

104TH CONGRESS
2^D SESSION

H. R. 3857

To ensure economic equity for American women and their families by promoting fairness in the workplace, creating new economic opportunities for women workers and women business owners, helping workers better meet the competing demands of work and family, and enhancing economic self-sufficiency through public and private pension reform and improved child support and enforcement.

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1996

Mrs. MORELLA (for herself, Mrs. LOWEY, Ms. ROYBAL-ALLARD, Ms. WATERS, Ms. BROWN of Florida, Ms. FURSE, Ms. VELAZQUEZ, Mrs. MEEK of Florida, Mrs. COLLINS of Illinois, Mrs. MALONEY, Mrs. SCHROEDER, Ms. LOFGREN, Ms. WOOLSEY, Mrs. EDDIE BERNICE JOHNSON of Texas, Mrs. KENNELLY, Ms. PELOSI, Mrs. CLAYTON, and Ms. JACKSON-LEE of Texas) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, House Oversight, International Relations, the Judiciary, National Security, Resources, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To ensure economic equity for American women and their families by promoting fairness in the workplace, creating new economic opportunities for women workers and women business owners, helping workers better meet the competing demands of work and family, and enhancing

economic self-sufficiency through public and private pension reform and improved child support and enforcement.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Equity Act
 5 of 1996”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—WORKPLACE FAIRNESS

Subtitle A—Part-Time and Temporary Workers Protection

CHAPTER 1—PROTECTION OF PART-TIME AND TEMPORARY WORKERS

Sec. 11101. Eligibility for unemployment compensation of certain individuals seeking part-time employment.

Sec. 11102. Annual Bureau of Labor Statistics survey relating to temporary workers.

Sec. 11103. Protection of part-time and temporary workers.

CHAPTER 2—MISCLASSIFICATION OF EMPLOYEES AS INDEPENDENT CONTRACTORS

Sec. 11201. Internal Revenue Service procedures.

Sec. 11202. Federal contracts.

Sec. 11203. Defense contracts.

Subtitle B—Federal Employee Fairness

Sec. 12001. Amendments relating to administrative determination of Federal employee discrimination claims.

Sec. 12002. Amendments to the Age Discrimination in Employment Act and the Rehabilitation Act of 1973.

Sec. 12003. Amendments to title 5 of the United States Code.

Sec. 12004. Technical amendments.

Sec. 12005. Issuance of procedural guidelines and notice rules.

Sec. 12006. Issuance of rules regarding classified information.

Sec. 12007. Rules of construction.

Sec. 12008. Sense of the Congress.

Sec. 12009. Effective dates; application of amendments.

Subtitle C—Legislative Pay Equity Study

- Sec. 13001. Declaration of policy.
- Sec. 13002. Establishment of commission.
- Sec. 13003. Functions of commission.
- Sec. 13004. Staff of commission.
- Sec. 13005. Compensation of members.
- Sec. 13006. Powers of commission.
- Sec. 13007. Reports and termination of commission.
- Sec. 13008. Administrative provisions.

Subtitle D—Sexual Harassment Prevention

- Sec. 14001. Civil action.
- Sec. 14002. Additional funding for the Equal Employment Opportunity Commission.

Subtitle E—Sexual Harassment Information

- Sec. 15001. Findings and purposes.
- Sec. 15002. Employer requirements.
- Sec. 15003. Duties of the commission.
- Sec. 15004. Enforcement.
- Sec. 15005. Definitions.
- Sec. 15006. Effective dates.

Subtitle F—Sexual Harassment Tax Equity

- Sec. 16001. Deduction for legal expenses of individuals bringing sexual harassment suits against their employers.

Subtitle G—Equal Remedies

- Sec. 17001. Equalization of remedies.

Subtitle H—Federal Temporary Workers Protection

- Sec. 18001. Eligibility for health benefits.
- Sec. 18002. Effective date.

Subtitle I—Contingent Work Force Equity

- Sec. 19001. Equal pay.
- Sec. 19002. Occupational safety and health.
- Sec. 19003. Family and medical leave.
- Sec. 19004. Contingent workforce survey.
- Sec. 19005. Collective bargaining rights.
- Sec. 19006. Protection of part-time and temporary workers.
- Sec. 19007. Unemployment compensation.

TITLE II—ECONOMIC OPPORTUNITY

Subtitle A—Microenterprise Opportunity Expansion

- Sec. 21001. Public assistance provisions.
- Sec. 21002. Unemployment compensation for individuals starting microenterprises.
- Sec. 21003. Treatment of microenterprise loans and grants by insured depository institutions as community reinvestment.
- Sec. 21004. Treatment of microenterprise loans of savings associations as qualified thrift investments.

- Sec. 21005. Use of CDBG assistance for administrative costs of entities assisting microenterprises.
- Sec. 21006. Establishment of microenterprise division in each Federal banking agency.
- Sec. 21007. Study.

Subtitle B—Commission on the Advancement of Women in the Science and Engineering Work Forces

- Sec. 22001. Findings.
- Sec. 22002. Establishment.
- Sec. 22003. Duty of commission.
- Sec. 22004. Membership.
- Sec. 22005. Director and staff of commission; experts and consultants.
- Sec. 22006. Powers of commission.
- Sec. 22007. Reports.
- Sec. 22008. Construction; use of information obtained.
- Sec. 22009. Termination.
- Sec. 22010. Authorization of appropriations.

Subtitle C—Equal Surety Bond Opportunity

- Sec. 23001. Equal surety bond opportunity requirements.
- Sec. 23002. Civil liability.
- Sec. 23003. Administrative enforcement.
- Sec. 23004. Effective date.

Subtitle D—Self-Sufficiency Standard

- Sec. 24001. Findings and purpose.
- Sec. 24002. Definition of economic self-sufficiency.
- Sec. 24003. Establishment of economic self-sufficiency standards for adult training programs.
- Sec. 24004. Prohibition of incentive grants to service delivery areas that do not have in effect an approved local economic self-sufficiency standards table.
- Sec. 24005. Inclusion of local economic self-sufficiency standards table and related reports in job training plan.
- Sec. 24006. Inclusion of local economic self-sufficiency standards tables and related reports in Governor's coordination and special services plan.
- Sec. 24007. Demonstration programs to implement local economic self-sufficiency standards tables.
- Sec. 24008. Report and recommendations.

Subtitle E—Community Reinvestment

- Sec. 25001. Reporting of actual performance data.

Subtitle F—Telecommunications Economic Opportunity

- Sec. 26001. Findings.
- Sec. 26002. Purpose.
- Sec. 26003. Annual plan submission.
- Sec. 26004. Sanctions and remedies.
- Sec. 26005. Definitions.

Subtitle G—HHS Women Scientist Employment Opportunity

Sec. 27001. Women's scientific employment.

Subtitle H—Women in Enterprise Development

Sec. 28001. Women in enterprise development.

TITLE III—WORK AND FAMILY

Subtitle A—Child Care Consolidation and Investment

Sec. 31001. Findings.

Sec. 31002. Purpose.

Sec. 31003. Amendments to Child Care and Development Block Grant Act of 1990.

Sec. 31004. Program repeals.

Sec. 31005. Effective date.

Subtitle B—Child Care Public-Private Partnership

Sec. 32001. Establishment of business incentive grant program.

Sec. 32002. Eligibility to receive grants.

Sec. 32003. Application.

Sec. 32004. Selection of grantees.

Sec. 32005. Definitions.

Sec. 32006. Authorization of appropriations.

Subtitle C—Dependent Care Tax Credit Refundability

Sec. 33001. Dependent care tax credit.

Subtitle D—IRA Deductions for Homemakers

Sec. 34001. Homemakers eligible for full IRA deduction.

Subtitle E—Federal Parental Leave for Education Activities

Sec. 35001. Coverage of employees.

Sec. 35002. Parental involvement leave.

Sec. 35003. Parental involvement leave for civil servants.

Subtitle F—Tax Incentives for Family-Friendly Workplaces

Sec. 36001. Small business family and medical leave credit.

Sec. 36002. Credit for wages paid to employee who is allowed to shift hours of employment or to work at home in order to reduce child care needs.

Subtitle G—Parental Equity Leave

Sec. 37001. Leave for adopted and foster children.

TITLE IV—ECONOMIC SELF-SUFFICIENCY

Subtitle A—Child Support Responsibility

Sec. 41001. Reference to Social Security Act.

CHAPTER 1—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV—D
PROGRAM CLIENTS

- Sec. 41101. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 41102. Distribution of payments.
- Sec. 41103. Due process rights.
- Sec. 41104. Privacy safeguards.

CHAPTER 2—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 41201. Federal matching payments.
- Sec. 41202. Performance-based incentives and penalties.
- Sec. 41203. Federal and State reviews and audits.
- Sec. 41204. Required reporting procedures.
- Sec. 41205. Automated data processing requirements.
- Sec. 41206. Director of CSE program; staffing study.
- Sec. 41207. Funding for secretarial assistance to State programs.
- Sec. 41208. Reports and data collection by the Secretary.

CHAPTER 3—LOCATE AND CASE TRACKING

- Sec. 41301. Central State and case registry.
- Sec. 41302. Centralized collection and disbursement of support payments.
- Sec. 41303. Amendments concerning income withholding.
- Sec. 41304. Locator information from interstate networks.
- Sec. 41305. Expanded Federal Parent Locator Service.
- Sec. 41306. Use of social security numbers.

CHAPTER 4—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 41401. Adoption of uniform State laws.
- Sec. 41402. Improvements to full faith and credit for child support orders.
- Sec. 41403. State laws providing expedited procedures.

CHAPTER 5—PATERNITY ESTABLISHMENT

- Sec. 41501. State laws concerning paternity establishment.
- Sec. 41502. Outreach for voluntary paternity establishment.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 41601. National Child Support Guidelines Commission.
- Sec. 41602. Simplified process for review and adjustment of child support orders.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 41701. Federal income tax refund offset.
- Sec. 41702. Internal Revenue Service collection of arrears.
- Sec. 41703. Authority to collect support from Federal employees.
- Sec. 41704. Enforcement of child support obligations of members of the armed forces.
- Sec. 41705. Motor vehicle liens.
- Sec. 41706. Voiding of fraudulent transfers.
- Sec. 41707. State law authorizing suspension of licenses.
- Sec. 41708. Reporting arrearages to credit bureaus.
- Sec. 41709. Extended statute of limitation for collection of arrearages.
- Sec. 41710. Charges for arrearages.
- Sec. 41711. Denial of passports for nonpayment of child support.
- Sec. 41712. International child support enforcement.

CHAPTER 8—MEDICAL SUPPORT

- Sec. 41801. Technical correction to ERISA definition of medical child support order.

CHAPTER 9—EFFECT OF ENACTMENT

- Sec. 41901. Effective dates.
 Sec. 41902. Severability.

Subtitle B—Interstate Child Support

- Sec. 42001. Reference.
 Sec. 42002. Findings, declarations, and purposes.

CHAPTER 1—LOCATE AND CASE TRACKING

- Sec. 42101. Expansion of functions of Federal Parent Locator Service.
 Sec. 42102. Expansion of data bases accessed by parent locator systems.
 Sec. 42103. Expansion of access to national network for location of parents.
 Sec. 42104. Private access to locate and enforcement services.
 Sec. 42105. National reporting of new hires and child support information.
 Sec. 42106. Access to law enforcement records systems.
 Sec. 42107. Broadcasting of warrants on State networks.
 Sec. 42108. Case monitoring.
 Sec. 42109. Access to financial records.

CHAPTER 2—ESTABLISHMENT

- Sec. 42201. Service of process on Federal employees and members of the Armed Services in connection with proceedings relating to child support and parentage obligations.
 Sec. 42202. Presumed address of obligor and obligee.
 Sec. 42203. Notice to custodial parents.
 Sec. 42204. Uniform State rules in parentage and child support cases.
 Sec. 42205. Fair Credit Reporting Act amendment.
 Sec. 42206. National Child Support Guidelines Commission.
 Sec. 42207. Guideline principles.
 Sec. 42208. Duration of support.
 Sec. 42209. Evidence.
 Sec. 42210. Telephonic appearance in interstate cases.
 Sec. 42211. Uniform terms in orders.
 Sec. 42212. Social security numbers on marriage licenses, divorce decrees, parentage decrees, and birth certificates.
 Sec. 42213. Administrative subpoena power.
 Sec. 42214. Legal assistance programs.
 Sec. 42215. Indian child support.
 Sec. 42216. Support orders outreach and demonstrations.

CHAPTER 3—PARENTAGE

- Sec. 42301. Parentage.

CHAPTER 4—ENFORCEMENT

- Sec. 42401. Direct wage withholding.
 Sec. 42402. Priorities in application of withheld wages.
 Sec. 42403. Additional benefits subject to garnishment.

- Sec. 42404. Consumer Credit Protection Act amendments.
- Sec. 42405. Prohibition against use of election of remedies doctrine to prevent collection of child support.
- Sec. 42406. Hold on occupational, professional, and business licenses.
- Sec. 42407. Driver's licenses and vehicle registrations denied to persons failing to appear in child support cases.
- Sec. 42408. Liens on certificates of vehicle title.
- Sec. 42409. Attachment of bank accounts.
- Sec. 42410. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.
- Sec. 42411. Fraudulent transfer pursuit.
- Sec. 42412. Full IRS collection.
- Sec. 42413. Tax refund offset program expanded to cover non-AFDC post-minor children.
- Sec. 42414. Attachment of public and private retirement funds.
- Sec. 42415. Statutes of limitation.
- Sec. 42416. Interest.
- Sec. 42417. Armed forces cooperation in enforcement of support obligations of members and former members of the armed forces.
- Sec. 42418. States required to enact the Uniform Interstate Family Support Act.
- Sec. 42419. IRS reconciliation process.
- Sec. 42420. Denial of passports to noncustodial parents subject to State arrest warrants in cases of nonpayment of child support.
- Sec. 42421. Denial of Federal benefits, loans, guarantees, and employment to certain persons with large child support arrearages.
- Sec. 42422. States required to order courts to allow assignment of life insurance benefits to satisfy child support arrearages.
- Sec. 42423. Interests in jointly held property subject to assignment to satisfy child support arrearages.
- Sec. 42424. International child support enforcement.

CHAPTER 5—COLLECTION AND DISTRIBUTION

- Sec. 42501. Priorities in distribution of collected child support.
- Sec. 42502. State claims against noncustodial parent limited to assistance provided to the child.
- Sec. 42503. Fees for non-AFDC clients.
- Sec. 42504. Collection and disbursement points for child support.
- Sec. 42505. Sense of the Congress that States should encourage parents to use the State child support agency to collect and process child support payments.

