal Reve-*
5 *nue Code of 1986 (as added by section 1735(c) of the Food,*
6 *Agriculture, Conservation, and Trade Act of 1990 (Public*
7 *Law 101–624; 104 Stat. 3792)) (relating to access to em-*
8 *ployer identification numbers by Secretary of Agriculture*
9 *for purposes of Food Stamp Act of 1977) is amended—*

10 (1) *by striking paragraph (2) and inserting the*
11 *following:*

12 “(2) *SHARING OF INFORMATION AND SAFE-*
13 *GUARDS.—*

14 “(A) *SHARING OF INFORMATION.—The Sec-*
15 *retary of Agriculture may share any information*
16 *contained in any list referred to in paragraph*
17 *(1) with any other agency or instrumentality of*
18 *the United States which otherwise has access to*
19 *employer identification numbers in accordance*
20 *with this section or other applicable Federal law,*
21 *except that the Secretary of Agriculture may*
22 *share such information only to the extent that*
23 *such Secretary determines such sharing would*
24 *assist in verifying and matching such informa-*
25 *tion against information maintained by such*

1 *other agency or instrumentality. Any such infor-*
2 *mation shared pursuant to this subparagraph*
3 *may be used by such other agency or instrumen-*
4 *tality only for the purpose of effective adminis-*
5 *tration and enforcement of the Food Stamp Act*
6 *of 1977 or for the purpose of investigation of vio-*
7 *lations of other Federal laws or enforcement of*
8 *such laws.*

9 “(B) *SAFEGUARDS.*—*The Secretary of Agri-*
10 *culture, and the head of any other agency or in-*
11 *strumentality referred to in subparagraph (A),*
12 *shall restrict, to the satisfaction of the Secretary*
13 *of the Treasury, access to employer identification*
14 *numbers obtained pursuant to this subsection*
15 *only to officers and employees of the United*
16 *States whose duties or responsibilities require ac-*
17 *cess for the purposes described in subparagraph*
18 *(A). The Secretary of Agriculture, and the head*
19 *of any agency or instrumentality with which in-*
20 *formation is shared pursuant to subparagraph*
21 *(A), shall provide such other safeguards as the*
22 *Secretary of the Treasury determines to be nec-*
23 *essary or appropriate to protect the confidential-*
24 *ity of the employer identification numbers.”;*

1 (2) in paragraph (3), by striking “by the Sec-
2 retary of Agriculture pursuant to this subsection” and
3 inserting “pursuant to this subsection by the Sec-
4 retary of Agriculture or the head of any agency or in-
5 strumentality with which information is shared pur-
6 suant to paragraph (2)”, and by striking “social se-
7 curity account numbers” and inserting “employer
8 identification numbers”; and

9 (3) in paragraph (4), by striking “by the Sec-
10 retary of Agriculture pursuant to this subsection” and
11 inserting “pursuant to this subsection by the Sec-
12 retary of Agriculture or any agency or instrumentality
13 with which information is shared pursuant to
14 paragraph (2)”.

15 **SEC. 218. CERTAIN TRANSFERS TO RAILROAD RETIREMENT**

16 **ACCOUNT MADE PERMANENT.**

17 Subsection (c)(1)(A) of section 224 of the Railroad Re-
18 tirement Solvency Act of 1983 (relating to section 72(r) rev-
19 enue increase transferred to certain railroad accounts) is
20 amended by striking “with respect to benefits received before
21 October 1, 1992”.

1 **SEC. 219. AUTHORIZATION FOR USE OF SOCIAL SECURITY**
2 **ACCOUNT NUMBERS BY DEPARTMENT OF**
3 **LABOR IN ADMINISTRATION OF FEDERAL**
4 **WORKERS' COMPENSATION LAWS.**

5 *Section 205(c)(2)(C) of the Social Security Act (42*
6 *U.S.C. 405(c)(2)(C)) is amended by adding at the end the*
7 *following new clause:*

8 *“(ix) In the administration of the provisions of chapter*
9 *81 of title 5, United States Code, and the Longshore and*
10 *Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.),*
11 *the Secretary of Labor may require by regulation that any*
12 *person filing a notice of injury or a claim for benefits under*
13 *such provisions provide as part of such notice or claim such*
14 *person's social security account number, subject to the re-*
15 *quirements of this clause. No officer or employee of the De-*
16 *partment of Labor shall have access to any such number*
17 *for any purpose other than the establishment of a system*
18 *of records necessary for the effective administration of such*
19 *provisions. The Secretary of Labor shall restrict, to the sat-*
20 *isfaction of the Secretary of Health and Human Services,*
21 *access to social security account numbers obtained pursuant*
22 *to this clause to officers and employees of the United States*
23 *whose duties or responsibilities require access for the ad-*
24 *ministration or enforcement of such provisions. The Sec-*
25 *retary of Labor shall provide such other safeguards as the*
26 *Secretary of Health and Human Services determines to be*

1 *necessary or appropriate to protect the confidentiality of*
2 *the social security account numbers.”.*

3 **SEC. 220. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES**
4 **TRANSFERRED TEMPORARILY TO INTER-**
5 **NATIONAL ORGANIZATIONS.**

6 (a) *TREATMENT OF SERVICE IN THE EMPLOY OF*
7 *INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANS-*
8 *FERRED FEDERAL EMPLOYEES.—*

9 (1) *IN GENERAL.—Section 3121 of the Internal*
10 *Revenue Code of 1986 (relating to definitions) is*
11 *amended by adding at the end the following new sub-*
12 *section:*

13 “(y) *SERVICE IN THE EMPLOY OF INTERNATIONAL OR-*
14 *GANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EM-*
15 *PLOYEES.—*

16 “(1) *IN GENERAL.—For purposes of this chapter,*
17 *service performed in the employ of an international*
18 *organization by an individual pursuant to a transfer*
19 *of such individual to such international organization*
20 *pursuant to section 3582 of title 5, United States*
21 *Code, shall constitute ‘employment’ if—*

22 “(A) *immediately before such transfer, such*
23 *individual performed service with a Federal*
24 *agency which constituted ‘employment’ under*

1 *subsection (b) for purposes of the taxes imposed*
2 *by sections 3101(a) and 3111(a), and*

3 *“(B) such individual would be entitled,*
4 *upon separation from such international organi-*
5 *zation and proper application, to reemployment*
6 *with such Federal agency under such section*
7 *3582.*

8 *“(2) DEFINITIONS.—For purposes of this sub-*
9 *section—*

10 *“(A) FEDERAL AGENCY.—The term ‘Federal*
11 *agency’ means an agency, as defined in section*
12 *3581(1) of title 5, United States Code.*

13 *“(B) INTERNATIONAL ORGANIZATION.—The*
14 *term ‘international organization’ has the mean-*
15 *ing provided such term by section 3581(3) of*
16 *title 5, United States Code.”*

17 *(2) CONTRIBUTIONS BY FEDERAL AGENCY.—Sec-*
18 *tion 3122 of such Code (relating to Federal service)*
19 *is amended by inserting after the first sentence the*
20 *following new sentence: “In the case of the taxes im-*
21 *posed by this chapter with respect to service per-*
22 *formed in the employ of an international organiza-*
23 *tion pursuant to a transfer to which the provisions of*
24 *section 3121(y) are applicable, the determination of*
25 *the amount of remuneration for such service, and the*

1 *return and payment of the taxes imposed by this*
2 *chapter, shall be made by the head of the Federal*
3 *agency from which the transfer was made.”*

4 (3) *COLLECTION OF EMPLOYEE CONTRIBU-*
5 *TIONS.—Section 3102 of such Code (relating to deduc-*
6 *tion of tax from wages) is amended by adding at the*
7 *end the following new subsection:*

8 “(e) *SPECIAL RULE FOR CERTAIN TRANSFERRED*
9 *FEDERAL EMPLOYEES.—In the case of any payments of*
10 *wages for service performed in the employ of an inter-*
11 *national organization pursuant to a transfer to which the*
12 *provisions of section 3121(y) are applicable—*

13 “(1) *subsection (a) shall not apply,*

14 “(2) *the head of the Federal agency from which*
15 *the transfer was made shall separately include on the*
16 *statement required under section 6051—*

17 “(A) *the amount determined to be the*
18 *amount of the wages for such service, and*

19 “(B) *the amount of the tax imposed by sec-*
20 *tion 3101 on such payments, and*

21 “(3) *the tax imposed by section 3101 on such*
22 *payments shall be paid by the employee.”*

23 (4) *EXCLUSION FROM TREATMENT AS TRADE OR*
24 *BUSINESS.—Paragraph (2)(C) of section 1402(c) of*
25 *such Code (defining trade or business) is amended by*

1 *adding at the end the following: “except service which*
2 *constitutes ‘employment’ under section 3121(y),”.*

3 (5) *CONFORMING AMENDMENT.—Paragraph (15)*
4 *of section 3121(b) of such Code is amended by insert-*
5 *ing “, except service which constitutes ‘employment’*
6 *under subsection (y)” after “organization”.*

7 (b) *AMENDMENTS TO THE SOCIAL SECURITY ACT.—*

8 (1) *IN GENERAL.—Section 210 of the Social Se-*
9 *curity Act (42 U.S.C. 410) is amended by adding at*
10 *the end the following new subsection:*

11 *“SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZA-*
12 *TIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOY-*
13 *EES*

14 *“(r)(1) For purposes of this title, service performed in*
15 *the employ of an international organization by an individ-*
16 *ual pursuant to a transfer of such individual to such inter-*
17 *national organization pursuant to section 3582 of title 5,*
18 *United States Code, shall constitute ‘employment’ if—*

19 *“(A) immediately before such transfer, such indi-*
20 *vidual performed service with a Federal agency which*
21 *constituted ‘employment’ as defined in subsection (a),*
22 *and*

23 *“(B) such individual would be entitled, upon*
24 *separation from such international organization and*
25 *proper application, to reemployment with such Fed-*
26 *eral agency under such section 3582.*

1 “(2) For purposes of this subsection:

2 “(A) The term ‘Federal agency’ means an agen-
3 cy, as defined in section 3581(1) of title 5, United
4 States Code.