CHAPTER 6—FEDERAL ROLE

- Sec. 42601. Placement and role of the office of child support enforcement.
- Sec. 42602. Training.
- Sec. 42603. Staffing.
- Sec. 42604. Demonstration projects to test alternative approaches to incentive funding for State child support programs.
- Sec. 42605. Child support definition.
- Sec. 42606. Audits.
- Sec. 42607. Child support assurance demonstration projects.
- Sec. 42608. Children's Trust Fund.
- Sec. 42609. Study of reasons for nonpayment of child support; report.

- Sec. 42610. Study of effectiveness of administrative processes; report.
- Sec. 42611. Publication of best child support practices.
- Sec. 42612. Establishment of Permanent Child Support Advisory Committee.

CHAPTER 7—STATE ROLE

- Sec. 42701. Advocation of children’s economic security.
- Sec. 42702. Duties of State child support agencies.
- Sec. 42703. Sense of the Congress regarding quality of and accessibility to child support services.
- Sec. 42704. Administrative process for change of payee in IV–D cases.
- Sec. 42705. Sense of the Congress supporting use of administrative procedures in child support cases.
- Sec. 42706. Sense of the Congress supporting establishment of State child support councils.

CHAPTER 8—JOBS FOR UNEMPLOYED NONCUSTODIAL PARENTS

- Sec. 42801. Parents fair share demonstration projects.

CHAPTER 9—EFFECTIVE DATE

- Sec. 42901. Effective date.

Subtitle C—Child Support Enforcement Improvements

- Sec. 43001. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.
- Sec. 43002. Access to and use of consumer reports by State child support enforcement agencies in child support cases.
- Sec. 43003. Health care support.
- Sec. 43004. Annual reports on State compliance with time limits within which State must provide certain child support assistance.
- Sec. 43005. Wages withheld by employers to pay child support obligations required to be paid to State within 10 days; late payment penalty imposed on employers.
- Sec. 43006. National parent locator network.

Subtitle D—Single Parent Protection

- Sec. 44001. Treatment of unpaid child support.

Subtitle E—Women’s Pension Equity

- Sec. 45001. Model spousal consent form and qualified domestic relations order.
- Sec. 45002. Extension of tier II railroad retirement benefits to surviving former spouses pursuant to divorce agreements.
- Sec. 45003. Survivor annuities for widows, widowers, and former spouses of Federal employees who die before attaining age for deferred annuity under Civil Service Retirement System.
- Sec. 45004. Court orders relating to Federal retirement benefits for former spouses of Federal employees.
- Sec. 45005. Prevention of circumvention of court order by waiver of retired pay to enhance civil service retirement annuity.

Subtitle F—Pension Reform

- Sec. 46001. Pension integration rules.
- Sec. 46002. Application of minimum coverage requirements with respect to separate lines of business.
- Sec. 46003. Elimination of special vesting rule for multiemployer plans.
- Sec. 46004. Division of pension benefits upon divorce.
- Sec. 46005. Effective dates.
- Sec. 46006. Clarification of continued availability of remedies relating to matters treated in domestic relations orders entered before 1985.
- Sec. 46007. Entitlement of divorced spouses to railroad retirement annuities independent of actual entitlement of employee.

Subtitle G—Social Security Caregiver

- Sec. 47001. Increase in number of years disregarded.
- Sec. 47002. Effective date and related provisions.
- Sec. 47003. Repeal of 7-year restriction on eligibility for widow's and widower's insurance benefits based on disability.
- Sec. 47004. Increase in widow's and widower's insurance benefits by reason of delayed retirement.
- Sec. 47005. Effective date.
- Sec. 47006. Exemption from two-year waiting period for divorced spouse's benefits following the divorce in cases of prior receipt of spouse's benefits.
- Sec. 47007. Effective date.
- Sec. 47008. Full benefits for disabled widows and widowers without regard to age.
- Sec. 47009. Exemption from reductions in benefits.
- Sec. 47010. Effective date and redetermination of benefits.

TITLE V—ECONOMIC IMPACT OF DOMESTIC VIOLENCE

Subtitle A—Workplace Violence Prevention Tax Credit

- Sec. 51001. Congressional findings.
- Sec. 51002. Credit for costs to employers of implementing workplace safety programs to combat violence against women.

Subtitle B—Insurance Protection for Victims of Domestic Violence

- Sec. 52001. Prohibition of health insurance discrimination with respect to victims of domestic violence.

Subtitle C—Fairness to Minority Women Health

- Sec. 53001. Exception to AFDC income and resources attribution rule for certain battered aliens.
- Sec. 53002. Amendment to the Food Stamp Act of 1977.
- Sec. 53003. Requiring certain recipients of Federal financial assistance to have personnel available who speak predominant language used in area.
- Sec. 53004. Study regarding domestic violence and Latina women.

Subtitle D—Battered Women's Employment Protection

- Sec. 54001. Findings and purposes.
- Sec. 54002. Unemployment compensation.
- Sec. 54003. Leave from employment.
- Sec. 54004. Effect on other laws and employment benefits.

Subtitle E—Domestic Violence Legal Services Eligibility

Sec. 55001. Income rule for victims of domestic violence.

1 **TITLE I—WORKPLACE FAIRNESS**

2 **Subtitle A—Part-Time and**

3 **Temporary Workers Protection**

4 **CHAPTER 1—PROTECTION OF PART-TIME**

5 **AND TEMPORARY WORKERS**

6 **SEC. 11101. ELIGIBILITY FOR UNEMPLOYMENT COMPENSA-**

7 **TION OF CERTAIN INDIVIDUALS SEEKING**

8 **PART-TIME EMPLOYMENT.**

9 (a) GENERAL RULE.—Subsection (a) of section 3304
 10 of the Internal Revenue Code of 1986 (relating to require-
 11 ments for approval of State unemployment compensation
 12 laws) is amended by striking “and” at the end of para-
 13 graph (18), by redesignating paragraph (19) as paragraph
 14 (20), and by inserting after paragraph (18) the following
 15 new paragraph:

16 “(19) in applying the State law provisions relat-
 17 ing to availability for work, active search for work,
 18 or refusal to accept work, the term ‘suitable work’
 19 shall not include any work where the individual
 20 would normally perform services for more hours per
 21 week than the number of hours per week for which
 22 the individual normally performed services in the in-
 23 dividual’s last job in the base period, and”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on the date of the enact-
3 ment of this subtitle.

4 **SEC. 11102. ANNUAL BUREAU OF LABOR STATISTICS SUR-**
5 **VEY RELATING TO TEMPORARY WORKERS.**

6 The Secretary of Labor, acting through the Commis-
7 sioner of the Bureau of Labor Statistics, shall establish
8 and carry out an annual survey identifying—

9 (1) the characteristics of temporary workers in
10 the United States;

11 (2) the relationship between such workers and
12 the establishments at which such workers are tempo-
13 rarily employed; and

14 (3) where appropriate, the relationship between
15 such workers and their permanent employers.

16 **SEC. 11103. PROTECTION OF PART-TIME AND TEMPORARY**
17 **WORKERS.**

18 (a) TREATMENT OF EMPLOYEES WORKING AT LESS
19 THAN FULL-TIME UNDER PARTICIPATION, VESTING, AND
20 ACCRUAL RULES GOVERNING PENSION PLANS.—

21 (1) PARTICIPATION RULES.—

22 (A) IN GENERAL.—Section 202(a)(3) of
23 the Employee Retirement Income Security Act
24 of 1974 (29 U.S.C. 1052(a)(3)) is amended by

1 adding at the end the following new subpara-
2 graph:

3 “(E)(i) For purposes of this paragraph, in the case
4 of any employee who, as of the beginning of the 12-month
5 period referred to in subparagraph (A)—

6 “(I) has customarily completed 500 or more
7 hours of service per year but less than 1,000 hours
8 of service per year, or

9 “(II) is employed in a type of position in which
10 employment customarily constitutes 500 or more
11 hours of service per year but less than 1,000 hours
12 of service per year,

13 completion of 500 hours of service within such 12-month
14 period shall be treated as completion of 1,000 hours of
15 service.

16 “(ii) For purposes of this subparagraph, the extent
17 to which employment in any type of position customarily
18 constitutes less than 1,000 hours of service per year shall
19 be determined with respect to each pension plan in accord-
20 ance with such regulations as the Secretary may prescribe
21 providing for consideration of facts and circumstances pe-
22 culiar to the work-force constituting the participants in
23 such plan.”.

24 (B) CONFORMING AMENDMENT.—Section
25 204(b)(1)(E) of such Act (29 U.S.C.

1 1054(b)(1)(E)) is amended by striking “section
2 202(a)(3)(A)” and inserting “subparagraphs
3 (A) and (E) of section 202(a)(3)”.

4 (2) VESTING RULES.—

5 (A) IN GENERAL.—Section 203(b)(2) of
6 such Act (29 U.S.C. 1053(b)(2)) is amended by
7 adding at the end the following new subpara-
8 graph:

9 “(E)(i) For purposes of this paragraph, in the case
10 of any employee who, as of the beginning of the period
11 designated by the plan pursuant to subparagraph (A)—

12 “(I) has customarily completed 500 or more
13 hours of service per year but less than 1,000 hours
14 of service per year, or

15 “(II) is employed in a type of position in which
16 employment customarily constitutes 500 or more
17 hours of service per year but less than 1,000 hours
18 of service per year,

19 completion of 500 hours of service within such period shall
20 be treated as completion of 1,000 hours of service.

21 “(ii) For purposes of this subparagraph, the extent
22 to which employment in any type of position customarily
23 constitutes less than 1,000 hours of service per year shall
24 be determined with respect to each pension plan in accord-
25 ance with such regulations as the Secretary may prescribe

1 providing for consideration of facts and circumstances pe-
2 culiar to the work-force constituting the participants in
3 such plan.”.

4 (B) 1-YEAR BREAKS IN SERVICE.—Section
5 203(b)(3) of such Act (29 U.S.C. 1053(b)(3))
6 is amended by adding at the end the following
7 new subparagraph:

8 “(F)(i) For purposes of this paragraph, in the case
9 of any employee who, as of the beginning of the period
10 designated by the plan pursuant to subparagraph (A)—

11 “(I) has customarily completed 500 or more
12 hours of service per year but less than 1,000 hours
13 of service per year, or

14 “(II) is employed in a type of position in which
15 employment customarily constitutes 500 or more
16 hours of service per year but less than 1,000 hours
17 of service per year,

18 completion of 250 hours of service within such period shall
19 be treated as completion of 500 hours of service.

20 “(ii) For purposes of this subparagraph, the extent
21 to which employment in any type of position customarily
22 constitutes less than 1,000 hours of service per year shall
23 be determined with respect to each pension plan in accord-
24 ance with such regulations as the Secretary may prescribe
25 providing for consideration of facts and circumstances pe-

1 culiar to the work-force constituting the participants in
2 such plan.”.

3 (3) ACCRUAL RULES.—Section 204(b)(4)(C) of
4 such Act (29 U.S.C. 1054(b)(4)(C)) is amended—

5 (A) by inserting “(i)” after “(C)”; and

6 (B) by adding at the end the following new
7 clauses:

8 “(ii) For purposes of this subparagraph, in the case
9 of any employee who, as of the beginning of the period
10 designated by the plan pursuant to clause (i)—

11 “(I) has customarily completed 500 or more
12 hours of service per year but less than 1,000 hours
13 of service per year, or

14 “(II) is employed in a type of position in which
15 employment customarily constitutes 500 or more
16 hours of service per year but less than 1,000 hours
17 of service per year,

18 completion of 500 hours of service within such period shall
19 be treated as completion of 1,000 hours of service.

20 “(iii) For purposes of clause (ii), the extent to which
21 employment in any type of position customarily constitutes
22 less than 1,000 hours of service per year shall be deter-
23 mined with respect to each pension plan in accordance
24 with such regulations as the Secretary may prescribe pro-
25 viding for consideration of facts and circumstances pecu-

1 liar to the work-force constituting the participants in such
2 plan.”.

3 (b) TREATMENT OF EMPLOYEES WORKING AT LESS
4 THAN FULL-TIME UNDER GROUP HEALTH PLANS.—

5 (1) IN GENERAL.—Part 2 of subtitle B of title
6 I of such Act is amended—

7 (A) by redesignating section 211 (29
8 U.S.C. 1061) as section 212; and

9 (B) by inserting after section 210 (29
10 U.S.C. 1060) the following new section:

11 “TREATMENT OF PART-TIME WORKERS UNDER GROUP
12 HEALTH PLANS

13 “SEC. 211. (a) IN GENERAL.—A reduction in the em-
14 ployer-provided premium under a group health plan with
15 respect to any employee for any period of coverage solely
16 because the employee’s customary employment is less than
17 full-time may be provided under such plan only if the em-
18 ployee is described in subsection (b) and only to the extent
19 permitted under subsection (c).

20 “(b) REDUCTIONS APPLICABLE TO EMPLOYEES
21 WORKING LESS THAN FULL-TIME.—

22 “(1) IN GENERAL.—An employee is described in
23 this subsection if such employee, as of the beginning
24 of the period of coverage referred to in subsection
25 (a)—

1 “(A) has customarily completed less than
2 30 hours of service per week, or

3 “(B) is employed in a type of position in
4 which employment customarily constitutes less
5 than 30 hours of service per week.

6 “(2) REGULATIONS.—For purposes of para-
7 graph (1), whether employment in any type of posi-
8 tion customarily constitutes less than 30 hours of
9 service per week shall be determined with respect to
10 each group health plan in accordance with such reg-
11 ulations as the Secretary may prescribe providing
12 for consideration of facts and circumstances peculiar
13 to the work force constituting the participants in
14 such plan.

15 “(c) AMOUNT OF PERMISSIBLE REDUCTION.—The
16 employer-provided premium under a group health plan
17 with respect to any employee for any period of coverage,
18 after the reduction permitted under subsection (a), shall
19 not be less than a ratable portion of the employer-provided
20 premium which would be provided under such plan for
21 such period of coverage with respect to an employee who
22 completes 30 hours of service per week.

23 “(d) DEFINITIONS.—For purposes of this section—

1 “(1) GROUP HEALTH PLAN.—The term ‘group
2 health plan’ has the meaning provided such term in
3 section 607(1).

4 “(2) EMPLOYER-PROVIDED PREMIUM.—

5 “(A) IN GENERAL.—The term ‘employer-
6 provided premium’ under a plan for any period
7 of coverage means the portion of the applicable
8 premium under the plan for such period of cov-
9 erage which is attributable under the plan to
10 employer contributions.

11 “(B) APPLICABLE PREMIUM.—For pur-
12 poses of subparagraph (A), in determining the
13 applicable premium of a group health plan,
14 principles similar to the principles applicable
15 under section 604 shall apply.”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) Section 201(1) of such Act (29 U.S.C.
18 1051(1)) is amended by inserting “, except with
19 respect to section 211” before the semicolon.

20 (B) The table of contents in section 1 of
21 such Act is amended by striking the item relat-
22 ing to section 211 and inserting the following
23 new items:

“Sec. 211. Treatment of part-time workers under group health plans.
“Sec. 212. Effective date.”.

1 (c) EXPANSION OF DEFINITION OF EMPLOYEE TO
2 INCLUDE CERTAIN INDIVIDUALS WHOSE SERVICES ARE
3 LEASED OR CONTRACTED FOR.—Paragraph (6) of section
4 3 of such Act (29 U.S.C. 1002(6)) is amended—

5 (1) by inserting “(A)” after “(6)”; and

6 (2) by adding at the end the following new sub-
7 paragraph:

8 “(B) Such term includes, with respect to any em-
9 ployer, any person who is not an employee (within the
10 meaning of subparagraph (A)) of such employer and who
11 provides services to such employer, if—

12 “(i) such person has (pursuant to an agreement
13 with such employer or any other person) performed
14 such services for such employer (or for such em-
15 ployer and related persons (within the meaning of
16 section 144(a)(3) of the Internal Revenue Code of
17 1986)) for a period of at least 1 year (6 months in
18 the case of core health benefits) at the rate of at
19 least 500 hours of service per year, and

20 “(ii) such services are of a type historically per-
21 formed, in the business field of the employer, by em-
22 ployees (within the meaning of subparagraph (A)).”.

23 (d) EFFECTIVE DATES.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), the amendments made by this section

1 shall apply with respect to plan years beginning on
2 or after January 1, 1997.

3 (2) SPECIAL RULE FOR COLLECTIVELY BAR-
4 GAINED PLANS.—In the case of a plan maintained
5 pursuant to 1 or more collective bargaining agree-
6 ments between employee representatives and 1 or
7 more employers ratified on or before the date of the
8 enactment of this subtitle, paragraph (1) shall be
9 applied to benefits pursuant to, and individuals cov-
10 ered by, any such agreement by substituting for
11 “January 1, 1997” the date of the commencement
12 of the first plan year beginning on or after the ear-
13 lier of—

14 (A) the later of—

15 (i) January 1, 1997, or

16 (ii) the date on which the last of such
17 collective bargaining agreements termi-
18 nates (determined without regard to any
19 extension thereof after the date of the en-
20 actment of this subtitle), or

21 (B) January 1, 1999.

22 (3) PLAN AMENDMENTS.—If any amendment
23 made by this section requires an amendment to any
24 plan, such plan amendment shall not be required to

1 be made before the first plan year beginning on or
2 after January 1, 1998, if—

3 (A) during the period after such amend-
4 ment made by this section takes effect and be-
5 fore such first plan year, the plan is operated
6 in accordance with the requirements of such
7 amendment made by this section, and

8 (B) such plan amendment applies retro-
9 actively to the period after such amendment
10 made by this section takes effect and such first
11 plan year.

12 A plan shall not be treated as failing to provide defi-
13 nitely determinable benefits or contributions, or to
14 be operated in accordance with the provisions of the
15 plan, merely because it operates in accordance with
16 this paragraph.

17 **CHAPTER 2—MISCLASSIFICATION OF EM-**
18 **PLOYEES AS INDEPENDENT CONTRAC-**
19 **TORS**

20 **SEC. 11201. INTERNAL REVENUE SERVICE PROCEDURES.**

21 (a) WAIVER OF EMPLOYMENT TAX LIABILITY FOR
22 REASONABLE GOOD FAITH MISCLASSIFICATION BASED
23 ON COMMON LAW RULES.—Section 3509 of the Internal
24 Revenue Code of 1986 (relating to determination of em-

1 ployer’s liability for certain employment taxes) is amended
2 by adding at the end the following new subsection:

3 “(e) WAIVER OF EMPLOYMENT TAX LIABILITY FOR
4 REASONABLE GOOD FAITH MISCLASSIFICATION BASED
5 ON COMMON LAW RULES.—

6 “(1) IN GENERAL.—For purposes of determin-
7 ing the liability of any taxpayer for employment
8 taxes with respect to any individual for any period,
9 such individual shall be deemed not to have been an
10 employee of the taxpayer for such period if—

11 “(A) the taxpayer did not treat such indi-
12 vidual as an employee for purposes of the em-
13 ployment taxes for such period,

14 “(B) the taxpayer’s treatment of such indi-
15 vidual as not being an employee was based on
16 a reasonable good faith misapplication of the
17 common law rules used for determining the em-
18 ployer-employee relationship,

19 “(C) all Federal tax returns (including in-
20 formation returns) required to be filed by the
21 taxpayer with respect to such individual for
22 such period were filed on a basis consistent with
23 the taxpayer’s treatment of such individual as
24 not being an employee,

1 “(D) the taxpayer (and any predecessor)
2 did not treat any other individual holding a
3 substantially similar position as an employee for
4 purposes of the employment taxes for any pe-
5 riod beginning after December 31, 1977, and

6 “(E) the taxpayer enters into a closing
7 agreement under section 7121 with the Sec-
8 retary (in the time and manner determined by
9 the Secretary) agreeing to treat such individual,
10 and any other individual holding a substantially
11 similar position, as employees and to file all
12 Federal employment tax returns with respect to
13 such individuals on a basis consistent with the
14 taxpayer’s treatment of such individuals as em-
15 ployees.

16 “(2) DEFINITIONS AND SPECIAL RULES.—

17 “(A) EMPLOYMENT TAX.—For purposes of
18 this subsection, the term ‘employment tax’
19 means any tax imposed by subtitle C, including
20 any interest, penalty, or additional amount with
21 respect to such tax.

22 “(B) NO REFUND OR CREDIT OF OVERPAY-
23 MENT.—No refund or credit of any overpay-
24 ment of an employment tax resulting from the
25 application of paragraph (1) shall be allowed,

1 notwithstanding that the period for filing a
2 claim for refund or credit of such overpayment
3 is not barred on the effective date of this sub-
4 section.”

5 (b) MODIFICATIONS TO SAFE HARBOR FOR CLASSI-
6 FICATIONS OF INDIVIDUALS AS NONEMPLOYEES.—

7 (1) REQUIREMENT OF REASONABLE BASIS.—
8 Paragraph (1) of section 530(a) of the Revenue Act
9 of 1978 (relating to controversies involving whether
10 individuals are employees for purposes of the em-
11 ployment taxes) is amended by striking “unless the
12 taxpayer had no reasonable basis” and inserting the
13 following: “if the taxpayer had a reasonable basis”.

14 (2) REPEAL OF PRIOR AUDIT AS REASONABLE
15 BASIS, ETC.—Paragraph (2) of section 530(a) of the
16 Revenue Act of 1978 is amended—

17 (A) by striking the paragraph caption and
18 inserting the following: “REASONABLE BASIS
19 FOR NOT TREATING INDIVIDUAL AS EM-
20 PLOYEE.—”,

21 (B) in the matter preceding subparagraph
22 (A)—

23 (i) by striking “in any case”, and

24 (ii) by inserting “only” before “if the
25 taxpayer’s”,

1 (C) by adding “or” at the end of subpara-
2 graph (A), and

3 (D) by striking subparagraph (B) and by
4 redesignating subparagraph (C) as subpara-
5 graph (B).

6 (c) **AUTHORITY FOR REGULATIONS AND RULINGS ON**
7 **EMPLOYMENT STATUS.**—Section 530 of the Revenue Act
8 of 1978 is amended by striking subsection (b) and by re-
9 designating subsections (c) and (d) as subsections (b) and
10 (c), respectively.

11 (d) **EFFECTIVE DATES.**—

12 (1) **IN GENERAL.**—The amendments made by
13 this section shall take effect beginning on the date
14 which is 120 days after the date of the enactment
15 of this subtitle.

16 (2) **MODIFICATIONS TO SAFE HARBOR.**—The
17 amendments made by subsection (b) shall apply to
18 periods ending on or after the date which is 120
19 days after the date of the enactment of this subtitle.

20 **SEC. 11202. FEDERAL CONTRACTS.**

21 (a) **CLASSIFICATION OF PERSONS AS EMPLOYEES**
22 **AND INDEPENDENT CONTRACTORS UNDER CERTAIN**
23 **PROCUREMENT CONTRACTS.**—(1) Title III of the Federal
24 Property and Administrative Services Act of 1949 (41

1 U.S.C. 251 et seq.) is amended by adding at the end the
2 following new section:

3 **“SEC. 317. CLASSIFICATION OF PERSONS AS EMPLOYEES**
4 **AND INDEPENDENT CONTRACTORS.**

5 “(a) INELIGIBILITY FOR GOVERNMENT CONTRACTS
6 AND SUBCONTRACTS.—(1) A person (including any sub-
7 sidiary, successor, or related entity of a person) shall not
8 be eligible for a contract during the 2-year period begin-
9 ning on the date of the issuance of any final determination
10 under Federal law that the person (including any subsidi-
11 ary or related entity of the person) willfully misclassified
12 an individual for purposes of any employment tax.

13 “(2) For purposes of this subsection, a determination
14 is final if all rights to appeal the determination, or to re-
15 quest a review, rehearing, or redetermination of the mat-
16 ter that is the subject of the determination, have been ex-
17 hausted or have lapsed.

18 “(b) CERTIFICATION OF ADEQUACY OF BIDS TO PAY
19 EMPLOYMENT TAXES.—A person who submits a bid or
20 proposal for a contract shall certify that the amount of
21 the bid or proposal is adequate to pay all employment
22 taxes with respect to all work to be performed under the
23 contract by employees of the person.

24 “(c) NOTIFICATION OF INDEPENDENT CONTRAC-
25 TORS.—Each contract shall include a requirement that the

1 contractor provide, to each person who performs work
2 under the contract and who is treated by the contractor
3 as an independent contractor for purposes of employment
4 taxes, a notification regarding—

5 “(1) all obligations of the independent contrac-
6 tor under Federal and State law to withhold and pay
7 employment taxes with respect to work performed
8 under the contract by the independent contractor
9 (including work performed by employees of the inde-
10 pendent contractor); and

11 “(2) all statutory rights and protections that
12 are available under Federal and State law to em-
13 ployees of the contractor and are not available to the
14 independent contractor (including employees of the
15 independent contractor), including rights and protec-
16 tions under the Fair Labor Standards Act of 1938,
17 the Occupational Safety and Health Act of 1978,
18 and title VII of the Civil Rights Act of 1964.

19 “(d) RIGHT OF ACTION.—A person who submits a
20 bid or proposal for a contract and who suffers damages
21 as a result of the award of the contract to a person who
22 knowingly and willfully submits a certification under sub-
23 section (b) with respect to the contract that is false, may
24 bring an action for damages against the person awarded

1 the contract in any district court of the United States in
2 which the defendant is located.

3 “(e) DEFINITIONS.—As used in this section:

4 “(1) The term ‘employment tax’ means any tax
5 imposed by subtitle C of the Internal Revenue Code
6 of 1986.

7 “(2) The term ‘contract’ means a contract that
8 is entered into by an executive agency under this
9 title, and all subcontracts under such a contract.

10 “(3) The term ‘misclassify’ means to treat as
11 an independent contractor an individual who is an
12 employee.”.

13 (2) The table of contents in section 1 of the Federal
14 Property and Administrative Services Act of 1949 is
15 amended by inserting after the item relating to the last
16 section in title III the following new item:

“Sec. 317. Classification of persons as employees and independent contractors.”.

17 (b) APPLICABILITY.—Section 317 of the Federal
18 Property and Administrative Services Act of 1949, as
19 added by subsection (a), shall apply to—

20 (1) contracts entered into under title III of
21 such Act after the expiration of the 180-day period
22 beginning on the date of the enactment of this sub-
23 title;

24 (2) subcontracts under contracts covered by
25 paragraph (1); and

1 “(b) CERTIFICATION OF ADEQUACY OF BIDS TO PAY
2 EMPLOYMENT TAXES.—A person who submits a bid or
3 proposal for a contract shall certify that the amount of
4 the bid or proposal is adequate to pay all employment
5 taxes with respect to all work to be performed under the
6 contract by employees of the person.

7 “(c) NOTIFICATION OF INDEPENDENT CONTRAC-
8 TORS.—Each contract shall include a requirement that the
9 contractor shall provide, to each person who performs
10 work under the contract and who is treated by the contrac-
11 tor as an independent contractor for purposes of employ-
12 ment taxes, a notification regarding—

13 “(1) all obligations of the independent contrac-
14 tor under Federal and State law to withhold and pay
15 employment taxes with respect to work performed
16 under the contract by the independent contractor
17 (including work performed by employees of the inde-
18 pendent contractor); and

19 “(2) all statutory rights and protections that
20 are available under Federal and State law to em-
21 ployees of the contractor and are not available to the
22 independent contractor (including employees of the
23 independent contractor), including rights and protec-
24 tions under the Fair Labor Standards Act of 1938,

1 the Occupational Safety and Health Act of 1978,
2 and title VII of the Civil Rights Act of 1964.

3 “(d) RIGHT OF ACTION.—A person who submits a
4 bid or proposal for a contract and who suffers damages
5 as a result of the award of the contract to a person who
6 knowingly and willfully submits a certification under sub-
7 section (b) with respect to the contract that is false, may
8 bring an action for damages against the person awarded
9 the contract in any district court of the United States in
10 which the defendant is located.

11 “(e) APPLICABILITY.—This section applies to con-
12 tracts entered into under chapter 137 of this title.

13 “(f) DEFINITIONS.—In this section:

14 “(1) The term ‘employment tax’ means any tax
15 imposed by subtitle C of the Internal Revenue Code
16 of 1986.

17 “(2) The term ‘contract’ includes subcontracts.

18 “(3) The term ‘misclassify’ means to treat as
19 an independent contractor an individual who is an
20 employee.”.

21 (2) The table of sections at the beginning of such
22 chapter is amended by inserting after the item relating
23 to section 2393 the following new item:

“2393a. Classification of persons as employees and independent contractors.”.

1 (b) APPLICABILITY.—Section 2393a of title 10, Unit-
2 ed States Code, as added by subsection (a), shall apply
3 to—

4 (1) contracts entered into under chapter 137 of
5 title 10, United States Code, after the expiration of
6 the 180-day period beginning on the date of the en-
7 actment of this subtitle;

8 (2) subcontracts under contracts covered by
9 paragraph (1); and

10 (3) options exercised under any such contract
11 after the expiration of the 180-day period beginning
12 on the date of the enactment of this subtitle.