5 “(B) The term ‘international organization’ has
6 the meaning provided such term by section 3581(3) of
7 title 5, United States Code.”

8 (2) EXCLUSION FROM TREATMENT AS TRADE OR
9 BUSINESS.—Section 211(c)(2)(C) of such Act (42
10 U.S.C. 411(c)(2)(C)) is amended by inserting before
11 the semicolon the following “, except service which
12 constitutes ‘employment’ under section 210(r)”.

13 (3) CONFORMING AMENDMENT.—Section
14 210(a)(15) of such Act (42 U.S.C. 410(a)(15)) is
15 amended by inserting “, except service which con-
16 stitutes ‘employment’ under subsection (r)” before the
17 semicolon.

18 (c) EFFECTIVE DATE.—The amendments made by this
19 section shall apply with respect to service performed after
20 the calendar quarter following the calendar quarter in
21 which the date of the enactment of this Act occurs.

1 **SEC. 221. EXTEND THE FICA TAX EXEMPTION AND CERTAIN**
2 **TAX RULES TO INDIVIDUALS WHO ENTER THE**
3 **UNITED STATES UNDER A VISA ISSUED**
4 **UNDER SECTION 101 OF THE IMMIGRATION**
5 **AND NATIONALITY ACT.**

6 (a) *AMENDMENTS TO THE INTERNAL REVENUE CODE*
7 *OF 1986.*—

8 (1) *The following provisions of the Internal Rev-*
9 *enue Code of 1986 are each amended by striking “(J),*
10 *or (M)” each place it appears and inserting “(J),*
11 *(M), or (Q)”:*

12 (A) *Section 871(c).*

13 (B) *Section 1441(b).*

14 (C) *Section 3121(b)(19).*

15 (D) *Section 3231(e)(1).*

16 (E) *Section 3306(c)(19).*

17 (2) *Paragraph (3) of section 872(b) of such Code*
18 *is amended by striking “(F) or (J)” and inserting*
19 *“(F), (J), or (Q)”.*

20 (3) *Paragraph (5) of section 7701(b) of such*
21 *Code is amended by striking “subparagraph (J)” in*
22 *subparagraphs (C)(i) and (D)(i)(II) and inserting*
23 *“subparagraph (J) or (Q)”.*

24 (b) *AMENDMENT TO SOCIAL SECURITY ACT.*—Para-
25 *graph (19) of section 210(a) of the Social Security Act is*

1 amended by striking “(J), or (M)” each place it appears
2 and inserting “(J), (M), or (Q)”.

3 (c) *EFFECTIVE DATE.*—The amendments made by this
4 subsection shall take effect with the calendar quarter follow-
5 ing the date of the enactment of this Act.

6 **SEC. 222. STUDY OF RISING COSTS OF DISABILITY INSUR-**
7 **ANCE BENEFITS.**

8 (a) *IN GENERAL.*—As soon as practicable after the
9 date of the enactment of this Act, the Secretary of Health
10 and Human Services shall conduct a comprehensive study
11 of the reasons for rising costs payable from the Federal Dis-
12 ability Insurance Trust Fund.

13 (b) *MATTERS TO BE INCLUDED IN STUDY.*—In con-
14 ducting the study under this section, the Secretary shall—

15 (1) determine the relative importance of the fol-
16 lowing factors in increasing the costs payable from
17 the Trust Fund:

18 (A) increased numbers of applications for
19 benefits;

20 (B) higher rates of benefit allowances; and

21 (C) decreased rates of benefit terminations;

22 and

23 (2) identify, to the extent possible, underlying so-
24 cial, economic, demographic, programmatic, and

1 *other trends responsible for changes in disability bene-*
2 *fit applications, allowances, and terminations.*

3 *(c) REPORT.—Not later than December 31, 1994, the*
4 *Secretary shall transmit a report to the Committee on Ways*
5 *and Means of the House of Representatives and the Commit-*
6 *tee on Finance of the Senate setting forth the results of the*
7 *study conducted under this section, together with any rec-*
8 *ommendations for legislative changes which the Secretary*
9 *determines appropriate.*

10 **SEC. 223. COMMISSION ON CHILDHOOD DISABILITY.**

11 *(a) ESTABLISHMENT OF COMMISSION.—The Secretary*
12 *of Health and Human Services (in this section referred to*
13 *as the “Secretary”) shall appoint a Commission on the*
14 *Evaluation of Disability in Children (in this section re-*
15 *ferred to as the “Commission”).*

16 *(b) APPOINTMENT OF MEMBERS.—(1) The Secretary*
17 *shall appoint not less than 9 but not more than 15 members*
18 *to the Commission, including—*

19 *(A) recognized experts in the field of medicine,*
20 *whose work involves—*

21 *(i) the evaluation and treatment of disabil-*
22 *ity in children,*

23 *(ii) the study of congenital, genetic, or*
24 *perinatal disorders in children, or*

1 (iii) the measurement of developmental
2 milestones and developmental deficits in chil-
3 dren; and

4 (B) recognized experts in the fields of—

5 (i) psychology,

6 (ii) education and rehabilitation,

7 (iii) law,

8 (iv) the administration of disability pro-
9 grams,

10 (v) social insurance (including health insur-
11 ance), and

12 (vi) other fields of expertise that the Sec-
13 retary determines to be appropriate.

14 (2) Members shall be appointed by January 1, 1995,
15 without regard to the provisions of title 5, United States
16 Code, governing appointments to competitive service.

17 (3) Members appointed under this subsection shall
18 serve for a term equivalent to the duration of the Commis-
19 sion.

20 (4) The Secretary shall designate a member of the
21 Commission to serve as Chair of the Commission for a term
22 equivalent to the duration of the Commission.

23 (c) ADMINISTRATIVE PROVISIONS.—(1) Service as a
24 member of the Commission by an individual who is not
25 otherwise a Federal employee shall not be considered service

1 *in an appointive or elective position in the Federal Govern-*
2 *ment for the purposes of title 5, United States Code.*

3 (2) *Each member of the Commission who is not a full-*
4 *time Federal employee shall be paid compensation at a rate*
5 *equal to the daily equivalent of the rate of basic pay in*
6 *effect for Level IV of the Executive Schedule for each day*
7 *(including travel time) the member attends meetings or oth-*
8 *erwise performs the duties of the Commission.*

9 (3) *While away from their homes or regular places of*
10 *business on the business of the Commission, each member*
11 *who is not a full-time Federal employee may be allowed*
12 *travel expenses, including per diem in lieu of subsistence,*
13 *as authorized by section 5703 of title 5, United States Code,*
14 *for persons employed intermittently in the Government*
15 *service.*

16 (d) *ASSISTANCE TO COMMISSION.—The Commission*
17 *may engage individuals skilled in medical and other aspects*
18 *of childhood disability to provide such technical assistance*
19 *as may be necessary to carry out the functions of the Com-*
20 *mission. The Secretary shall make available to the Commis-*
21 *sion such secretarial, clerical, and other assistance as the*
22 *Commission may require to carry out the functions of the*
23 *Commission.*

24 (e) *STUDY BY THE COMMISSION.—(1) The Commission*
25 *shall conduct a study, in consultation with the National*

1 *Academy of Sciences, of the effects of the definition of “dis-*
2 *ability” under title XVI of the Social Security Act (42*
3 *U.S.C. 1382 et seq.) in effect on the date of enactment of*
4 *this Act, as such definition applies to determining whether*
5 *a child under the age of 18 is eligible to receive benefits*
6 *under such title, the appropriateness of such definition, and*
7 *the advantages and disadvantages of using any alternative*
8 *definition of disability in determining whether a child*
9 *under age 18 is eligible to receive benefits under such title.*

10 (2) *The study described in paragraph (1) shall include*
11 *issues of—*

12 (A) *whether the need by families for assistance*
13 *in meeting high costs of medical care for children*
14 *with serious physical or mental impairments, whether*
15 *or not they are eligible for disability benefits under*
16 *title XVI of the Social Security Act, might appro-*
17 *priately be met through expansion of Federal health*
18 *assistance programs (including the program of medi-*
19 *cal assistance under title XIX of such Act);*

20 (B) *the feasibility of providing benefits to chil-*
21 *dren through noncash means, including but not lim-*
22 *ited to vouchers, debit cards, and electronic benefit*
23 *transfer systems;*

24 (C) *the extent to which the Social Security Ad-*
25 *ministration can involve private organizations in an*

1 *effort to increae the provision of social services, edu-*
2 *cation, and vocational instruction with the aim of*
3 *promoting independence and the ability to engage in*
4 *substantial gainful activity;*