13 **Subtitle B—Federal Employee** 14 **Fairness**

15 **SEC. 12001. AMENDMENTS RELATING TO ADMINISTRATIVE** 16 **DETERMINATION OF FEDERAL EMPLOYEE** 17 **DISCRIMINATION CLAIMS.**

18 (a) DEFINITIONS.—Section 701 of the Civil Rights
19 Act of 1964 (42 U.S.C. 2000e) is amended—

20 (1) in paragraph (f) by striking “The term”
21 and inserting “Except when it appears as part of the
22 term ‘Federal employee’, the term”, and

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

1 “(o) The term ‘administrative judge’ includes an ad-
2 ministrative law judge appointed under section 3105 of
3 title 5 of the United States Code.

4 “(p) The term ‘Commission’ means the Equal Em-
5 ployment Opportunity Commission.

6 “(q) The term ‘entity of the Federal Government’
7 means an entity to which section 717(a) applies, except
8 that such term does not include the Library of Congress.

9 “(r) The term ‘Federal employee’ means an individ-
10 ual employed by, or who applies for employment with, an
11 entity of the Federal Government.

12 “(s) The term ‘Federal employment’ means employ-
13 ment by an entity of the Federal Government.

14 “(t) The terms ‘government’, ‘government agency’,
15 and ‘political subdivision’ do not include an entity of the
16 Federal Government.”.

17 (b) EEOC DETERMINATION OF FEDERAL EMPLOY-
18 MENT DISCRIMINATION CLAIMS.—Section 717 of the Civil
19 Rights Act of 1964 (42 U.S.C. 2000e–16) is amended—

20 (1) in subsection (b)—

21 (A) by inserting “(1)” after “(b)”,

22 (B) in the second sentence—

23 (i) by redesignating paragraphs (1),
24 (2), and (3), as subparagraphs (A), (B),
25 and (C), respectively,

1 (ii) in the subparagraph (B), as so re-
2 designated, by striking “and” at the end,

3 (iii) in subparagraph (C), as so redesi-
4 gnated, by striking the period at the end
5 and inserting “; and”, and

6 (iv) by inserting after subparagraph
7 (C), as so redesignated, the following:

8 “(D) require each entity of the Federal Govern-
9 ment—

10 “(i) to make counseling available to Fed-
11 eral employees who believe such entity has dis-
12 criminated against them in violation of this sec-
13 tion, for the purpose of trying to resolve the
14 matters with respect to which such discrimina-
15 tion is alleged (Such entity shall assist such em-
16 ployee to identify the respondent required by
17 subsection (c)(1) to be named in a complaint al-
18 leging such violation, shall inform such Federal
19 employee individually of the procedures and
20 deadlines that apply under this section to a
21 claim alleging such discrimination, and shall
22 make such counseling available throughout the
23 administrative process.);

24 “(ii) to establish a voluntary alternative
25 dispute resolution process to resolve complaints,

1 except that a Federal employee’s decision to
2 forgo such process shall not affect the rights
3 of such employee under this title;

4 “(iii) not to discourage Federal employees
5 from filing complaints on any matter relating to
6 discrimination in violation of this section;

7 “(iv) not to require Federal employees to
8 participate in conciliation made available under
9 subsection (c)(1)(A)(ii) unless such entity has
10 an alternative dispute resolution process ap-
11 proved by the Commission as described in such
12 subsection; and

13 “(v) not to require Federal employees to
14 participate in a dispute resolution process made
15 available under clause (ii).

16 “(2)(A) A Federal employee who believes that an en-
17 tity of the Federal Government has discriminated against
18 such employee in violation of this section, to whom sub-
19 section (c)(1)(A)(ii) applies, who has requested such entity
20 to provide the conciliation described in subsection
21 (c)(1)(A)(ii), and who is the subject of, or about to be
22 the subject of, a personnel action to be taken against such
23 employee as a result of expressing that belief or requesting
24 such conciliation may file with the Commission a request

1 for a stay of such personnel action, together with an affi-
2 davit made by such employee in support of such request.

3 “(B) Immediately after receiving such request so sup-
4 ported, the Commission shall appoint an administrative
5 judge to review such request. Subsection (f)(3) shall apply
6 with respect to such review and to the issuance of a stay
7 requested under subparagraph (A).”.

8 (C) in the third sentence by striking “The”
9 and inserting the following:

10 “(3) The”,

11 (D) in the fourth sentence by redesignating
12 paragraphs (1) and (2) as subparagraphs (A)
13 and (B), respectively,

14 (E) in the last sentence by striking “With”
15 and inserting the following:

16 “(4) With”, and

17 (F) by adding at the end the following:

18 “(4)(A) Subject to subparagraph (B), an unlawful
19 employment practice of the kind described in section
20 704(a) is established under this section if an employee or
21 applicant for employment demonstrates that his opposing
22 any practice made an unlawful employment practice by
23 this title, his making a charge, testifying, assisting, or par-
24 ticipating in any manner in an investigation, proceeding,
25 or hearing under this title, or his communicating with the

1 Congress regarding discrimination in violation of this sec-
2 tion was a contributing factor in an adverse personnel ac-
3 tion that was taken or is to be taken against such em-
4 ployee or applicant.

5 “(B) On a claim in which a Federal employee proves
6 a violation under subparagraph (A) and a respondent
7 demonstrates, on the basis of the evidentiary standard
8 specified in section 1221(e)(2) of title 5 of the United
9 States Code, that the respondent would have to take the
10 same personnel action in the absence of the impermissible
11 motivating factor, the court—

12 “(i) may grant declaratory relief, injunctive re-
13 lief (except as provided in clause (ii)), and attorney’s
14 fees and costs demonstrated to be directly attrib-
15 utable only to the pursuit of a claim under subpara-
16 graph (A); and

17 “(ii) shall not award damages or issue an order
18 requiring any admission, reinstatement, hiring, pro-
19 motion, or payment not described in clause (i).”,

20 (2) by striking subsection (c),

21 (3) in subsection (d)—

22 (A) by inserting “(1)” after “(d)”,

23 (B) by striking “(k)” and inserting “(j)”,

24 (C) by striking “brought hereunder” and
25 inserting “commenced under this section”, and

1 (D) by adding at the end the following:

2 “(2) The head of the department, agency, or unit in
3 which discrimination in violation of this section is alleged
4 to have occurred shall be the defendant in a civil action
5 alleging such violation. If a department, unit, or agency
6 is named as the defendant, the court shall freely grant
7 leave to amend the complaint to name the head of such
8 department, agency, or unit.

9 “(3)(A) In any action or proceeding under this sec-
10 tion, the court, in its discretion, may allow the prevailing
11 party (other than an entity of the Federal Government)
12 a reasonable attorney’s fee (including expert fees) and
13 costs as a court has authority to award under section
14 706(k), as amended from time to time, and the same inter-
15 est to compensate for delay in payment as in cases involv-
16 ing nonpublic parties.

17 “(B) If an action brought under this section by or
18 on behalf a Federal employee is found by the court to be
19 unreasonable, groundless, or vexatious, the court, in its
20 discretion, may allow the respondent a reasonable attor-
21 ney’s fee (including expert fees), costs, and interest as a
22 court has authority to award in an action to a prevailing
23 party under subparagraph (A).”

24 (4) by redesignating subsections (d) and (e) as
25 subsections (o) and (p), respectively, and

1 (5) by inserting after subsection (b) the follow-
2 ing:

3 “(c)(1)(A) Except as provided in subparagraphs (B),
4 (C), (D), and (E), a complaint filed by or on behalf of
5 a Federal employee or a class of Federal employees and
6 alleging a claim of discrimination arising under this sec-
7 tion shall name as the respondent, and be filed with, the
8 head of the department, agency, or unit in which such dis-
9 crimination is alleged to have occurred, or with the Com-
10 mission—

11 “(i) not later than 180 days after the alleged
12 discrimination occurs, except as provided in clause
13 (ii); and

14 “(ii) in the case of a respondent that provides
15 to such employee a voluntary alternative dispute res-
16 olution process approved by the Commission in ac-
17 cordance with rules issued by the Commission under
18 section 12005(a)(4) of the Economic Equity Act of
19 1996, after the expiration of the 20-day period be-
20 ginning on the date the Federal employee specifically
21 named in the complaint (or an individual authorized
22 to represent such Federal employee or both) re-
23 quests and offers to meet once with an individual
24 authorized to represent the respondent in accordance
25 with subparagraph (B) to engage in the

1 precomplaint conciliation approved under such sec-
2 tion by the Commission to be provided by the re-
3 spondent, except that such 20-day period shall be
4 excluded for purposes calculating such 180 days.

5 “(B) For purposes of subparagraph (A)(ii)—

6 “(i) conciliation shall occur during the regular
7 working hours of such Federal employee; and

8 “(ii) an individual may not be authorized to
9 represent the respondent if such individual—

10 “(I) has or has had any involvement in the
11 circumstances relating to any of such claims; or

12 “(II) has or has had supervisory authority
13 over such Federal employee.

14 “(C) If, not later than 180 days (determined under
15 subparagraph (A)) after the alleged discrimination occurs,
16 the complaint is filed—

17 “(i) with such department, agency, or unit and
18 fails to name the head of the department, agency, or
19 unit as the respondent; or

20 “(ii) except as provided in subparagraph (E),
21 with any other entity of the Federal Government, re-
22 gardless of the respondent named;

23 the complaint shall be considered to be filed in compliance
24 with subparagraph (A).

1 “(D) A complaint filed under this section with respect
2 to a claim of discrimination arising under this section shall
3 be dismissed if—

4 “(i) such claim is a grievance that is subject to
5 section 7121 of title 5, United States Code; and

6 “(ii) the aggrieved Federal employee has, in the
7 discretion of the Federal employee, exercised the op-
8 tion under section 7121(d) of such title to raise the
9 matter under the negotiated grievance procedure be-
10 fore filing the complaint.

11 “(E) A complaint filed by or on behalf of a Federal
12 employee, or a class of Federal employees, employed by
13 a department, agency, or unit in the intelligence commu-
14 nity (as defined by Executive Order 12333 or any succes-
15 sor to such order) and alleging a claim of discrimination
16 arising under this section shall be filed with the depart-
17 ment, agency, or unit in which such discrimination is al-
18 leged to have occurred not later than 180 days (deter-
19 mined under subparagraph (A)) after the alleged discrimi-
20 nation occurs.

21 “(2) If the complaint is filed with an entity of the
22 Federal Government other than the department, agency,
23 or unit in which such discrimination is alleged to have oc-
24 curred, then—

1 “(A) such entity (other than the Commission)
2 shall transmit the complaint to the Commission, not
3 later than 10 days after receiving the complaint; and

4 “(B) the Commission shall transmit a copy of
5 the complaint, not later than 10 days after receiving
6 the complaint, to the head of the department, agen-
7 cy, or unit in which such discrimination is alleged to
8 have occurred (hereinafter in this section referred to
9 as the ‘respondent’).

10 “(3) Not later than 10 days after the respondent re-
11 ceives the complaint from a source other than the Com-
12 mission, the respondent shall transmit to the Commission
13 a copy of the complaint.

14 “(d) Throughout the period beginning on the date the
15 respondent receives the complaint and ending on the latest
16 date by which all administrative and judicial proceedings
17 available under this section have been concluded with re-
18 spect to such claim, the respondent shall collect and pre-
19 serve documents and information (including the com-
20 plaint) that are relevant to such claim, including the docu-
21 ments and information that comply with rules issued by
22 the Commission.

23 “(e)(1) The respondent shall make reasonable efforts
24 to conciliate each claim alleged in the complaint beginning
25 on the date the complaint is filed under subsection (c).

1 After the complaint is filed, the respondent shall promptly
2 inform such Federal employee individually of the proce-
3 dures and deadlines that apply under this section to a
4 claim alleging such discrimination.

5 “(2)(A) With respect to such claim, the respondent
6 may enter into a settlement agreement with such Federal
7 employee.

8 “(B) The entity of the Federal Government with
9 which the complaint is filed under subsection (c) shall im-
10 mediately give formal written notice to such Federal em-
11 ployee that such Federal employee may either—

12 “(i) before the expiration of the 90-day period
13 beginning on the date such Federal employee re-
14 ceives such notice, file with the Commission—

15 “(I) a written request for a determination
16 of such claim under subsection (f) by an admin-
17 istrative judge of the Commission, together
18 with, at the option of such Federal employee, a
19 request that the administrative judge request a
20 stay described in subsection (f)(3)(A);

21 “(II) if such claim alleges discrimination in
22 the Commission or alleges an action appealable
23 to the Merit Systems Protection Board, a writ-
24 ten request electing that a determination of
25 such claim be made under the procedures speci-

1 fied in either subparagraph (A) or (B) of sec-
2 tion 7702(a)(2) of title 5, United States Code,
3 or a request described in subclause (I); or

4 “(III) if such claim alleges a grievance
5 that is subject to section 7121 of title 5, United
6 States Code, but not appealable to the Merit
7 Systems Protection Board, a written request to
8 raise such claim under the administrative and
9 judicial procedures provided in such section
10 7121 or a request described in subclause (I); or

11 “(ii) in the 90-day period beginning on the date
12 the complaint is filed under subsection (c) or in the
13 90-day period beginning on the date such Federal
14 employee receives such notice (whichever 90-day pe-
15 riod begins later), commence a civil action in an ap-
16 propriate district court of the United States for de
17 novo review of such claim.

18 “(3)(A) Such Federal employee may either—

19 “(i) file a written request described in clause (i)
20 of paragraph (2)(B) at any time before the expira-
21 tion of the 90-day period specified in clause (i) of
22 such paragraph; or

23 “(ii) commence a civil action described in clause
24 (ii) of such paragraph before the expiration of the

1 applicable 90-day period specified in paragraph
2 (2)(B)(ii).

3 “(B) If such Federal employee files a written request
4 under subclause (II) or (III) of paragraph (2)(B)(i) and
5 in accordance with subparagraph (A)(i), the Commission
6 shall transmit the complaint, not later than 10 days after
7 the Commission receives the complaint, to the appropriate
8 agency for determination.

9 “(f)(1) If such Federal employee files a written re-
10 quest under subsection (e)(2)(B)(i)(I) and in accordance
11 with subsection (e)(3)(A) with the Commission for a deter-
12 mination under this subsection of a claim with respect to
13 which notice is required by subsection (e)(2), then the
14 Commission shall transmit a copy of such request to the
15 respondent and, not later than 10 days after receiving
16 such request, shall appoint an administrative judge of the
17 Commission to determine such claim. If such request in-
18 cludes a request for a stay described in paragraph (3)(A),
19 then the Commission shall appoint an administrative
20 judge immediately after receiving such request.

21 “(2) Not later than 5 days after receiving a copy of
22 a request under subsection (e)(2)(B)(i), the respondent
23 shall transmit—

24 “(A) to the Commission if such request is for
25 a determination under this subsection; or

1 “(B) to the Merit Systems Protection Board if
2 such request is for a determination be made under
3 the procedures specified in section 7702(a)(2)(A) of
4 title 5, United States Code;
5 a copy of all documents and information collected by the
6 respondent under subsection (d) with respect to such
7 claim.

8 “(3)(A) The administrative judge, in accordance with
9 rules issued by the Commission, may request any member
10 of the Commission to order a stay of any personnel action
11 for 45 days if the administrative judge determines that
12 there are reasonable grounds to believe that the personnel
13 action was taken for discriminatory or retaliatory reasons
14 prohibited under this section.

15 “(B)(i) Any member of the Commission requested
16 under subparagraph (A) to order a stay shall order such
17 stay unless the member determines that, under the facts
18 and circumstances involved, such a stay does not comply
19 with such rules or otherwise would not be appropriate.

20 “(ii) Unless denied under clause (i), any stay re-
21 quested under subparagraph (A) shall be deemed to be
22 ordered on the third calendar day (excluding Saturdays,
23 Sundays, and legal holidays) after the date of the request.

24 “(C) If a stay is ordered under subparagraph (B),
25 the member who received the request for such stay may

1 terminate such stay at any time after giving notice, and
2 an opportunity for oral or written comments, to the ag-
3 grieved Federal employee on whose behalf such stay was
4 ordered.

5 “(D)(i) The Commission may extend the period of
6 any stay granted under subparagraph (B) for any period
7 that the Commission considers appropriate.

8 “(ii) Members of the Commission shall allow any en-
9 tity of the Federal Government that would be subject to
10 a stay, or to the extension of a stay, to comment to such
11 members and the Commission on the request for such stay
12 and on a request for such extension.

13 “(iii) The respondent shall comply with a stay in ef-
14 fect under this section.

15 “(4) The administrative judge shall determine wheth-
16 er the documents and information received under para-
17 graph (2) comply with subsection (d) and are complete
18 and accurate. If the administrative judge finds that the
19 respondent has failed to produce the documents and infor-
20 mation necessary to comply with such subsection, the ad-
21 ministrative judge shall, in the absence of good cause
22 shown by the respondent, impose any of the sanctions
23 specified in paragraph (6)(C) and shall require the re-
24 spondent—

1 “(A) to obtain any additional documents and
2 information necessary to comply with such sub-
3 section; and

4 “(B) to correct any inaccuracy in the docu-
5 ments and information so received.

6 “(5)(A) After examining the documents and informa-
7 tion received under paragraph (4), the administrative
8 judge shall issue an order dismissing—

9 “(i) any frivolous claim alleged in the com-
10 plaint;

11 “(ii) any claim of a Federal employee who fails
12 to comply with subsection (c)(1)(A)(ii) if applicable
13 to such employee; and

14 “(iii) the complaint if it fails to state a non-
15 frivolous claim for which relief may be granted
16 under this section.

17 “(B)(i) If a claim or the complaint is dismissed under
18 subparagraph (A), the administrative judge shall give for-
19 mal written notice to the aggrieved Federal employee that
20 such Federal employee may, before the expiration of the
21 90-day period beginning on the date such Federal em-
22 ployee receives such notice—

23 “(I) file with the Commission a written request
24 for appellate review of such order; or

1 “(II) commence a civil action in an appropriate
2 district court of the United States for de novo review
3 of such claim or the complaint.

4 “(ii) Such Federal employee may commence such civil
5 action after the dismissal of such claim or the complaint
6 and before the expiration of the 90-day period specified
7 in clause (i).

8 “(6)(A)(i) If the complaint is not dismissed under
9 paragraph (5)(A), the administrative judge shall make a
10 determination, after an opportunity for a hearing, on the
11 merits of each claim that is not dismissed under such
12 paragraph. The administrative judge shall make a deter-
13 mination on the merits of any other nonfrivolous claim
14 under this section, and on the merits of any action such
15 Federal employee may appeal to the Merit Systems Pro-
16 tection Board, reasonably expected to arise from the facts
17 on which the complaint is based.

18 “(ii) On the request of the aggrieved Federal em-
19 ployee, the administrative judge shall—

20 “(I) determine whether the administrative pro-
21 ceeding with respect to such claim may be main-
22 tained as a class proceeding; and

23 “(II) if the administrative proceeding may be so
24 maintained, shall describe those whom the adminis-
25 trative judge finds to be members of such class.

1 “(B) With respect to such claim, a party may conduct
2 discovery by such means as may be available in a civil ac-
3 tion to the extent deemed appropriate by the administra-
4 tive judge.

5 “(C) If the aggrieved Federal employee or the re-
6 spondent fails without good cause to respond fully and in
7 a timely fashion to a request made or approved by the
8 administrative judge for information or the attendance of
9 a witness, and if such information or such witness is solely
10 in the control of the party who so fails to respond, then
11 the administrative judge shall—

12 “(i) draw an adverse inference that the re-
13 quested information, or the testimony of the re-
14 quested witness, would have reflected unfavorably on
15 the party who so fails to respond;

16 “(ii) consider the matters to which such infor-
17 mation or such testimony pertains to be established
18 in favor of the opposing party;

19 “(iii) exclude other evidence offered by the
20 party who so fails to respond;

21 “(iv) grant full or partial relief, including—

22 “(I) relief of the kinds described in section
23 706(g); and

24 “(II) compensatory damages for unlawful
25 intentional discrimination (not an employment

1 practice that is unlawful because of its dispar-
2 ate impact) prohibited under this section, sub-
3 ject to the limitations specified in section
4 1977A(b)(3) of the Revised Statutes of the
5 United States;

6 to the aggrieved Federal employee; or

7 “(v) take such other action the administrative
8 judge considers to be appropriate.

9 “(D) In a hearing on a claim, the administrative
10 judge shall—

11 “(i) limit attendance to persons who have a di-
12 rect connection with such claim;

13 “(ii) bring out pertinent facts and relevant em-
14 ployment practices and policies, and ensure that the
15 record is developed for a full and fair determination
16 of such claim, but exclude irrelevant or unduly rep-
17 etitious information;

18 “(iii) permit all parties to examine and cross
19 examine witnesses; and

20 “(iv) require that testimony be given under
21 oath or affirmation.

22 “(E) At the request of any party or the administra-
23 tive judge, a transcript of all or part of such hearing shall
24 be provided in a timely manner and simultaneously to the

1 parties and the Commission. The respondent shall bear
2 the cost of providing such transcript.

3 “(F) The administrative judge shall have authority—

4 “(i) to administer oaths and affirmations;

5 “(ii) to regulate the course of hearings;

6 “(iii) to rule on offers of proof and receive evi-
7 dence;

8 “(iv) to issue subpoenas to compel—

9 “(I) the production of documents or infor-
10 mation by the entity of the Federal Government
11 in which discrimination is alleged to have oc-
12 curred; and

13 “(II) the attendance of witnesses who are
14 Federal officers or employees of such entity;

15 “(v) to request the Commission to issue subpoe-
16 nas to compel the production of documents or infor-
17 mation by any other entity of the Federal Govern-
18 ment or by the aggrieved Federal employee, and the
19 attendance of other witnesses, except that any wit-
20 ness who is not an officer or employee of an entity
21 of the Federal Government may be compelled only to
22 attend any place—

23 “(I) less than 100 miles from the place
24 where such witness resides, is employed, trans-
25 acts business in person, or is served; or

1 “(II) at such other convenient place as is
2 fixed by the administrative judge;

3 and shall be paid fees and allowances, by the party
4 that requests the subpoena, to the same extent that
5 fees and allowances are paid to witnesses under
6 chapter 119 of title 28, United States Code, as
7 amended from time to time;

8 “(vi) to exclude witnesses whose testimony
9 would be unduly repetitious;

10 “(vii) to exclude any person from a hearing for
11 contumacious conduct, or for misbehavior, that ob-
12 structs such hearing; and

13 “(viii) to grant full or partial relief, including—

14 “(I) relief of the kinds described in section
15 706(g); and

16 “(II) compensatory damages for unlawful
17 intentional discrimination (not an employment
18 practice that is unlawful because of its dispar-
19 ate impact) prohibited under this section, sub-
20 ject to the limitations specified in section
21 1977A(b)(3) of the Revised Statutes of the
22 United States.

23 “(G) The administrative judge and the Commission
24 shall have authority to award to a prevailing party (other
25 than an entity of the Federal Government)—

1 “(i) a reasonable attorney’s fee (including ex-
2 pert fees) and costs as a court has authority to
3 award under section 706(k), as amended from time
4 to time; and

5 “(ii) the same interest to compensate for delay
6 in payment as in cases involving nonpublic parties.

7 “(H) The Commission shall have authority to issue
8 subpoenas described in subparagraph (F)(v).

9 “(I) In the case of contumacy or failure to obey a
10 subpoena issued under subparagraph (F) or (H), the Unit-
11 ed States district court for the judicial district in which
12 the person to whom the subpoena is addressed resides or
13 is served may issue an order requiring such person to ap-
14 pear at any designated place to testify or to produce docu-
15 mentary or other evidence.

16 “(7)(A) Except as provided in subparagraph (B), the
17 administrative judge shall issue a written order making
18 the determination required by paragraph (6)(A), and
19 granting or denying relief, not later than—

20 “(i)(I) 300 days after the complaint containing
21 such claim is filed by or on behalf of a Federal em-
22 ployee if such complaint is filed in the 1-year period
23 beginning on the effective date of this subsection.

1 “(II) except as provided in subclause (I), 210
2 days after the complaint containing such claim is
3 filed by or on behalf of a Federal employee; or

4 “(ii) 2 years and 30 days after the complaint
5 containing such claim is filed on behalf of a class of
6 Federal employees;

7 except that these time periods shall be extended for 30
8 days if the administrative judge certifies, in writing, that
9 such 30-day period is needed to secure additional docu-
10 ments or information from the respondent to have a com-
11 plete administrative record.

12 “(B) The administrative judge shall issue such order
13 not later than 30 days after the applicable period specified
14 in subparagraph (A) if the administrative judge certifies
15 in writing, before the expiration of such applicable pe-
16 riod—

17 “(i) that such 30-day period is necessary to
18 make such determination; and

19 “(ii) the particular and unusual circumstances
20 that prevent the administrative judge from comply-
21 ing with the applicable period specified in subpara-
22 graph (A).

23 “(C) The administrative judge may apply to the Com-
24 mission to extend any period applicable under subpara-

1 graph (A) or (B) if manifest injustice would occur in the
2 absence of such an extension.

3 “(D) The Commission—

4 “(i) may not grant such extension; or

5 “(ii) shall terminate such extension;

6 if the aggrieved Federal employee shows that such exten-
7 sion would prejudice a claim of, or otherwise harm, such
8 Federal employee.

9 “(E) In addition to findings of fact and conclusions
10 of law, such order shall include formal written notice to
11 each party that before the expiration of the 90-day period
12 beginning on the date such party receives such order—

13 “(i) the aggrieved Federal employee may com-
14 mence a civil action in an appropriate district court
15 of the United States for de novo review of a claim
16 with respect to which such order is issued; and

17 “(ii) unless and until a civil action is com-
18 menced in such 90-day period under clause (i) with
19 respect to such claim, any party may file with the
20 Commission a written request for appellate review of
21 the determination made, and relief granted or de-
22 nied, in such order with respect to such claim.

23 “(F) Such Federal employee may commence such
24 civil action at any time before the expiration of the 90-

1 day period beginning on the date such Federal employee
2 receives an order described in subparagraph (A).

3 “(G) If such order applies to more than one claim
4 and if—

5 “(i) such employee does not commence a civil
6 action in accordance with subparagraph (E)(i); and

7 “(ii) neither party requests appellate review in
8 accordance with subparagraph (E)(ii);

9 with respect to a particular claim, then the determination
10 made, and relief granted, in such order with respect to
11 such particular claim shall be enforceable immediately.

12 “(g)(1) If a party files timely a written request in
13 accordance with subsection (f)(5)(B)(i) or (f)(7)(E)(ii)
14 with the Commission for appellate review of the deter-
15 mination made, and relief granted or denied, with respect
16 to a claim in such order, then the Commission shall imme-
17 diately transmit a copy of such request to the other parties
18 involved and to the administrative judge who issued such
19 order.

20 “(2) Not later than 7 days after receiving a copy of
21 such request, the administrative judge shall transmit to
22 the Commission the record of the proceeding on which
23 such order is based, including all documents and informa-
24 tion collected by the respondent under subsection (d).

1 “(3)(A) After allowing the parties to file briefs with
2 respect to such determination, the Commission shall issue
3 a written order with respect to such claim affirming, re-
4 versing, or modifying the applicable provisions of the order
5 of the administrative judge not later than—

6 “(i) 150 days after receiving such request; or

7 “(ii) 30 days after such 150-day period if the
8 Commission certifies in writing, before the expiration
9 of such 150-day period—

10 “(I) that such 30-day period is necessary
11 to review such claim; and

12 “(II) the particular and unusual cir-
13 cumstances that prevent the Commission from
14 complying with clause (i).

15 “(B) The Commission shall affirm the determination
16 made, and relief granted or denied, by the administrative
17 judge with respect to such claim if such determination and
18 such relief are supported by a preponderance of the evi-
19 dence in the record taken as a whole and are otherwise
20 in accordance with law. The Commission shall accord sub-
21 stantial deference to the findings of fact of the administra-
22 tive judge.

23 “(C) In addition to findings of fact and conclusions
24 of law, the Commission shall include in its order formal
25 written notice to the aggrieved Federal employee that, be-

1 fore the expiration of the 90-day period beginning on the
2 date such Federal employee receives such order, such Fed-
3 eral employee may commence a civil action in an appro-
4 priate district court of the United States for de novo re-
5 view of a claim with respect to which such order is issued.

6 “(D) Such Federal employee may commence such
7 civil action at any time before the expiration of the 90-
8 day period beginning on the date such Federal employee
9 receives an order described in subparagraph (A).