5 *(D) the feasibility of providing retroactive sup-*
6 *plemental security income benefits pursuant to the de-*
7 *cision in Sullivan v. Zebley, 110 S. Ct. 2658 (1990),*
8 *on a prorated basis or by means of a packaged trust;*

9 *(E) methods to increase the extent to which bene-*
10 *fits are used in the effort to assist the child achieve*
11 *independence and engage in substantial gainful activ-*
12 *ity; and*

13 *(F) such other issues that the Secretary deter-*
14 *mines to be appropriate.*

15 *(f) REPORT.—Not later than November 30, 1995, the*
16 *Commission shall prepare a report and submit such report*
17 *to the Committee on Ways and Means of the House of Rep-*
18 *resentatives and the Committee on Finance of the Senate*
19 *which shall summarize the results of the study described in*
20 *subsection (e) and include any recommendations that the*
21 *Commission determines to be appropriate.*

1 **SEC. 224. DISREGARD DEEMED INCOME AND RESOURCES**
2 **OF INELIGIBLE SPOUSE IN DETERMINING**
3 **CONTINUED ELIGIBILITY UNDER SECTION**
4 **1619(b).**

5 (a) *IN GENERAL.*—Section 1619(b)(2) of the Social Se-
6 curity Act (42 U.S.C. 1382h(b)(2)) is amended by adding
7 at the end the following:

8 “(C)(i)(I) For purposes of paragraph (1), in determin-
9 ing the earnings of an individual whose spouse is not an
10 eligible individual, there shall be disregarded the net income
11 of the spouse to the extent such net income does not exceed
12 an amount equal to twice the threshold amount determined
13 for the individual.

14 “(II) As used in subclause (I), the term ‘threshold
15 amount’ means, with respect to an individual—

16 “(aa) \$85, plus twice the amount of benefits pay-
17 able under this title (including federally administered
18 State supplementary payments) to an individual who
19 is living in his or her own household and who has no
20 other income, plus the average amount expended per
21 individual, under the State plan approved under title
22 XIX by the State in which the individual resides, on
23 individuals who are recipients of benefits under this
24 title by reason of disability; or

25 “(bb) if the gross earnings of the individual ex-
26 ceeds the amount described in item (aa), the amount

1 that would be sufficient to allow the individual to
2 provide for himself or herself a reasonable equivalent
3 of benefits and services described in paragraph
4 (1)(D).

5 “(ii) For purposes of paragraph (1)(A), in determin-
6 ing the resources of an individual whose spouse is not an
7 eligible individual, there shall be disregarded the resources
8 of the spouse to the extent the amount of such resources does
9 not exceed the community spouse resource allowance (as de-
10 fined in section 1924(f)(2)) of the State in which the indi-
11 vidual resides.”.

12 (b) *EFFECTIVE DATE.*—The amendment made by sub-
13 section (a) shall take effect on October 1, 1995.

14 **SEC. 225. PLANS FOR ACHIEVING SELF-SUPPORT NOT DIS-**
15 **APPROVED WITHIN 60 DAYS TO BE DEEMED**
16 **APPROVED.**

17 (a) *AMENDMENTS TO INCOME EXCLUSION RULES.*—
18 Section 1612(b)(4) of the Social Security Act (42 U.S.C.
19 1382a(b)(4)(A)) is amended in each of subparagraphs (A)
20 and (B) by inserting “and, for purposes of this clause, a
21 completed plan for achieving self-support which is not dis-
22 approved by the Board within 60 days after the date of
23 submission shall be deemed to be approved by the Board
24 until subsequently disapproved by the Board (with appro-
25 priate notification to the individual),” after “plan,”.

1 (b) *AMENDMENT TO RESOURCE EXCLUSION RULE.*—
2 Section 1613(a)(4) of such Act (42 U.S.C. 1382b(a)(4)) is
3 amended by inserting “, and, for purposes of this para-
4 graph, a completed plan for achieving self-support which
5 is not disapproved by the Board within 60 days after the
6 date of submission shall be deemed to be approved by the
7 Board until 6 months after subsequently disapproved by the
8 Board (with appropriate notification to the individual)”
9 after “such plan”.

10 (c) *EFFECTIVE DATE.*—The amendments made by this
11 section shall take effect on January 1, 1995.

12 **SEC. 226. TEMPORARY AUTHORITY TO APPROVE A LIMITED**
13 **NUMBER OF PLANS FOR ACHIEVING SELF-**
14 **SUPPORT THAT INCLUDE HOUSING GOALS.**

15 (a) *IN GENERAL.*—During the 42-month period that
16 begins on January 1, 1995, the Board may, under title XVI
17 of the Social Security Act, approve not more than 20 per-
18 cent of the plans for achieving self-support that include a
19 housing goal.

20 (b) *REPORT.*—Within 12 months after the end of the
21 5-year period that begins on January 1, 1995, the Board
22 shall submit to the Congress a report on the activities under
23 subsection (a).

1 **SEC. 227. REGULATIONS REGARDING COMPLETION OF**
2 **PLANS FOR ACHIEVING SELF-SUPPORT.**

3 (a) *IN GENERAL.*—Section 1633 of the Social Security
4 Act (42 U.S.C. 1383b) is amended by adding at the end
5 the following:

6 “(d) The Board shall establish by regulation time lim-
7 its and other criteria related to individuals’ plans for
8 achieving self-support, that take into account the difficulty
9 of achieving self-support based on the needs of individuals
10 and the goals of the plan.”

11 (b) *EFFECTIVE DATE.*—The amendment made by sub-
12 section (a) shall take effect on January 1, 1995.

13 **SEC. 228. TREATMENT OF CERTAIN GRANT, SCHOLARSHIP,**
14 **OR FELLOWSHIP INCOME AS EARNED INCOME**
15 **FOR SSI PURPOSES.**

16 (a) *IN GENERAL.*—Section 1612(a)(1) of the Social Se-
17 curity Act (42 U.S.C. 1382a(a)(1)) is amended—

18 (1) by striking “and” at the end of subpara-
19 graph (D); and

20 (2) by adding at the end the following:

21 “(F) any grant, scholarship, or fellowship.”

22 (b) *EFFECTIVE DATE.*—The amendments made by sub-
23 section (a) shall apply to eligibility and benefit determina-
24 tions for any month that begins after the 2nd month after
25 the month in which this Act is enacted.

1 **SEC. 229. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY**
2 **ABROAD.**

3 (a) *IN GENERAL.*—Section 1611(f) of the Social Secu-
4 rity Act (42 U.S.C. 1382(f)) is amended—

5 (1) by inserting “(1)” after “(f)”; and

6 (2) by adding after and below the end the follow-
7 ing:

8 “(2) The first sentence of paragraph (1) shall not
9 apply to any individual who—

10 “(A) was eligible to receive a benefit under this
11 title for the month immediately preceding the first
12 month during all of which the individual was outside
13 the United States; and

14 “(B) demonstrates to the satisfaction of the
15 Board that the absence of the individual from the
16 United States is—

17 “(i) temporary; and

18 “(ii) for the purpose of conducting studies
19 as part of an educational program that is de-
20 signed to prepare the individual for gainful em-
21 ployment, and is sponsored by a school, college,
22 or university in the United States.”.

23 (b) *EFFECTIVE DATE.*—The amendment made by sub-
24 section (a) shall take effect on January 1, 1995.

1 **SEC. 230. DISREGARD OF COST-OF-LIVING INCREASES FOR**
2 **CONTINUED ELIGIBILITY FOR WORK INCEN-**
3 **TIVES.**

4 (a) *IN GENERAL.*—Section 1619(b)(1)(B) of the Social
5 Security Act (42 U.S.C. 1382h(b)(1)(B)) is amended by in-
6 serting “and increases pursuant to section 215(i) in the
7 level of monthly insurance benefits to which the individual
8 is entitled under title II that occur while such individual
9 is considered to be receiving supplemental security income
10 benefits by reason of this subsection” after “earnings”.

11 (b) *EFFECTIVE DATE.*—The amendment made by sub-
12 section (a) shall apply to eligibility determinations for
13 months after December 1994.

14 **SEC. 231. EXPANSION OF THE AUTHORITY OF THE SOCIAL**
15 **SECURITY ADMINISTRATION TO PREVENT,**
16 **DETECT, AND TERMINATE FRAUDULENT**
17 **CLAIMS FOR SSI BENEFITS.**

18 (a) *PREVENTION OF FRAUD IN THE SSI PROGRAM BY*
19 *TRANSLATORS OF FOREIGN LANGUAGES.*—

20 (1) *IN GENERAL.*—Section 1631(e) of the Social
21 Security Act (42 U.S.C. 1383(e)) is amended by in-
22 serting after paragraph (3) the following:

23 “(4) A translation into English by a third party of
24 a statement made in a foreign language by an applicant
25 for or recipient of benefits under this title shall not be re-

1 garded as reliable unless the third party, under penalty of
2 perjury—

3 “(A) certifies that the translation is accurate;
4 and

5 “(B) discloses the nature and scope of the rela-
6 tionship between the third party and the applicant or
7 recipient, as the case may be.”

8 (2) *EFFECTIVE DATE.*—The amendment made by
9 paragraph (1) shall take effect on October 1, 1994.

10 (b) *CIVIL MONETARY PENALTIES, ASSESSMENTS, AND*
11 *EXCLUSIONS FOR TITLE XVI.*—

12 (1) *IN GENERAL.*—Title XI of the Social Secu-
13 rity Act (42 U.S.C. 1301–1320b–14) is amended by
14 inserting after section 1128B the following:

15 **“SEC. 1129. CIVIL MONETARY PENALTIES AND ASSESS-**
16 **MENTS FOR TITLE XVI.**

17 “(a) Any person (including an organization, agency,
18 or other entity) who makes, or causes to be made, a state-
19 ment or representation of a material fact for use in deter-
20 mining any initial or continuing right to benefits or pay-
21 ments under title XVI that the person knows or should know
22 is false or misleading or knows or should know omits a ma-
23 terial fact shall be subject to, in addition to any other pen-
24 alties that may be prescribed by law, a civil money penalty
25 of not more than \$5,000 for each such statement or represen-

1 *tation. Such person also shall be subject to an assessment,*
2 *in lieu of damages sustained by the United States because*
3 *of such statement or representation, of not more than twice*
4 *the amount of benefits or payments paid as a result of such*
5 *a statement or representation. In addition, the Board may*
6 *make a determination in the same proceeding to exclude*
7 *the person from participation in the programs under title*
8 *XVIII and to direct the appropriate State agency to exclude*
9 *the person from participation in any State health care pro-*
10 *gram.*

11 “(b)(1) *The Board may initiate a proceeding to deter-*
12 *mine whether to impose a civil money penalty, assessment,*
13 *or exclusion under subsection (a) only as authorized by the*
14 *Attorney General pursuant to procedures agreed upon by*
15 *the Board and the Attorney General. The Board may not*
16 *initiate an action under this section with respect to any*
17 *violation described in subsection (a) later than 6 years after*
18 *the date the violation was committed. The Board may initi-*
19 *ate an action under this section by serving notice of the*
20 *action in any manner authorized by Rule 4 of the Federal*
21 *Rules of Civil Procedure.*

22 “(2) *The Board shall not make a determination ad-*
23 *verse to any person under this section until the person has*
24 *been given written notice and an opportunity for the deter-*
25 *mination to be made on the record after a hearing at which*

1 *the person is entitled to be represented by counsel, to present*
2 *witnesses, and to cross-examine witnesses against the*
3 *person.*

4 “(3) *In a proceeding under this section which—*

5 “(A) *is against a person who has been convicted*
6 *(whether upon a verdict after trial or upon a plea of*
7 *guilty or nolo contendere) of a Federal crime charging*
8 *fraud or false statements; and*

9 “(B) *involves the same transaction as in the*
10 *criminal action;*

11 *the person is estopped from denying the essential elements*
12 *of the criminal offense.*

13 “(4) *The official conducting a hearing under this sec-*
14 *tion may sanction a person, including any party or attor-*
15 *ney, for failing to comply with an order or procedure, fail-*
16 *ing to defend an action, or other misconduct as would inter-*
17 *fere with the speedy, orderly, or fair conduct of the hearing.*
18 *Such sanction shall reasonably relate to the severity and*
19 *nature of the failure or misconduct. Such sanction may in-*
20 *clude—*

21 “(A) *in the case of refusal to provide or permit*
22 *discovery, drawing negative factual inference or treat-*
23 *ing such refusal as an admission by deeming the mat-*
24 *ter, or certain facts, to be established;*

1 “(B) prohibiting a party from introducing cer-
2 tain evidence or otherwise supporting a particular
3 claim or defense;

4 “(C) striking pleadings, in whole or in part;

5 “(D) staying the proceedings;

6 “(E) dismissal of the action;

7 “(F) entering a default judgment;

8 “(G) ordering the party or attorney to pay attor-
9 neys’ fees and other costs caused by the failure or mis-
10 conduct; and

11 “(H) refusing to consider any motion or other
12 action which is not filed in a timely manner.

13 “(c) In determining the amount or scope of any pen-
14 alty, assessment, or exclusion imposed pursuant to this sec-
15 tion, the Board shall take into account—

16 “(1) the nature of the statements and representa-
17 tions referred to in subsection (a) and the cir-
18 cumstances under which they occurred;

19 “(2) the degree of culpability, history of prior of-
20 fenses, and financial condition of the person commit-
21 ting the offense; and

22 “(3) such other matters as justice may require.

23 “(d)(1) Any person adversely affected by a determina-
24 tion of the Board under this section may obtain a review
25 of such determination in the United States Court of Appeals

1 *for the circuit in which the person resides, or in which the*
2 *statement or representation referred to in subsection (a) was*
3 *made, by filing in such court (within 60 days following*
4 *the date the person is notified of the Board's determination)*
5 *a written petition requesting that the determination be*
6 *modified or set aside. A copy of the petition shall be forth-*
7 *with transmitted by the clerk of the court to the Board, and*
8 *thereupon the Board shall file in the court the record in*
9 *the proceeding as provided in section 2112 of title 28, Unit-*
10 *ed States Code. Upon such filing, the court shall have juris-*
11 *isdiction of the proceeding and of the question determined*
12 *therein, and shall have the power to make and enter upon*
13 *the pleadings, testimony, and proceedings set forth in such*
14 *record a decree affirming, modifying, remanding for further*
15 *consideration, or setting aside, in whole or in part, the de-*
16 *termination of the Board and enforcing the same to the ex-*
17 *tent that such order is affirmed or modified. No objection*
18 *that has not been urged before the Board shall be considered*
19 *by the court, unless the failure or neglect to urge such objec-*
20 *tion shall be excused because of extraordinary cir-*
21 *cumstances.*

22 “(2) *The findings of the Board with respect to ques-*
23 *tions of fact, if supported by substantial evidence on the*
24 *record considered as a whole, shall be conclusive in the re-*
25 *view described in paragraph (1). If any party shall apply*

1 *to the court for leave to adduce additional evidence and*
2 *shall show to the satisfaction of the court that such addi-*
3 *tional evidence is material and that there were reasonable*
4 *grounds for the failure to adduce such evidence in the hear-*
5 *ing before the Board, the court may order such additional*
6 *evidence to be taken before the Board and to be made a*
7 *part of the record. The Board may modify its findings as*
8 *to the facts, or make new findings, by reason of additional*
9 *evidence so taken and filed, and the Board shall file with*
10 *the court such modified or new findings, which findings*
11 *with respect to questions of fact, if supported by substantial*
12 *evidence on the record considered as a whole shall be conclu-*
13 *sive, and his recommendations, if any, for the modification*
14 *or setting aside of his original order.*

15 “(3) *Upon the filing of the record with the Board’s*
16 *original or modified order, the jurisdiction of the court shall*
17 *be exclusive and its judgment and decree shall be final, ex-*
18 *cept that the same shall be subject to review by the Supreme*
19 *Court of the United States, as provided in section 1254 of*
20 *title 28, United States Code.*

21 “(e)(1) *Civil money penalties and assessments imposed*
22 *under this section may be compromised by the Board and*
23 *may be recovered—*

24 “(A) *in a civil action in the name of the United*
25 *States brought in United States district court for the*

1 *district where the statement or representation referred*
2 *to in subsection (a) was made, or where the person*
3 *resides, as determined by the Board;*

4 *“(B) by means of reduction in tax refunds to*
5 *which the person is entitled, based on notice to the*
6 *Secretary of the Treasury as permitted under section*
7 *3720A of title 31, United States Code;*

8 *“(C) by decrease of any payment under title XVI*
9 *to which the person is entitled, notwithstanding sec-*
10 *tion 207 of this Act, as made applicable to this title*
11 *by reason of section 1631(d)(1);*

12 *“(D) by authorities provided under the Debt Col-*
13 *lection Act of 1982, as amended, to the extent appli-*
14 *cable to debts arising under the Social Security Act;*

15 *“(E) by deduction of the amount of such penalty*
16 *or assessment, when finally determined, or the*
17 *amount agreed upon in compromise, from any sum*
18 *then or later owing by the United States to the person*
19 *against whom the penalty or assessment has been as-*
20 *essed; or*

21 *“(F) by any combination of the foregoing.*

22 *“(f) A determination by the Board to impose a pen-*
23 *alty, assessment, or exclusion under this section shall be*
24 *final upon the expiration of the 60-day period referred to*
25 *in subsection (d). Matters that were raised or that could*

1 *have been raised in a hearing before the Board or in an*
2 *appeal pursuant to subsection (d) may not be raised as a*
3 *defense to a civil action by the United States to collect a*
4 *penalty and assessment imposed under this section.*

5 “(g) *Whenever the Board’s determination to impose a*
6 *penalty, assessment, or exclusion under this section with re-*
7 *spect to a medical provider or physician becomes final, the*
8 *provisions of section 1128A(h) shall apply.*

9 “(h) *Whenever the Board has reason to believe that any*
10 *person has engaged, is engaging, or is about to engage in*
11 *any activity which makes the person subject to a civil mone-*
12 *tary penalty under this section, the Board may bring an*
13 *action in an appropriate district court of the United States*
14 *(or, if applicable, a United States court of any territory)*
15 *to enjoin such activity, or to enjoin the person from conceal-*
16 *ing, removing, encumbering, or disposing of assets which*
17 *may be required in order to pay a civil monetary penalty*
18 *and assessment if any such penalty were to be imposed or*
19 *to seek other appropriate relief.*