10 “(h)(1) In addition to the periods authorized by sub-
11 sections (f)(7)(F) and (g)(3)(D)—

12 “(A) during the period beginning 20 days after
13 the expiration of the applicable period specified in
14 subparagraph (A) or (B) of subsection (f)(7) and
15 ending on the date the administrative judge issues
16 under such subsection an order with respect to such
17 claim; and

18 “(B) during the period beginning 20 days after
19 the expiration of the applicable period specified in
20 subsection (g)(3)(A) and ending on the date the
21 Commission issues under such subsection an order
22 with respect to such claim;

23 such Federal employee may commence a civil action in an
24 appropriate district court of the United States for de novo
25 review of such claim.

1 “(2) Whenever a civil action is commenced timely and
2 otherwise in accordance with this section to determine the
3 merits of a claim arising under this section, the jurisdic-
4 tion of the administrative judge or the Commission (as
5 the case may be) to determine the merits of such claim
6 shall terminate.

7 “(i) A Federal employee who prevails on a claim aris-
8 ing under this section may bring a civil action in an appro-
9 priate district court of the United States to enforce—

10 “(1) the provisions of a settlement agreement
11 applicable to such claim;

12 “(2) the provisions of an order issued by an ad-
13 ministrative judge under subsection (f)(7)(A) appli-
14 cable to such claim if—

15 “(A) a request is not filed timely under
16 subsection (g)(1) for appellate review by the
17 Commission; and

18 “(B) a civil action is not commenced time-
19 ly under subsection (g)(3)(D) for de novo re-
20 view;
21 of such claim; or

22 “(3) the provisions of an order issued by the
23 Commission under subsection (g)(3)(A) applicable to
24 such claim if a civil action is not commenced timely

1 under subsection (g)(3)(D) for de novo review of
2 such claim.

3 “(j) Any amount awarded under this section (includ-
4 ing fees, costs, and interest awarded under subsection
5 (f)(6)(G)), or under title 28 of the United States Code,
6 with respect to a violation of this section, shall be paid
7 by the entity of the Federal Government that violated such
8 subsection from any funds made available to such entity
9 by appropriation or otherwise.

10 “(k)(1) An entity of the Federal Government against
11 which a claim of discrimination is alleged in a complaint
12 filed in an administrative proceeding or a civil action
13 under this section shall grant the aggrieved Federal em-
14 ployee paid administrative leave if otherwise on duty, for
15 time expended in accordance with rules issued by the Com-
16 mission to carry out this section, except that such leave
17 shall include reasonable time for—

18 “(A) preparation of a complaint based on such
19 allegation;

20 “(B) conciliation required by subsection
21 (c)(1)(A)(ii);

22 “(C) responding to requests made by the Com-
23 mission (including administrative judges) or the re-
24 spondent for information; and

25 “(D) attendance at such proceeding or action.

1 “(2) Except as provided in paragraph (1), an entity
2 of the Federal Government shall grant a Federal em-
3 ployee—

4 “(A) paid administrative leave to participate for
5 the benefit of a claimant in an administrative pro-
6 ceeding or civil action commenced under this section
7 to the same extent and under such circumstances as
8 such entity would grant an employee official duty or
9 paid administrative leave to participate for the bene-
10 fit of a Federal entity in an administrative proceed-
11 ing or civil action commenced under this section
12 against such entity; and

13 “(B) other leave to participate for the benefit of
14 a claimant in an administrative proceeding or civil
15 action commenced under this section to the same ex-
16 tent and under such circumstances as such entity
17 would grant an employee other leave to participate
18 for the benefit of a Federal entity in an administra-
19 tive proceeding or civil action commenced under this
20 section against such entity.

21 “(l)(1) In enforcing compliance with an order issued
22 by an administrative judge or the Commission, the Com-
23 mission may make a written determination that—

1 “(A) any officer or employee of the agency, de-
2 partment, or unit charged with complying with such
3 order; or

4 “(B) any officer or employee of the United
5 States determined to be responsible for the failure of
6 the agency, department, or unit to comply with such
7 order;

8 who is not an officer or employee appointed by the Presi-
9 dent by and with the advice and consent of the Senate,
10 shall not be entitled to receive payment for service as an
11 officer or employee for the period during which such order
12 has not been complied with. The Commission shall certify
13 to the Comptroller General of the United States that a
14 determination under this paragraph has been made, and
15 no payment shall be made out of the Treasury of the Unit-
16 ed States for any service specified in such determination.

17 “(2) In enforcing compliance with such order with re-
18 spect to any officer or employee described in subparagraph
19 (A) or (B) of paragraph (1) who is an officer or employee
20 appointed by the President by and with the advice and
21 consent of the Senate, the Commission shall notify the
22 President that such officer or employee has failed to obey
23 such order.

24 “(m) If with respect to the merits of a claim of inten-
25 tional discrimination (other than an employment practice

1 that is unlawful because of its disparate impact) prohib-
2 ited by this section, a Federal employee prevails in a pro-
3 ceeding under subsection (f) or a civil action commenced
4 under this section, then not later than 15 days after issu-
5 ing an order finding liability under this section, the admin-
6 istrative judge or the district court involved shall transmit
7 to the Office of Special Counsel a copy of such order.

8 “(n) This section, as in effect immediately before the
9 effective date of the Economic Equity Act of 1996, shall
10 apply with respect to employment in the Library of Con-
11 gress.”.

12 **SEC. 12002. AMENDMENTS TO THE AGE DISCRIMINATION IN**
13 **EMPLOYMENT ACT AND THE REHABILITA-**
14 **TION ACT OF 1973.**

15 (a) ENFORCEMENT BY EEOC.—(1) Section 15 of the
16 Age Discrimination in Employment Act of 1967 (29
17 U.S.C. 633a) is amended—

18 (A) by striking subsections (c) and (d),

19 (B) by inserting after subsection (b) the follow-
20 ing:

21 “(c)(1)(A) Except as provided in subparagraph (B),
22 any individual aggrieved by a violation of subsection (a)
23 of this section may file a complaint with the Commission
24 in accordance with section 717 of the Civil Rights Act of
25 1964.

1 “(B) Subsections (c) and (d) of this section, as in
2 effect immediately before the effective date of the Eco-
3 nomic Equity Act of 1996, shall apply with respect to em-
4 ployment in the Library of Congress.

5 “(2) Except as provided in paragraph (1)(B) and
6 subsection (d), such section 717 shall apply to a violation
7 alleged in a complaint filed under paragraph (1) in the
8 same manner as such section applies to a claim arising
9 under section 717 of such Act.

10 “(d)(1) If an individual aggrieved by a violation of
11 this section does not file a complaint under subsection
12 (c)(1), such individual may commence a civil action—

13 “(A) not less than 30 days after filing with the
14 Commission a notice of intent to commence such ac-
15 tion; and

16 “(B) not more than 2 years after the alleged
17 violation of this section occurs;

18 in an appropriate district court of the United States for
19 de novo review of such violation.

20 “(2) On receiving such notice, the Commission
21 shall—

22 “(A) promptly notify all persons named in such
23 notice as prospective defendants in such action; and

24 “(B) take any appropriate action to ensure the
25 elimination of any unlawful practice.

1 “(3) Section 717(o) of the Civil Rights Act of 1964
2 (42 U.S.C. 2000e–16(o)) shall apply to civil actions com-
3 menced under this subsection in the same manner as such
4 section applies to civil actions commenced under section
5 717 of the Civil Rights Act of 1964.”,

6 (C) in subsection (f)—

7 (i) by inserting “(1)” after “(f)”,

8 (ii) by striking “section 12(b)” and insert-
9 ing “sections 12(b) and 4(d)”, and

10 (iii) by adding at the end the following:

11 “(2)(A) Subject to subparagraph (B), an unlawful
12 personnel action of the kind described in section 4(d) is
13 established under subsection (a) if an employee or appli-
14 cant for employment demonstrates that his opposing any
15 practice made an unlawful employment practice by sub-
16 section (a), his making a charge, testifying, assisting, or
17 participating in any manner in an investigation, proceed-
18 ing, or hearing under this section, or his communicating
19 with the Congress regarding discrimination in violation of
20 subsection (a) was a contributing factor in an adverse per-
21 sonnel action that was taken or is to be taken against such
22 employee or applicant.

23 “(B) On a claim in which a Federal employee proves
24 a violation under subparagraph (A) and a respondent
25 demonstrates, on the basis of the evidentiary standard

1 specified in section 1221(e)(2) of title 5 of the United
2 States Code, that the respondent would have taken the
3 same personnel action in the absence of the impermissible
4 motivating factor, the court—

5 “(i) may grant declaratory relief, injunctive re-
6 lief (except as provided in clause (ii)), and attorney’s
7 fees and costs demonstrated to be directly attrib-
8 utable only to the pursuit of a claim under subpara-
9 graph (A); and

10 “(ii) shall not award damages or issue an order
11 requiring any admission, reinstatement, hiring, pro-
12 motion, or payment not described in clause (i).”,

13 (2) Section 505 of the Rehabilitation Act of 1973 (29
14 U.S.C. 794a) is amended—

15 (A) in subsection (a)(1)—

16 (i) by inserting “(A)” after “(a)(1)”,

17 (ii) by striking “706(k)” and inserting
18 “706(j)”,

19 (iii) by striking “through (k)” and insert-
20 ing “through (j)”, and

21 (iv) by adding at the end the following:

22 “(B) The first sentence of this paragraph, as in effect
23 immediately before the effective date of the Economic Eq-
24 uity Act of 1996, shall apply with respect to employment
25 in the Library of Congress.”, and

1 (B) in subsection (b) by striking “In” and in-
2 sserting “Except as provided in subsection (a)(1),
3 in”.

4 (b) OPPORTUNITY TO COMMENCE CIVIL ACTION.—
5 If a complaint filed under section 15 of the Age Discrimi-
6 nation in Employment Act of 1967 (29 U.S.C. 633a), or
7 section 501 of the Rehabilitation Act of 1973 (29 U.S.C.
8 791)), with the Equal Employment Opportunity Commis-
9 sion is pending in the period beginning on the date of the
10 enactment of this subtitle and ending on December 31,
11 1996, the individual who filed such complaint may com-
12 mence a civil action under such section not later than June
13 30, 1997.

14 **SEC. 12003. AMENDMENTS TO TITLE 5 OF THE UNITED**
15 **STATES CODE.**

16 (a) GRIEVANCE PROCEDURES.—Section 7121 of title
17 5, United States Code, is amended—

18 (1) in subsection (a)(1) by inserting “adminis-
19 trative” after “exclusive”, and

20 (2) in subsection (d)—

21 (A) by inserting “(1)” after “(d)”,

22 (B) in the first sentence by inserting “, in
23 the discretion of the aggrieved employee,” after
24 “may”, and

1 (C) in the last sentence by striking “Selec-
2 tion” and all that follows through “any other”,
3 and inserting the following:

4 “(2) An employee may commence, not later than 120
5 days after a final decision, a civil action in an appropriate
6 district court of the United States for de novo review of
7 a”.

8 (b) ACTIONS INVOLVING DISCRIMINATION.—Section
9 7702 of title 5, United States Code, is amended to read
10 as follows:

11 **“§ 7702. Actions involving discrimination**

12 “(a)(1) Notwithstanding any other provision of law,
13 in the case of any employee or applicant for employment
14 who—

15 “(A) is affected by—

16 “(i) an action which the employee or appli-
17 cant may appeal to the Merit Systems Protec-
18 tion Board, or

19 “(ii) an action, not described in clause
20 (i)—

21 “(I) on the part the Equal Employ-
22 ment Opportunity Commission, and

23 “(II) with respect to which the em-
24 ployee or applicant makes an election

1 under section 717(e)(2)(B)(i)(II) of the
2 Civil Rights Act of 1964, and

3 “(B) alleges that a basis for the action was dis-
4 crimination prohibited by—

5 “(i) section 717 of the Civil Rights Act of
6 1964 (42 U.S.C. 2000a–16),

7 “(ii) section 6(d) of the Fair Labor Stand-
8 ards Act of 1938 (29 U.S.C. 206(d)),

9 “(iii) section 501 of the Rehabilitation Act
10 of 1973 (29 U.S.C. 791),

11 “(iv) sections 12 and 15 of the Age Dis-
12 crimination in Employment Act of 1967 (29
13 U.S.C. 631, 633a), or

14 “(v) any rule, regulation, or policy directive
15 prescribed under any provision of law described
16 in clauses (i) through (iv) of this subparagraph,
17 the employee or applicant may raise the action as provided
18 in paragraph (2).

19 “(2) For purposes of paragraph (1), the employee
20 shall raise the action by filing a complaint in accordance
21 with section 717 of the Civil Rights Act of 1964 and shall
22 make a request described in section 717(e)(2)(B)(i) select-
23 ing the procedures specified in one of the following sub-
24 paragraphs:

1 “(A) The administrative and judicial procedures
2 provided under sections 7701 and 7703.

3 “(B) The administrative and judicial procedures
4 provided under section 7121.

5 “(C) The administrative and judicial procedures
6 provided under section 717 of the Civil Rights Act
7 of 1964.

8 “(3) The agency (including the Board and the Equal
9 Employment Opportunity Commission) that carries out
10 such procedures shall apply the substantive law that is ap-
11 plied by the agency that administers the particular law
12 referred to in subsection (a)(1) that prohibits the conduct
13 alleged to be the basis of the action referred to in sub-
14 section (a)(1)(A).

15 “(b) If—

16 “(1) an employee elects the procedures specified
17 in subsection (a)(2)(C), and

18 “(2) the Equal Employment Opportunity Com-
19 mission dismisses under section 717(f)(5)(A) of the
20 Civil Rights Act of 1964 a claim that is based on
21 the action raised by the employee,

22 then the employee shall have 20 days in which to raise
23 the action under the procedures specified in subparagraph
24 (A) or (B) of subsection (a)(2), except that no allegation

1 of a kind described in subsection (a)(1)(B) may be raised
2 under this subsection.

3 “(c) If at any time after the 120th day following the
4 receipt under section 717(e)(3)(B) of the Civil Rights Act
5 of 1964 of a complaint as a result of an election made
6 under section 717(e)(2)(B)(i) of the Civil Rights Act of
7 1964 to raise an action under the procedures specified in
8 subsection (a)(2)(A) there is no judicially reviewable ac-
9 tion, an employee shall be entitled to file, not later than
10 240 days after making such election, a civil action in an
11 appropriate district court of the United States for de novo
12 review of the action raised under subsection (a).

13 “(d) Nothing in this section shall be construed to af-
14 fect the right to trial de novo under any provision of law
15 described in subsection (a)(1) after a judicially reviewable
16 action.”.