20 “(i)(1) *The provisions of subsections (d) and (e) of sec-*
21 *tion 205 shall apply with respect to this section to the same*
22 *extent as they are applicable with respect to title II. The*
23 *Board may delegate the authority granted by section 205(d)*
24 *(as made applicable to this section) to the Inspector General*

1 *of the Department of Health and Human Services for pur-*
2 *poses of any investigation under this section.*

3 “(2) *The Board may delegate authority granted under*
4 *this section to the Inspector General of the Social Security*
5 *Administration.*

6 “(j) *For purposes of this section, the term ‘State agen-*
7 *cy’ shall have the same meaning as in section 1128A(i)(1).*

8 “(k) *A principal is liable for penalties, assessments,*
9 *and exclusions under this section for the actions of the prin-*
10 *cipal’s agent acting within the scope of the agency.”*

11 (2) *CONFORMING AMENDMENTS.—Section 1128*
12 *of such Act (42 U.S.C. 1320a–7) is amended—*

13 (A) *in subsection (b)(7), by striking “or sec-*
14 *tion 1128B” and inserting “, section 1128B, or*
15 *section 1129”;*

16 (B) *in subsection (b)(8)(B)(ii), by inserting*
17 *“and section 1129” after “section 1128A”;*

18 (C) *in subsection (c)(1), by striking “or*
19 *under section 1128A” and inserting “, section*
20 *1128A, or section 1129”;*

21 (D) *in subsection (c)(3)(A), by inserting “or*
22 *section 1129” after “section 1128A”;*

23 (E) *in subsection (d)(1), by striking “and*
24 *section 1128A” and inserting “, section 1128A,*
25 *and section 1129”;*

1 (F) in subsection (d)(2)(A), by striking “or
2 section 1128A” and inserting “, section 1128A,
3 or section 1129”;

4 (G) in subsection (e)(1), by striking “or sec-
5 tion 1128A” and inserting “, section 1128A, or
6 section 1129”;

7 (H) in subsection (f)(3), by inserting “,
8 1129,” after “sections 1128A”;

9 (I) in subsection (g)(1), by striking “or sec-
10 tion 1128A” each place such term appears and
11 inserting “, section 1128A, or section 1129”;

12 (J) in subsection (g)(2)(A), by inserting
13 “and section 1129(a)” after “section 1128A(a)”;
14 and

15 (K) in subsection (h), by striking “1128A
16 and 1128B” and inserting “1128A, 1128B, and
17 1129”.

18 (c) *SSI FRAUD CONSIDERED A FELONY.*—

19 (1) *IN GENERAL.*—Section 1632(a) of the Social
20 Security Act (42 U.S.C. 1383a(a)) is amended by
21 striking “shall” the 1st place such term appears and
22 all that follows and inserting “shall be fined under
23 title 18, United States Code, imprisoned not more
24 than 5 years, or both.”.

1 (2) *CONFORMING AMENDMENT.—Section 1632(b)*
2 *of such Act (42 U.S.C. 1383a(b)) is amended to read*
3 *as follows:*

4 “(b)(1) *If a person or entity violates subsection (a) in*
5 *the person’s or entity’s role as, or in applying to become,*
6 *a payee under section 1631(a)(2) on behalf of another indi-*
7 *vidual (other than the person’s eligible spouse), and the vio-*
8 *lation includes a willful misuse of funds by the person or*
9 *entity, the court may also require that full or partial res-*
10 *titution of funds be made to such other individual.*

11 “(2) *Any person or entity convicted of a violation of*
12 *subsection (a) of this section or of section 208 may not be*
13 *certified as a payee under section 1631(a)(2).”.*

14 (d) *AUTHORITY TO REDETERMINE ELIGIBILITY IN*
15 *DISABILITY CASES IF FRAUD IS INVOLVED, AND TO TERMI-*
16 *NATE BENEFITS IF THERE IS INSUFFICIENT RELIABLE*
17 *EVIDENCE OF DISABILITY.—*

18 (1) *IN GENERAL.—Section 1631(e) of the Social*
19 *Security Act (42 U.S.C. 1383(e)) is amended by add-*
20 *ing at the end the following:*

21 “(6)(A) *The Board shall immediately redetermine the*
22 *eligibility of an individual for benefits under this title by*
23 *reason of disability, disregarding any unreliable evidence*
24 *of disability, if there is reason to believe that fraud was*
25 *involved in the application of the individual for such bene-*

1 *fits, unless a United States attorney, or equivalent State*
2 *prosecutor, with jurisdiction over potential or actual related*
3 *criminal cases, certifies, in writing, that there is a substan-*
4 *tial risk that redetermining such eligibility would jeopard-*
5 *ize the criminal prosecution of any person who is a subject*
6 *of the investigation from which the information is derived.*

7 “(B) *If, after redetermining the eligibility of an indi-*
8 *vidual for benefits under this title by reason of disability,*
9 *the Board determines that there is insufficient reliable evi-*
10 *dence of disability, the Board may terminate such eligi-*
11 *bility.*”.

12 (2) *EFFECTIVE DATE.*—*The amendment made by*
13 *paragraph (1) shall take effect on October 1, 1994,*
14 *and shall apply to eligibility determinations made be-*
15 *fore, on, or after such date.*

16 (e) *AVAILABILITY OF RECIPIENT IDENTIFYING INFOR-*
17 *MATION FROM THE INSPECTOR GENERAL, SOCIAL SECU-*
18 *RITY ADMINISTRATION.*—

19 (1) *IN GENERAL.*—*Section 1631(e) of the Social*
20 *Security Act (42 U.S.C. 1383(e)), as amended by sub-*
21 *section (d) of this section, is amended by adding at*
22 *the end the following:*

23 “(7) *As soon as the Inspector General, Social Security*
24 *Administration, has reason to believe that fraud was in-*
25 *volved in the application of a recipient for benefits under*

1 *this title, the Inspector General shall make available to the*
2 *Board information identifying the recipient, unless a Unit-*
3 *ed States attorney, or equivalent State prosecutor, with ju-*
4 *risdiction over potential or actual related criminal cases,*
5 *certifies, in writing, that there is a substantial risk that*
6 *making the information so available or redetermining the*
7 *eligibility of the recipient for such benefits would jeopardize*
8 *the criminal prosecution of any person who is a subject of*
9 *the investigation from which the information is derived.”.*

10 (2) *EFFECTIVE DATE.—The amendment made by*
11 *paragraph (1) shall take effect on October 1, 1994.*

12 (f) *AUTHORITY TO USE AVAILABLE PREADMISSION IM-*
13 *MIGRANT AND REFUGEE MEDICAL INFORMATION.—*

14 (1) *IN GENERAL.—Section 1631(e) of the Social*
15 *Security Act (42 U.S.C. 1383(e)), as amended by the*
16 *preceding provisions of this Act, is amended by add-*
17 *ing at the end the following:*

18 “(8) *The Board shall request the Immigration and*
19 *Naturalization Service and the Centers for Disease Control*
20 *to provide the Board with whatever medical information*
21 *either such entity has with respect to any alien who has*
22 *applied for benefits under this title to the extent that the*
23 *information is relevant to any determination relating to*
24 *such eligibility.”.*

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
2 *paragraph (1) shall take effect on October 1, 1994.*

3 (g) *ANNUAL REPORTS ON REVIEWS OF SSI CASES.*—
4 *The Board shall annually submit to the Committee on Ways*
5 *and Means of the House of Representatives and the Commit-*
6 *tee on Finance of the Senate a report on the extent to which*
7 *the Board has exercised its authority to review supple-*
8 *mental security income cases under title XVI of the Social*
9 *Security Act, and the extent to which the cases reviewed*
10 *were those that involved a high likelihood or probability of*
11 *fraud.*

12 ***SEC. 232. DISABILITY REVIEW REQUIRED FOR SSI RECIPI-***
13 ***ENTS WHO ARE 18 YEARS OF AGE.***

14 (a) *IN GENERAL.*—*Section 1614(a)(3)(G) of the Social*
15 *Security Act (42 U.S.C. 1382c(a)(3)(G)) is amended—*

16 (1) *by inserting “(i)” after “(G)”;* and

17 (2) *by adding after and below the end the follow-*
18 *ing:*

19 “(ii)(I) *During the 1-year period that begins on the*
20 *date a recipient of benefits under this title by reason of dis-*
21 *ability attains 18 years of age, the applicable State agency*
22 *or the Board (as may be appropriate) shall redetermine the*
23 *eligibility of the recipient for such benefits by reason of dis-*
24 *ability, by applying the criteria used in determining eligi-*

1 *bility for such benefits of applicants who have attained 18*
2 *years of age.*

3 *“(II) A review under subclause (I) of this clause shall*
4 *be considered a substitute for a review required under clause*
5 *(i).”*

6 *(b) EFFECTIVE DATE.—The amendments made by sub-*
7 *section (a) shall apply to individuals who attain 18 years*
8 *of age in or after the 9th month after the month in which*
9 *this Act is enacted.*

10 **SEC. 233. CONTINUING DISABILITY REVIEWS.**

11 *(a) IN GENERAL.—Section 1614(a)(3)(G) of such Act*
12 *(42 U.S.C. 1382c(a)(3)(G)) is amended by inserting*
13 *“221(i),” after “221(h),”*

14 *(b) EFFECTIVE DATE.—The amendment made by sub-*
15 *section (A) shall take effect on October 1, 1995.*

16 **SEC. 234. TECHNICAL AND CLERICAL AMENDMENTS.**

17 *(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECU-*
18 *RITY ACT.—*

19 *(1) Section 201(a) of the Social Security Act (42*
20 *U.S.C. 401(a)) is amended, in the matter following*
21 *clause (4), by striking “and and” and inserting*
22 *“and”*.