17 (c) DISCIPLINARY ACTION.—(1) Section 1214 of title
18 5, United States Code, is amended by adding at the end
19 the following:

20 “(g)(1) Whenever the Office of Special Counsel re-
21 ceives any copy of an order, in accordance with section
22 717(m) of the Civil Rights Act of 1964, with respect to
23 a claim arising under section 717 of the Civil Rights Act
24 of 1964, section 15(a) of the Age Discrimination in Em-
25 ployment Act of 1967, or section 501 of the Rehabilitation

1 Act of 1973, the Special Counsel shall investigate the mat-
2 ter to the extent necessary to determine whether there are
3 reasonable grounds to believe that a prohibited personnel
4 practice described in section 2302(b)(1) has occurred and,
5 if so, shall seek the appropriate disciplinary action under
6 section 1215.

7 “(2) A determination under this subsection shall be
8 made not later than 180 days after the appropriate date
9 under paragraph (3) for the last applicable event described
10 in such paragraph.

11 “(3)(A) With respect to a claim—

12 “(i) to which an order issued by an administra-
13 tive judge of the Equal Employment Opportunity
14 Commission applies, and

15 “(ii) with respect to which the aggrieved em-
16 ployee neither—

17 “(I) commences a civil action in accord-
18 ance with section 717(f)(7)(E)(i) of the Civil
19 Rights Act of 1964, nor

20 “(II) requests appellate review in accord-
21 ance with section 717(f)(7)(E)(ii) of the Civil
22 Rights Act of 1964,

23 the appropriate date is the date on which the Office of
24 Special Counsel receives a copy of an order (referred to
25 in paragraph (1)) from the administrative judge.

1 “(B) With respect to a claim—

2 “(i) to which an order issued by the Equal Em-
3 ployment Opportunity Commission applies, and

4 “(ii) with respect to which the aggrieved em-
5 ployee does not commence a civil action in accord-
6 ance with section 717(g)(3)(D),

7 the appropriate date is the date on which the Office of
8 Special Counsel receives a copy of an order (referred to
9 in paragraph (1)) from the Commission.

10 “(C) With respect to a claim to which a final judg-
11 ment issued by a court of the United States applies, the
12 appropriate date is the date on which the Office of Special
13 Counsel receives a copy of an order (referred to in para-
14 graph (1)) from such court.

15 “(4) For the purpose of this subsection—

16 “(A) the term ‘order’ means an order issued on
17 the merits;

18 “(B) the term ‘judgment’ means a judgment is-
19 sued on the merits; and

20 “(C) the term ‘final judgment’ means a judg-
21 ment that is either—

22 “(i) not reviewed by any other court that
23 has authority to review such judgment; or

24 “(ii) not reviewable by any other court.”.

1 (2) Section 1218 of title 5, United States Code, is
2 amended—

3 (A) by inserting “(a)” before the first sentence;

4 and

5 (B) by adding at the end the following:

6 “(b) Any statistical or other information provided
7 under the first sentence of subsection (a) shall specify with
8 respect to each particular prohibited personnel practice,
9 the extent to which such information relates to any matter
10 referred to in section 1214(g), the disposition of such
11 practice, and the basis for such disposition.”.

12 (d) RECORDKEEPING.—(1) Chapter 23 of title 5,
13 United States Code, is amended by adding at the end the
14 following:

15 **“§ 2306. Federal personnel records**

16 “(a) For the purpose of this section—

17 “(1) the term ‘personnel action’ has the mean-
18 ing given such term in section 2302(a)(2)(A);

19 “(2) the term ‘record’ has the meaning given
20 such term in section 552a(a)(4); and

21 “(3) the term ‘employee’ means an employee or
22 applicant for employment in any entity of the Fed-
23 eral Government to which—

24 “(A) section 717(a) of the Civil Rights Act
25 of 1964 applies;

1 “(B) section 501 of the Rehabilitation Act
2 of 1973 applies; or,

3 “(C) sections 12 and 15 of the Age Dis-
4 crimination in Employment Act of 1967 apply;
5 but does not include any employee or applicant for
6 employment with respect to whom section 117, or
7 title III (excluding section 320), of the Civil Rights
8 Act of 1991 applies.

9 “(b) Records relating to any personnel action taken
10 with respect to an employee shall be maintained by the
11 employing authority for at least the greater of—

12 “(1) 270 days after the effective date of the
13 personnel action to which such records relate; or

14 “(2) the period of time otherwise required
15 under applicable provisions of law, rule, or regula-
16 tion, if any.

17 “(c) The Office of Personnel Management, in con-
18 sultation with the Equal Employment Opportunity Com-
19 mission, shall issue guidelines for the implementation of
20 this section by an entity of the Federal Government (as
21 defined in section 701 of the Civil Rights Act of 1964).”.

22 (2) The table of sections for chapter 23 of title 5,
23 United States Code, is amended by adding at the end the
24 following:

“2306. Federal personnel records.”.

1 (e) CONFORMING AMENDMENTS.—Section 7703(b)
2 of title 5, United States Code, is amended—

3 (1) in paragraph (1) by striking “(1) Except as
4 provided in paragraph (2) of this subsection, a” and
5 inserting “A”, and

6 (2) by striking paragraph (2).

7 (f) RIGHT TO INTERVENE.—Section 1212(c)(2) of
8 title 5, United States Code, is amended—

9 (1) by striking “(2)” and inserting “(2)(A)”;
10 and

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

12 “(B) Consent under subparagraph (A) shall not be
13 required, in the case of an appeal from an action, if—

14 “(i) section 7513(d) is the provision making the
15 action appealable to the Board;

16 “(ii) the appeal is brought in a matter with re-
17 spect to which a copy of an order has been received
18 by the Office of Special Counsel under section
19 717(m) of the Civil Rights Act of 1964; and

20 “(iii) 1 of the grounds for the action being ap-
21 pealed is discrimination of a type described in sec-
22 tion 2302(b)(1).”.

23 **SEC. 12004. TECHNICAL AMENDMENTS.**

24 Section 717(b) of the Civil Rights Act of 1964 (42
25 U.S.C. 2000e–16(b)) is amended by striking “Civil Service

1 Commission” each place it appears and inserting “Com-
2 mission”.

3 **SEC. 12005. ISSUANCE OF PROCEDURAL GUIDELINES AND**
4 **NOTICE RULES.**

5 (a) ISSUANCE OF CERTAIN RULES AND GUIDE-
6 LINES.—After providing notice in accordance with section
7 553(b) of title 5, United States Code, and not later than
8 1 year after the date of the enactment of this subtitle,
9 the Equal Employment Opportunity Commission shall
10 issue—

11 (1) rules to assist entities of the Federal Gov-
12 ernment to comply with section 717(d) of the Civil
13 Rights Act of 1964, as added by section 12002 of
14 this subtitle,

15 (2) rules establishing—

16 (A) a uniform written official notice to be
17 used to comply with section 717 of such Act, as
18 added by section 12002 of this subtitle, and

19 (B) detailed requirements applicable to col-
20 lecting and preserving documents and informa-
21 tion under section 717(d), as added by section
22 12002 of this subtitle,

23 (3) guidelines describing an alternative dispute
24 resolution process that may be used by entities of
25 the Federal Government (as defined in section

1 701(p) of the Civil Rights Act of 1964 (7 U.S.C.
2 2000e(p)), in their discretion, consistent with the
3 administrative process applicable to claims under
4 section 717 of such Act, and

5 (4) rules establishing the criteria, standards,
6 and process for obtaining Commission simultaneous
7 approval of—

8 (A) a process for precomplaint conciliation
9 of the kind required by section 717(c)(1)(A)(i)
10 of the Civil Rights Act of 1964, and

11 (B) an alternative dispute resolution proc-
12 ess for purposes of such section.

13 (b) PUBLICATION OF PROPOSED GUIDELINES.—Not
14 later than 180 days after the date of the enactment of
15 this subtitle, the Equal Employment Opportunity Com-
16 mission shall publish in the Federal Register proposed
17 guidelines of the kind described in subsection (a)(3) and
18 proposed rules of the kind described in subsection (a)(4),
19 and allow not less than 30 days for public comment before
20 issuing guidelines and rules under paragraphs (3) and (4)
21 of subsection (a).

22 (c) STANDARDS FOR ALTERNATIVE DISPUTE RESO-
23 LUTION PROCESSES.—The guidelines required by sub-
24 sections (a) and (b) shall provide for alternative dispute
25 resolution processes that include—

1 (1) procedural rules applicable to the operation
2 of such processes, including a description of the
3 roles of Federal employees and the authorized rep-
4 resentatives of such employees in such processes,

5 (2) an opportunity for meaningful participation
6 by Federal employees, and their authorized rep-
7 resentatives if appropriate, in the design and devel-
8 opment of such processes and such rules,

9 (3) methods for selecting and training qualified
10 facilitators, including the use of nonparty neutrals
11 not from the employing activities,

12 (4) providing to the parties access to relevant
13 documents and witnesses,

14 (5) application of decisional law and legal prin-
15 ciples,

16 (6) periodic evaluation of the efficacy of
17 facilitators,

18 (7) periodic evaluation of the efficacy of the al-
19 ternative dispute resolution process and conciliation
20 (including precomplaint conciliation), and reporting
21 on the resolution and settlement of disputes under
22 such process, and

23 (8) confidentiality of communications (including
24 offers of settlement) among participants in such
25 process.

1 (d) IDENTIFICATION OF APPROVED ALTERNATIVE
2 DISPUTE RESOLUTION PROCESSES.—Not later than 21
3 months after the date of the enactment of this subtitle,
4 and annually thereafter, the Equal Employment Oppor-
5 tunity Commission shall publish in the Federal Register
6 the names of the entities of the Federal Government (as
7 defined in section 701 of the Civil Rights Act of 1964)
8 that provide a voluntary alternative dispute resolution
9 process approved by the Commission in accordance with
10 the rules in effect under subsection (a)(4).

11 (e) VOLUNTARY SETTLEMENT PROGRAM.—The
12 Equal Employment Opportunity Commission shall issue
13 rules establishing a program and procedures, consistent
14 with the administrative adjudication of claims under sec-
15 tion 717 of the Civil Rights Act of 1964 as amended by
16 this subtitle, to foster the voluntary settlement of such
17 claims.

18 (f) REPORTING REQUIREMENT.—Section 705 of the
19 Civil Rights Act of 1964 (42 U.S.C. 2000–e4) is amended
20 by adding at the end the following:

21 “(l) The Commission shall include in each report
22 made under subsection (e) the following information sepa-
23 rately identified with respect to each entity of the Federal
24 Government for the period for which such report is made:

1 “(1) The number of Federal employees who
2 participated in conciliation provided under section
3 717(c)(1)(A)(ii) as added by the Economic Equity
4 Act of 1996.

5 “(2) The number of such employees who en-
6 tered into a settlement under section 717, as amend-
7 ed by such Act, for relief of any kind.

8 “(3) The number of such employees who filed
9 complaints under such section 717.

10 “(4) The number of other Federal employees
11 who filed complaints under such section.

12 The head of each such entity shall provide such informa-
13 tion timely to the Commission to enable the Commission
14 to comply with this subsection.”.

15 **SEC. 12006. ISSUANCE OF RULES REGARDING CLASSIFIED**
16 **INFORMATION.**

17 (a) **RULES REQUIRED.**—The Equal Employment Op-
18 portunity Commission, in consultation with the Director
19 of Central Intelligence, the Secretary of Defense, and the
20 Director of the Information Security Oversight Office of
21 the General Services Administration, shall issue rules to
22 ensure the protection of classified information and na-
23 tional security information in administrative proceedings
24 under section 717 of the Civil Rights Act of 1964 (42
25 U.S.C. 2000e–16). Such rules shall include a requirement

1 that complaints filed under section 717(c) of such Act that
2 bear on classified information shall be handled only by ad-
3 ministrative judges, and other personnel, who have appro-
4 priate security clearances.

5 (b) DEFINITION.—For purposes of subsection (a),
6 the term “classified information” has the meaning given
7 such term in section 606(1) of the National Security Act
8 of 1947 (50 U.S.C. 426(1)).

9 **SEC. 12007. RULES OF CONSTRUCTION.**

10 Any reference in any law (other than title VII of the
11 Civil Rights Act of 1964) to any provision of title VII of
12 the Civil Rights Act of 1964 amended by this subtitle shall
13 be deemed to be a reference to such provision as amended
14 by this subtitle.

15 **SEC. 12008. SENSE OF THE CONGRESS.**

16 (a) APPROPRIATION OF FUNDS.—It is the sense of
17 the Congress that because the amendments made by this
18 subtitle—

19 (1) impose on the Equal Employment Oppor-
20 tunity Commission additional administrative respon-
21 sibility in the processing of claims of Federal em-
22 ployees based on discrimination in employment, and

23 (2) increase the financial burden on the Com-
24 mission to carry out such responsibility,

1 the amount appropriated to the Commission to carry out
2 laws prohibiting discrimination in Federal employment
3 should be increased accordingly to enable the Commission
4 to carry out its additional responsibility.

5 (b) PAYMENT OF RELIEF AWARDED.—It is the sense
6 of the Congress that the payment of any relief awarded
7 under section 717 of the Civil Rights Act of 1964 (42
8 U.S.C. 20003–16) should not be made by any Federal
9 agency out of any funds appropriated to such agency for
10 the salaries and expenses.

11 **SEC. 12009. EFFECTIVE DATES; APPLICATION OF AMEND-**
12 **MENTS.**

13 (a) GENERAL EFFECTIVE DATE.—Except as pro-
14 vided in subsections (b) and (c), this subtitle and the
15 amendments made by this subtitle shall take effect on
16 January 1, 1998.

17 (b) EFFECTIVE DATE OF SECTIONS 12005 AND
18 12006.—Sections 12005 and 12006 shall take effect on
19 the date of the enactment of this subtitle.

20 (c) APPLICATION OF AMENDMENTS.—The amend-
21 ments made by this subtitle shall not apply with respect
22 to—

23 (1) complaints filed under section 717 of the
24 Civil Rights Act of 1964 (42 U.S.C. 2000e–16) be-
25 fore the effective date of this subtitle; and

1 (2) proceedings pending under title 5 of the
2 United States Code before the effective date of this
3 subtitle.

4 **Subtitle C—Legislative Pay Equity** 5 **Study**

6 **SEC. 13001. DECLARATION OF POLICY.**

7 The Congress is committed to the elimination of all
8 forms of discrimination that adversely affect pay or work-
9 ing conditions of any employee because of the race, color,
10 religion, sex, or national origin of the employee, and it is
11 the policy of the Congress that persons employed in the
12 legislative branch shall receive equal pay in cases in which
13 the work performed is comparable, as measured by the
14 composite of skill, effort, responsibility, and working con-
15 ditions normally required in the performance of the job.