23 *(2) Section 202(d)(8)(D)(ii) of such Act (42*
24 *U.S.C. 402(d)(8)(D)(ii)) is amended by adding a pe-*
25 *riod at the end and by adjusting the left hand*

1 *margination thereof so as to align with section*
2 *202(d)(8)(D)(i) of such Act.*

3 (3) *Section 202(q)(1)(A) of such Act (42 U.S.C.*
4 *402(q)(1)(A)) is amended by striking the dash at the*
5 *end.*

6 (4) *Section 202(q)(9) of such Act (42 U.S.C.*
7 *402(q)(9)) is amended, in the matter preceding sub-*
8 *paragraph (A), by striking “parargaph” and insert-*
9 *ing “paragraph”.*

10 (5) *Section 202(t)(4)(D) of such Act (42 U.S.C.*
11 *402(t)(4)(D)) is amended by inserting “if the” before*
12 *“Secretary” the second and third places it appears.*

13 (6) *Clauses (i) and (ii) of section 203(f)(5)(C) of*
14 *such Act (42 U.S.C. 403(f)(5)(C)) are amended by ad-*
15 *justing the left-hand margination thereof so as to*
16 *align with clauses (i) and (ii) of section 203(f)(5)(B)*
17 *of such Act.*

18 (7) *Paragraph (3)(A) and paragraph (3)(B) of*
19 *section 205(b) of such Act (42 U.S.C. 405(b)) are*
20 *amended by adjusting the left-hand margination*
21 *thereof so as to align with the matter following section*
22 *205(b)(2)(C) of such Act.*

23 (8) *Section 205(c)(2)(B)(iii) of such Act (42*
24 *U.S.C. 405(c)(2)(B)(iii)) is amended by striking*
25 *“non-public” and inserting “nonpublic”.*

1 (9) *Section 205(c)(2)(C) of such Act (42 U.S.C.*
2 *405(c)(2)(C) is amended—*

3 (A) *by striking the clause (vii) added by*
4 *section 2201(c) of Public Law 101-624;*

5 (B) *by redesignating the clause (iii) added*
6 *by section 2201(b)(3) of Public Law 101-624,*
7 *clause (iv), clause (v), clause (vi), and the clause*
8 *(vii) added by section 1735(b) of Public Law*
9 *101-624 as clause (iv), clause (v), clause (vi),*
10 *clause (vii), and clause (viii), respectively;*

11 (C) *in clause (v) (as redesignated), by strik-*
12 *ing “subclause (I) of”, and by striking*
13 *“subclause (II) of clause (i)” and inserting*
14 *“clause (ii)”;* and

15 (D) *in clause (viii)(IV) (as redesignated),*
16 *by inserting “a social security account number*
17 *or” before “a request for”.*

18 (10) *The heading for section 205(j) of such Act*
19 *(42 U.S.C. 405(j)) is amended to read as follows:*

20 *“Representative Payees”.*

21 (11) *The heading for section 205(s) of such Act*
22 *(42 U.S.C. 405(s)) is amended to read as follows:*

1 *“Notice Requirements”.*

2 (12) *Section 208(c) of such Act (42 U.S.C.*
3 *408(c)) is amended by striking “subsection (g)” and*
4 *inserting “subsection (a)(7)”.*

5 (13) *Section 210(a)(5)(B)(i)(V) of such Act (42*
6 *U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking*
7 *“section 105(e)(2)” and inserting “section 104(e)(2)”.*

8 (14) *Section 211(a) of such Act (42 U.S.C.*
9 *411(a)) is amended—*

10 (A) *in paragraph (13), by striking “and”*
11 *at the end; and*

12 (B) *in paragraph (14), by striking the pe-*
13 *riod and inserting “; and”.*

14 (15) *Section 213(c) of such Act (42 U.S.C.*
15 *413(c)) is amended by striking “section” the first*
16 *place it appears and inserting “sections”.*

17 (16) *Section 215(a)(5)(B)(i) of such Act (42*
18 *U.S.C. 415(a)(5)(B)(i)) is amended by striking “sub-*
19 *section” the second place it appears and inserting*
20 *“subsections”.*

21 (17) *Section 215(f)(7) of such Act (42 U.S.C.*
22 *415(f)(7)) is amended by inserting a period after*
23 *“1990”.*

24 (18) *Subparagraph (F) of section 218(c)(6) of*
25 *such Act (42 U.S.C. 418(c)(6)) is amended by adjust-*

1 *ing the left-hand margination thereof so as to align*
2 *with section 218(c)(6)(E) of such Act.*

3 (19) Section 223(i) of such Act (42 U.S.C.
4 423(i)) is amended by adding at the beginning the
5 following heading:

6 “Limitation on Payments to Prisoners”.

7 (b) RELATED AMENDMENTS.—

8 (1) Section 603(b)(5)(A) of Public Law 101–649
9 (amending section 202(n)(1) of the Social Security
10 Act) (104 Stat. 5085) is amended by inserting
11 “under” before “paragraph (1),” and by striking
12 “(17), or (18)” and inserting “(17), (18), or (19)”, ef-
13 fective as if this paragraph were included in such sec-
14 tion 603(b)(5)(A).

15 (2) Section 10208(b)(1) of Public Law 101–239
16 (amending section 230(b)(2)(A) of the Social Security
17 Act) (103 Stat. 2477) is amended by striking
18 “230(b)(2)(A)” and “430(b)(2)(A)” and inserting
19 “230(b)(2)” and “430(b)(2)”, respectively, effective as
20 if this paragraph were included in such section
21 10208(b)(1).

22 (c) CONFORMING, CLERICAL AMENDMENTS UPDATING,
23 WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE
24 II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVE-
25 NUE CODE.—

1 (1)(A)(i) Section 201(g)(1) of such Act (42
2 U.S.C. 401(g)(1)) is amended—

3 (I) in subparagraph (A)(i), by striking
4 “and subchapter E” and all that follows through
5 “1954” and inserting “and chapters 2 and 21 of
6 the Internal Revenue Code of 1986”;

7 (II) in subparagraph (A)(ii), by striking
8 “1954” and inserting “1986”;

9 (III) in the matter in subparagraph (A) fol-
10 lowing clause (ii), by striking “subchapter E”
11 and all that follows through “1954.” and insert-
12 ing “chapters 2 and 21 of the Internal Revenue
13 Code of 1986.”, and by striking “1954 other”
14 and inserting “1986 other”; and

15 (IV) in subparagraph (B), by striking
16 “1954” each place it appears and inserting
17 “1986”.

18 (ii) The amendments made by clause (i) shall
19 apply only with respect to periods beginning on or
20 after the date of the enactment of this Act.

21 (B)(i) Section 201(g)(2) of such Act (42 U.S.C.
22 401(g)(2)) is amended by striking “section 3101(a)”
23 and all that follows through “1950.” and inserting
24 “section 3101(a) of the Internal Revenue Code of 1986
25 which are subject to refund under section 6413(c) of

1 *such Code with respect to wages (as defined in section*
2 *3121 of such Code).”, and by striking “wages re-*
3 *ported” and all that follows through “1954,” and in-*
4 *serting “wages reported to the Secretary of the Treas-*
5 *ury or his delegate pursuant to subtitle F of such*
6 *Code.”.*

7 *(ii) The amendments made by clause (i) shall*
8 *apply only with respect to wages paid on or after*
9 *January 1, 1995.*

10 *(C) Section 201(g)(4) of such Act (42 U.S.C.*
11 *401(g)(4)) is amended—*

12 *(i) by striking “The Board of Trustees shall*
13 *prescribe before January 1, 1981, the method”*
14 *and inserting “If at any time or times the*
15 *Boards of Trustees of such Trust Funds deem*
16 *such action advisable, they may modify the*
17 *method prescribed by such Boards”;*

18 *(ii) by striking “1954” and inserting*
19 *“1986”; and*

20 *(iii) by striking the last sentence.*

21 *(2) Section 202(v) of such Act (42 U.S.C. 402(v))*
22 *is amended—*

23 *(A) in paragraph (1), by striking “1954”*
24 *and inserting “1986”; and*

1 (B) in paragraph (3)(A), by inserting “of
2 the Internal Revenue Code of 1986” after
3 “3127”.

4 (3) Section 205(c)(5)(F)(i) of such Act (42
5 U.S.C. 405(c)(5)(F)(i)) is amended by inserting “or
6 the Internal Revenue Code of 1986” after “1954”.

7 (4)(A) Section 209(a)(4)(A) of such Act (42
8 U.S.C. 409(a)(4)(A)) is amended by inserting “or the
9 Internal Revenue Code of 1986” after “Internal Reve-
10 nue Code of 1954”.

11 (B) Section 209(a) of such Act (42 U.S.C.
12 409(a)) is amended—

13 (i) in subparagraphs (C) and (E) of para-
14 graph (4),

15 (ii) in paragraph (5)(A),

16 (iii) in subparagraphs (A) and (B) of para-
17 graph (14),

18 (iv) in paragraph (15),

19 (v) in paragraph (16), and

20 (vi) in paragraph (17),

21 by striking “1954” each place it appears and insert-
22 ing “1986”.

23 (C) Subsections (b), (f), (g), (i)(1), and (j) of sec-
24 tion 209 of such Act (42 U.S.C. 409) are amended by

1 *striking “1954” each place it appears and inserting*
2 *“1986”.*

3 *(5) Section 211(a)(15) of such Act (42 U.S.C.*
4 *411(a)(15)) is amended by inserting “of the Internal*
5 *Revenue Code of 1986” after “section 162(m)”.*

6 *(6) Title II of such Act is further amended—*

7 *(A) in subsections (f)(5)(B)(ii) and (k) of*
8 *section 203 (42 U.S.C. 403),*

9 *(B) in section 205(c)(1)(D)(i) (42 U.S.C.*
10 *405(c)(1)(D)(i)),*

11 *(C) in the matter in section 210(a) (42*
12 *U.S.C. 410(a)) preceding paragraph (1) and in*
13 *paragraphs (8), (9), and (10) of section 210(a),*

14 *(D) in subsections (p)(4) and (q) of section*
15 *210 (42 U.S.C. 410),*

16 *(E) in the matter in section 211(a) (42*
17 *U.S.C. 411(a)) preceding paragraph (1) and in*
18 *paragraphs (3), (4), (6), (10), (11), and (12) and*
19 *clauses (iii) and (iv) of section 211(a),*

20 *(F) in the matter in section 211(c) (42*
21 *U.S.C. 411(c)) preceding paragraph (1), in*
22 *paragraphs (3) and (6) of section 211(c), and in*
23 *the matter following paragraph (6) of section*
24 *211(c),*

1 (G) in subsections (d), (e), and (h)(1)(B) of
2 section 211 (42 U.S.C. 411),

3 (H) in section 216(j) (42 U.S.C. 416(j)),

4 (I) in section 218(e)(3) (42 U.S.C.
5 418(e)(3)),

6 (J) in section 229(b) (42 U.S.C. 429(b)),

7 (K) in section 230(c) (42 U.S.C. 430(c)),

8 and

9 (L) in section 232 (42 U.S.C. 432),

10 by striking “1954” each place it appears and insert-
11 ing “1986”.

12 (d) *RULES OF CONSTRUCTION.*—

13 (1) *The preceding provisions of this section shall*
14 *be construed only as technical and clerical corrections*
15 *and as reflecting the original intent of the provisions*
16 *amended thereby.*

17 (2) *Any reference in title II of the Social Secu-*
18 *rity Act to the Internal Revenue Code of 1986 shall*
19 *be construed to include a reference to the Internal*
20 *Revenue Code of 1954 to the extent necessary to carry*
21 *out the provisions of paragraph (1).*

22 (e) *UTILIZATION OF NATIONAL AVERAGE WAGE INDEX*
23 *FOR WAGE-BASED ADJUSTMENTS.*—

1 (1) *DEFINITION OF NATIONAL AVERAGE WAGE*
2 *INDEX.—Section 209(k) of the Social Security Act (42*
3 *U.S.C. 409(k)) is amended—*

4 (A) *by redesignating paragraph (2) as*
5 *paragraph (3);*

6 (B) *in paragraph (3) (as redesignated), by*
7 *striking “paragraph (1)” and inserting “this*
8 *subsection”; and*

9 (C) *by striking paragraph (1) and inserting*
10 *the following new paragraphs:*

11 “*(k)(1) For purposes of sections 203(f)(8)(B)(ii),*
12 *213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii),*
13 *215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E),*
14 *215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2)*
15 *as in effect immediately prior to the enactment of the Social*
16 *Security Amendments of 1977), the term ‘national average*
17 *wage index’ for any particular calendar year means, subject*
18 *to regulations of the Secretary under paragraph (2), the av-*
19 *erage of the total wages for such particular calendar year.*

20 “*(2) The Secretary shall prescribe regulations under*
21 *which the national average wage index for any calendar*
22 *year shall be computed—*

23 (A) *on the basis of amounts reported to the Sec-*
24 *retary of the Treasury or his delegate for such year,*

1 “(B) by disregarding the limitation on wages
2 specified in subsection (a)(1),

3 “(C) with respect to calendar years after 1990,
4 by incorporating deferred compensation amounts and
5 factoring in for such years the rate of change from
6 year to year in such amounts, in a manner consistent
7 with the requirements of section 10208 of the Omni-
8 bus Budget Reconciliation Act of 1989, and

9 “(D) with respect to calendar years before 1978,
10 in a manner consistent with the manner in which the
11 average of the total wages for each of such calendar
12 years was determined as provided by applicable law
13 as in effect for such years.”.

14 (2) CONFORMING AMENDMENTS.—

15 (A) Section 213(d)(2)(B) of such Act (42
16 U.S.C. 413(d)(2)(B)) is amended by striking
17 “deemed average total wages” and inserting “na-
18 tional average wage index”, and by striking “the
19 average of the total wages” and all that follows
20 and inserting “the national average wage index
21 (as so defined) for 1976.”.

22 (B) Section 215(a)(1)(B)(ii) of such Act (42
23 U.S.C. 415(a)(1)(B)(ii)) is amended—

1 (i) in subclause (I), by striking
2 “deemed average total wages” and inserting
3 “national average wage index”; and

4 (ii) in subclause (II), by striking “the
5 average of the total wages” and all that fol-
6 lows and inserting “the national average
7 wage index (as so defined) for 1977.”.

8 (C) Section 215(a)(1)(C)(ii) of such Act (42
9 U.S.C. 415(a)(1)(C)(ii)) is amended by striking
10 “deemed average total wages” and inserting “na-
11 tional average wage index”.

12 (D) Section 215(a)(1)(D) of such Act (42
13 U.S.C. 415(a)(1)(D)) is amended—

14 (i) by striking “after 1978”;

15 (ii) by striking “and the average of the
16 total wages (as described in subparagraph
17 (B)(ii)(I))” and inserting “and the national
18 average wage index (as defined in section
19 209(k)(1))”; and

20 (iii) by striking the last sentence.

21 (E) Section 215(b)(3)(A)(ii) of such Act (42
22 U.S.C. 415(b)(3)(A)(ii)) is amended by striking
23 “deemed average total wages” each place it ap-
24 pears and inserting “national average wage
25 index”.

1 (F) Section 215(i)(1) of such Act (42 U.S.C.
2 415(i)(1)) is amended—

3 (i) in subparagraph (E), by striking
4 “SSA average wage index” and inserting
5 “national average wage index (as defined in
6 section 209(k)(1))”; and

7 (ii) by striking subparagraph (G) and
8 redesignating subparagraph (H) as sub-
9 paragraph (G).

10 (G) Section 215(i)(2)(C)(ii) of such Act (42
11 U.S.C. 415(i)(1)(C)(ii)) is amended to read as
12 follows:

13 “(ii) The Secretary shall determine and promulgate
14 the OASDI fund ratio for the current calendar year on or
15 before November 1 of the current calendar year, based upon
16 the most recent data then available. The Secretary shall in-
17 clude a statement of the fund ratio and the national average
18 wage index (as defined in section 209(k)(1)) and a state-
19 ment of the effect such ratio and the level of such index
20 may have upon benefit increases under this subsection in
21 any notification made under clause (i) and any determina-
22 tion published under subparagraph (D).”.

23 (H) Section 224(f)(2) of such Act (42
24 U.S.C. 424a(f)(2)) is amended—

1 (i) in subparagraph (A), by adding
2 “and” at the end;

3 (ii) by striking subparagraph (C); and

4 (iii) by striking subparagraph (B) and
5 inserting the following:

6 “(B) the ratio of (i) the national average wage
7 index (as defined in section 209(k)(1)) for the cal-
8 endar year before the year in which such redetermina-
9 tion is made to (ii) the national average wage index
10 (as so defined) for the calendar year before the year
11 in which the reduction was first computed (but not
12 counting any reduction made in benefits for a pre-
13 vious period of disability).”.

14 (f) TECHNICAL CORRECTIONS RELATED TO OASDI IN
15 THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—

16 (1) AMENDMENTS RELATED TO PROVISIONS IN
17 SECTION 5103(b) RELATING TO DISABLED WIDOWS.—

18 Section 223(f)(2) of the Social Security Act (42
19 U.S.C. 423(f)(2)) is amended—

20 (A) in subparagraph (A), by striking “(in
21 a case to which clause (ii)(II) does not apply)”;

22 and

23 (B) by striking subparagraph (B)(ii) and
24 inserting the following:

1 “(ii) the individual is now able to en-
2 gage in substantial gainful activity; or”.

3 (2) AMENDMENTS RELATED TO PROVISIONS IN
4 SECTION 5105(d) RELATING TO REPRESENTATIVE PAY-
5 EES.—

6 (A) TITLE II AMENDMENTS.—Section
7 5105(d)(1)(A) of the Omnibus Budget Reconcili-
8 ation Act of 1990 (Public Law 101–508) is
9 amended—

10 (i) by striking “Section 205(j)(5)” and
11 inserting “Section 205(j)(6)”; and

12 (ii) by redesignating the paragraph (5)
13 as amended thereby as paragraph (6).

14 (B) TITLE XVI AMENDMENTS.—Section
15 1631(a)(2) of the Social Security Act (42 U.S.C.
16 1383(a)(2)) is amended—

17 (i) by redesignating subparagraphs (E)
18 and (F) as subparagraphs (F) and (G), re-
19 spectively; and

20 (ii) by inserting after subparagraph
21 (D) the following:

22 “(E) RESTITUTION.—In cases where the negligent fail-
23 ure of the Secretary to investigate or monitor a representa-
24 tive payee results in misuse of benefits by the representative
25 payee, the Secretary shall make payment to the beneficiary

1 *or the beneficiary's representative payee of an amount equal*
2 *to such misused benefits. The Secretary shall make a good*
3 *faith effort to obtain restitution from the terminated rep-*
4 *resentative payee."*

5 (3) *AMENDMENTS RELATED TO PROVISIONS IN*
6 *SECTION 5106 RELATING TO COORDINATION OF RULES*
7 *UNDER TITLES II AND XVI GOVERNING FEES FOR REP-*
8 *RESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS*
9 *UNDER BOTH TITLES.—*

10 (A) *CALCULATION OF FEE OF CLAIMANT'S*
11 *REPRESENTATIVE BASED ON AMOUNT OF PAST-*
12 *DUE SUPPLEMENTAL SECURITY INCOME BENE-*
13 *FITS AFTER APPLICATION OF WINDFALL OFFSET*
14 *PROVISION.—Section 1631(d)(2)(A)(i) of the So-*
15 *cial Security Act (as amended by section*
16 *5106(a)(2) of the Omnibus Budget Reconcili-*
17 *ation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i))*
18 *is amended to read as follows:*

19 *"(i) by substituting, in subparagraphs (A)(ii)(I)*
20 *and (C)(i), the phrase '(as determined before any ap-*
21 *plicable reduction under section 1631(g), and reduced*
22 *by the amount of any reduction in benefits under this*
23 *title or title II made pursuant to section 1127(a))' for*
24 *the parenthetical phrase contained therein; and"*

1 (B) *CALCULATION OF PAST-DUE BENEFITS*
2 *FOR PURPOSES OF DETERMINING ATTORNEY*
3 *FEES IN JUDICIAL PROCEEDINGS.—*

4 (i) *IN GENERAL.—Section 206(b)(1) of*
5 *such Act (42 U.S.C. 406(b)(1)) is amend-*
6 *ed—*

7 (I) *by inserting “(A)” after*
8 *“(b)(1)”;* and

9 (II) *by adding at the end the fol-*
10 *lowing new subparagraph:*

11 “(B) *For purposes of this paragraph—*

12 “(i) *the term ‘past-due benefits’ excludes any*
13 *benefits with respect to which payment has been con-*
14 *tinued pursuant to subsection (g) or (h) of section*
15 *223, and*

16 “(ii) *amounts of past-due benefits shall be taken*
17 *into account to the extent provided under the rules*
18 *applicable in cases before the Secretary.”.*

19 (ii) *PROTECTION FROM OFFSETTING*
20 *SSI BENEFITS.—The last sentence of section*
21 *1127(a) of such Act (as added by section*
22 *5106(b) of the Omnibus Budget Reconcili-*
23 *ation Act of 1990) (42 U.S.C. 1320a-6(a))*
24 *is amended by striking “section 206(a)(4)”*

1 and inserting “subsection (a)(4) or (b) of
2 section 206”.

3 (4) APPLICATION OF SINGLE DOLLAR AMOUNT
4 CEILING TO CONCURRENT CLAIMS UNDER TITLES II
5 AND XVI.—

6 (A) IN GENERAL.—Section 206(a)(2) of
7 such Act (as amended by section 5106(a)(1) of
8 the Omnibus Budget Reconciliation Act of 1990)
9 (42 U.S.C. 406(a)(2)) is amended—

10 (i) by redesignating subparagraph (C)
11 as subparagraph (D); and

12 (ii) by inserting after subparagraph
13 (B) the following new subparagraph:

14 “(C) In any case involving—

15 “(i) an agreement described in subparagraph (A)
16 with any person relating to both a claim of entitle-
17 ment to past-due benefits under this title and a claim
18 of entitlement to past-due benefits under title XVI,
19 and

20 “(ii) a favorable determination made by the Sec-
21 retary with respect to both such claims,

22 the Secretary may approve such agreement only if the total
23 fee or fees specified in such agreement does not exceed, in
24 the aggregate, the dollar amount in effect under subpara-
25 graph (A)(ii)(II).”.

1 (B) *CONFORMING AMENDMENT.*—Section
2 206(a)(3)(A) of such Act (as amended by section
3 5106(a)(1) of the Omnibus Budget Reconcili-
4 ation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is
5 amended by striking “paragraph (2)(C)” and in-
6 serting “paragraph (2)(D)”.

7 (5) *EFFECTIVE DATE.*—Each amendment made
8 by this section shall take effect as if included in the
9 provisions of the Omnibus Budget Reconciliation Act
10 of 1990 to which such amendment relates.

11 (g) *ELIMINATION OF ROUNDING DISTORTION IN THE*
12 *CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABIL-*
13 *ITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND*
14 *THE EARNINGS TEST EXEMPT AMOUNTS.*—

15 (1) *ADJUSTMENT OF OASDI CONTRIBUTION AND*
16 *BENEFIT BASE.*—

17 (A) *IN GENERAL.*—Section 230(b) of the So-
18 cial Security Act (42 U.S.C. 430(b)) is amended
19 by striking paragraphs (1) and (2) and inserting
20 the following:

21 “(1) \$60,600, and

22 “(2) the ratio of (A) the national average wage
23 index (as defined in section 209(k)(1)) for the cal-
24 endar year before the calendar year in which the de-
25 termination under subsection (a) is made to (B) the

1 *national average wage index (as so defined) for*
2 *1992.”.*

3 *(B) CONFORMING AMENDMENT RELATING TO*
4 *APPLICABLE PRIOR LAW.—Section 230(d) of such*
5 *Act (42 U.S.C. 430(d)) is amended by striking*
6 *“(except that” and all that follows through the*
7 *end and inserting “(except that, for purposes of*
8 *subsection (b) of such section 230 as so in effect,*
9 *the reference to the contribution and benefit base*
10 *in paragraph (1) of such subsection (b) shall be*
11 *deemed a reference to an amount equal to*
12 *\$45,000, each reference in paragraph (2) of such*
13 *subsection (b) to the average of the wages of all*
14 *employees as reported to the Secretary of the*
15 *Treasury shall be deemed a reference to the na-*
16 *tional average wage index (as defined in section*
17 *209(k)(1)), the reference to a preceding calendar*
18 *year in paragraph (2)(A) of such subsection (b)*
19 *shall be deemed a reference to the calendar year*
20 *before the calendar year in which the determina-*
21 *tion under subsection (a) of such section 230 is*
22 *made, and the reference to a calendar year in*
23 *paragraph (2)(B) of such subsection (b) shall be*
24 *deemed a reference to 1992).”.*

1 (C) ADJUSTMENT OF CONTRIBUTION AND
2 BENEFIT BASE APPLICABLE IN DETERMINING
3 YEARS OF COVERAGE FOR PURPOSES OF SPECIAL
4 MINIMUM PRIMARY INSURANCE AMOUNT.—Sec-
5 tion 215(a)(1)(C)(ii) of such Act is amended by
6 striking “(except that” and all that follows
7 through the end and inserting “(except that, for
8 purposes of subsection (b) of such section 230 as
9 so in effect, the reference to the contribution and
10 benefit base in paragraph (1) of such subsection
11 (b) shall be deemed a reference to an amount
12 equal to \$45,000, each reference in paragraph (2)
13 of such subsection (b) to the average of the wages
14 of all employees as reported to the Secretary of
15 the Treasury shall be deemed a reference to the
16 national average wage index (as defined in sec-
17 tion 209(k)(1)), the reference to a preceding cal-
18 endar year in paragraph (2)(A) of such sub-
19 section (b) shall be deemed a reference to the cal-
20 endar year before the calendar year in which the
21 determination under subsection (a) of such sec-
22 tion 230 is made, and the reference to a calendar
23 year in paragraph (2)(B) of such subsection (b)
24 shall be deemed a reference to 1992).”.

1 (2) *ADJUSTMENT OF EARNINGS TEST EXEMPT*
2 *AMOUNT.*—Section 203(f)(8)(B)(ii) of the Social Secu-
3 *rity Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to*
4 *read as follows:*

5 “(ii) *the product of the corresponding ex-*
6 *empt amount which is in effect with respect to*
7 *months in the taxable year ending after 1993*
8 *and before 1995, and the ratio of—*

9 “(I) *the national average wage index*
10 *(as defined in section 209(k)(1)) for the cal-*
11 *endar year before the calendar year in*
12 *which the determination under subpara-*
13 *graph (A) is made, to*

14 “(II) *the national average wage index*
15 *(as so defined) for 1992,*

16 *with such product, if not a multiple of \$10,*
17 *being rounded to the next higher multiple of \$10*
18 *where such product is a multiple of \$5 but not*
19 *of \$10 and to the nearest multiple of \$10 in any*
20 *other case.”.*

21 (3) *EFFECTIVE DATES.*—

22 (A) *The amendments made by subsection*
23 *(a) shall be effective with respect to the deter-*
24 *mination of the contribution and benefit base for*
25 *years after 1994.*

1 (B) *The amendment made by subsection (b)*
2 *shall be effective with respect to the determina-*
3 *tion of the exempt amounts applicable to any*
4 *taxable year ending after 1994.*

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