16 **SEC. 13002. ESTABLISHMENT OF COMMISSION.**

17 (a) **IN GENERAL.**—There is established the Commis-
18 sion on Employment Discrimination in the Legislative
19 Branch (hereinafter in this subtitle referred to as the
20 “Commission”).

21 (b) **APPOINTMENT OF MEMBERS.**—The Commission
22 shall consist of thirteen members to be appointed for the
23 life of the Commission as follows:

24 (1) Four shall be Members of the House of
25 Representatives, appointed by the Speaker of the

1 House of Representatives, two upon recommendation
2 of the majority leader and two upon recommendation
3 of the minority leader.

4 (2) Four shall be Senators, appointed by the
5 President pro tempore, two upon recommendation of
6 the majority leader and two upon recommendation of
7 the minority leader.

8 (3) Two shall be other than Members of Con-
9 gress, appointed by the Speaker of the House of
10 Representatives and shall, to the extent practicable,
11 be persons with expertise in job evaluation. One such
12 member shall be appointed upon recommendation of
13 the majority leader and one upon recommendation of
14 the minority leader.

15 (4) Two shall be other than Members of Con-
16 gress, appointed by the President pro tempore of the
17 Senate and shall, to the extent practicable, be per-
18 sons with expertise in job evaluation. One such
19 member shall be appointed upon recommendation of
20 the majority leader and one shall be appointed upon
21 recommendation of the minority leader.

22 (5) One shall be appointed by the Speaker of
23 the House of Representatives and the President pro
24 tempore of the Senate, acting jointly, upon rec-

1 ommendation of the members appointed under para-
2 graphs (1) through (4).

3 (c) PREREQUISITES RELATING TO CERTAIN AP-
4 POINTMENTS.—(1) Of the members of the Commission ap-
5 pointed under subsection (b)(3)—

6 (A) one shall be a member of one of the two
7 largest labor unions at the Library of Congress; and

8 (B) one shall be a manager at the Library of
9 Congress.

10 (2) Of the members of the Commission appointed
11 under subsection (b)(4)—

12 (A) one shall be a member of one of the two
13 largest labor unions at the Library of Congress; and

14 (B) one shall be a manager at the Library of
15 Congress.

16 (3) The member appointed under paragraph (1)(A)
17 shall not be from the same labor union as the member
18 appointed under paragraph (2)(A).

19 (d) REMOVAL.—The person making an appointment
20 may remove a member of the Commission for neglect of
21 duty or malfeasance in office.

22 (e) VACANCIES.—A vacancy in the Commission shall
23 be filled in the manner in which the original appointment
24 is made.

1 (f) CHAIRMAN; VICE CHAIRMAN.—The Commission
2 shall elect a chairman and a vice chairman from among
3 its members. The chairman and vice chairman shall not
4 be of the same political party.

5 (g) QUORUM.—Seven members of the Commission
6 shall constitute a quorum for the transaction of business,
7 but the Commission may establish a lesser number for
8 holding hearings, taking testimony, and receiving evi-
9 dence.

10 (h) COMMENCEMENT OF OPERATIONS.—Members
11 shall be appointed and the Commission shall commence
12 operation not later than four weeks after the date on
13 which this subtitle is agreed to.

14 **SEC. 13003. FUNCTIONS OF COMMISSION.**

15 (a) IN GENERAL.—The Commission shall—

16 (1) employ a nongovernmental consultant with
17 expertise in job evaluation to study and compare the
18 compensation paid within and between job classifica-
19 tions in the Library of Congress and to analyze per-
20 sonnel policies and practices in the Library of Con-
21 gress;

22 (2) evaluate the compensation system and per-
23 sonnel policies and practices in the Library of Con-
24 gress for compliance with title VII of the Civil
25 Rights Act of 1964 and make specific recommenda-

1 tions (other than any recommendation that, if imple-
2 mented, would result in a reduction in the rate of
3 pay payable for any position) to the Congress for
4 such action as may be necessary to achieve that
5 compliance;

6 (3) develop a comprehensive plan for applica-
7 tion of the principles of title VII of the Civil Rights
8 Act of 1964 throughout the legislative branch; and

9 (4) make specific recommendations (other than
10 any recommendation that, if implemented, would re-
11 sult in a reduction in the rate of pay payable for any
12 position) to the Congress for improvement of person-
13 nel policies and practices in the legislative branch
14 that may be necessary to carry out the policy de-
15 clared in section 13001.

16 (b) SPECIFIC REQUIREMENT RELATING TO THE
17 CONSULTANT.—In carrying out the requirements of para-
18 graph (1) of subsection (a), the consultant employed under
19 such paragraph shall use standard objective job-evaluation
20 techniques to determine whether the compensation system
21 at the Library of Congress is in compliance with the policy
22 objectives in section 13001.

23 **SEC. 13004. STAFF OF COMMISSION.**

24 (a) STAFF DIRECTOR.—The Commission shall have
25 a staff director who shall be appointed by the chairman

1 and who shall be paid at a rate not to exceed the maximum
2 rate of basic pay payable under the General Schedule (as
3 determined under section 5376 of title 5, United States
4 Code).

5 (b) ADDITIONAL STAFF.—With the approval of the
6 Commission, the chairman may appoint, terminate, and
7 fix the pay of additional staff. Any person so appointed
8 may be paid at a rate not to exceed the maximum rate
9 of basic pay payable for grade GS–15 of the General
10 Schedule, under section 5332 of title 5, United States
11 Code.

12 **SEC. 13005. COMPENSATION OF MEMBERS.**

13 (a) PROHIBITION OF COMPENSATION OF CERTAIN
14 MEMBERS.—A member of the Commission who is a Mem-
15 ber of Congress or a full-time officer or employee of the
16 United States shall receive no additional pay by reason
17 of service on the Commission.

18 (b) COMPENSATION OF OTHER MEMBERS.—Any
19 other member of the Commission shall be paid at a rate
20 equal to the daily equivalent of the maximum annual rate
21 of basic pay payable under the General Schedule (as deter-
22 mined under section 5376 of title 5, United States Code)
23 for each day, including travel time, such member is en-
24 gaged in the performance of duties of the Commission.

1 **SEC. 13006. POWERS OF COMMISSION.**

2 The Commission may hold hearings, take testimony,
3 receive evidence, administer oaths or affirmations to wit-
4 nesses appearing before it, and authorize any member or
5 agent of the Commission to exercise such powers.

6 **SEC. 13007. REPORTS AND TERMINATION OF COMMISSION.**

7 The Commission may submit interim reports to the
8 Congress and shall submit a final report to the Congress
9 not later than 18 months after the date on which this sub-
10 title is agreed to. The Commission shall cease to exist thir-
11 ty days after submitting the final report.

12 **SEC. 13008. ADMINISTRATIVE PROVISIONS.**

13 (a) FUNDING.—There shall be paid from the applica-
14 ble accounts of the House of Representatives and from
15 the contingent fund of the Senate such sums as may be
16 necessary to carry out this subtitle. One-half of the total
17 of such sums shall be paid from each such source. Pay-
18 ment shall be upon vouchers submitted by the chairman
19 of the Commission and approved by the Committee on
20 House Oversight of the House of Representatives or the
21 Committee on Rules and Administration of the Senate, as
22 appropriate.

23 (b) STATUS OF MEMBERS AND STAFF.—Members of
24 the Commission (other than Members of Congress) and
25 the staff of the Commission shall be treated as detailed

1 employees, or as temporary or intermittent employees of
2 the House or of the Senate, as appropriate.

3 (c) REGULATIONS.—The Committee on House Over-
4 sight of the House of Representatives and the Committee
5 on Rules and Administration of the Senate, acting jointly,
6 shall prescribe such regulations as may be necessary to
7 carry out this subtitle. Employment of experts and con-
8 sultants, travel, procurement of support services, proce-
9 dures for securing information, and other administrative
10 matters with respect to the Commission shall be in accord-
11 ance with such regulations.

12 **Subtitle D—Sexual Harassment** 13 **Prevention**

14 **SEC. 14001. CIVIL ACTION.**

15 (a) GENERALLY.—Whoever (including a govern-
16 mental entity), in or affecting interstate or foreign com-
17 merce—

18 (1) engages in any sexual harassment; or

19 (2) retaliates against any person for opposing
20 sexual harassment or filing a complaint, or otherwise
21 participating in any manner, in a civil action under
22 paragraph (1);

23 shall be liable to the person injured by that harassment
24 or retaliation for any appropriate relief, which may include
25 money damages. In a civil action under this section, the

1 court may award a prevailing plaintiff a reasonable attor-
2 neys' fee and other litigation expenses (including expert
3 witness fees) as a part of the costs.

4 (b) WHAT CONSTITUTES SEXUAL HARASSMENT.—

5 (1) GENERALLY.—As used in this section, the
6 term “sexual harassment” means conduct described
7 in paragraph (2) in a relationship described in para-
8 graph (3).

9 (2) CONDUCT.—The conduct referred to in
10 paragraph (1) is an unwelcome sexual advance, un-
11 welcome request for sexual favors, or other unwel-
12 come conduct of a sexual nature where—

13 (A) submission to such conduct is either
14 explicitly or implicitly a term or condition of the
15 relationship described in paragraph (3);

16 (B) submission to or rejection of such con-
17 duct is the basis for decisions or actions regard-
18 ing the person who submitted to or rejected
19 that conduct; or

20 (C) such conduct has the purpose or effect
21 of unreasonably interfering with the relation-
22 ship described in paragraph (3) or creates an
23 intimidating, hostile, or offensive environment
24 within that relationship.

1 (3) RELATIONSHIP.—The relationship referred
2 to in paragraphs (1) and (2) is a relationship—

3 (A) between a patient and a physician,
4 psychotherapist, or dentist;

5 (B) between a client and an attorney, mar-
6 riage, family, or child counselor, social worker,
7 or accountant;

8 (C) between a beneficiary and an executor,
9 trustee, or administrator of a trust or estate;

10 (D) between an employee and an employer,
11 if the employer has fewer than 15 employees for
12 each working day in each of 33 or more cal-
13 endar weeks in the current and in the preceding
14 calendar year; or

15 (E) between the parties to a contract or
16 between persons negotiating a contract or seek-
17 ing to enforce claimed rights under a contract.

18 (c) EFFECTIVE DATE.—This subtitle shall take effect
19 180 days after the date of the enactment of this subtitle.

20 **SEC. 14002. ADDITIONAL FUNDING FOR THE EQUAL EM-**
21 **PLOYMENT OPPORTUNITY COMMISSION.**

22 In addition to any other sums authorized to be appro-
23 priated to the Equal Employment Opportunity Commis-
24 sion, there are authorized to be appropriated to such Com-

1 mission \$268,000,000 for fiscal year 1997, and such sums
2 thereafter as may be necessary.

3 **Subtitle E—Sexual Harassment**
4 **Information**

5 **SEC. 15001. FINDINGS AND PURPOSES.**

6 (a) FINDINGS.—The Congress finds the following:

7 (1) Sexual harassment in employment persists
8 widely in the workplace, although it violates title VII
9 of the Civil Rights Act of 1964 and adversely affects
10 employees.

11 (2) According to guidelines issued by the Equal
12 Employment Opportunity Commission in 1980, the
13 most effective tool for eliminating sexual harassment
14 is prevention.

15 (3) The United States Merit Systems Protec-
16 tion Board found in 1981 and 1988 surveys of Fed-
17 eral Government employees that 42 percent of fe-
18 male employees and 14 percent of male employees
19 questioned had experienced some kind of harassment
20 in employment. The American Psychological Associa-
21 tion estimates that at least 1/2 of all working women
22 have been sexually harassed at the workplace during
23 their careers.

24 (4) The vast majority of sexual harassment epi-
25 sodes go unreported to a supervisory employee or

1 other individual designated by the employer. Only 5
2 percent of the Federal Government employees who
3 indicated in the 1988 Merit Systems Protection
4 Board survey that they had been harassed filed a
5 formal complaint or requested an investigation of
6 the harassment.

7 (5) Sexual harassment has a significant cost for
8 employees and employers. A 1988 study by Working
9 Woman Magazine shows that sexual harassment
10 costs a typical “Fortune 500” private employer
11 \$6,000,000, or \$292.53 per employee, each year.
12 The same study estimates that it is 34 times more
13 expensive for such an employer to ignore the prob-
14 lem than it is to establish effective programs and
15 policies to address the problem.

16 (6) Most job growth over the next decade is ex-
17 pected to occur in employment by small employers.
18 Sixty-six percent of the individuals who will enter
19 the work force during this period are expected to be
20 female. The establishment of programs and policies
21 in small-business environments, at a low cost to em-
22 ployers, will be a key prevention priority to reduce
23 sexual harassment in employment.

24 (b) PURPOSES.—The purposes of this subtitle are—

1 (1) to establish workplace requirements that
2 will reduce the incidence of sexual harassment in
3 employment,

4 (2) to provide a low-cost system to assist em-
5 ployers to establish programs and policies to prevent
6 sexual harassment in employment,

7 (3) to raise the awareness of employees of the
8 definition of sexual harassment and of available ave-
9 nues of redress, and

10 (4) to increase the authority and capacity of the
11 Equal Employment Opportunity Commission to as-
12 sist in preventing sexual harassment in employment.

13 **SEC. 15002. EMPLOYER REQUIREMENTS.**

14 (a) POSTING OF NOTICE IN THE WORKPLACE.—

15 Each employer shall post and keep posted in conspicuous
16 places upon its premises where notices to employees and
17 applicants for employment are customarily posted, a no-
18 tice that shall be prepared or approved by the Commission
19 and shall set forth—

20 (1) the definition of sexual harassment found in
21 section 1604.11(a) of title 29 of the Code of Federal
22 Regulations (July 1, 1992),

23 (2) the fact that sexual harassment in employ-
24 ment is a violation of title VII of the Civil Rights
25 Act of 1964,

1 (3) information describing how to file a claim
2 alleging such harassment, including information on
3 the time periods within which an alleged victim of
4 discrimination (including sexual harassment) must
5 file a claim in order to satisfy the applicable statute
6 of limitations applicable to such claim,

7 (4) an address, and the toll-free telephone num-
8 ber, to be used to contact the Commission regarding
9 such harassment or compliance with the require-
10 ments of this subtitle, and

11 (5) such other information as the Commission
12 may require.

13 (b) SEPARATE NOTICE TO INDIVIDUAL EMPLOY-
14 EES.—Each employer shall provide annually to each em-
15 ployee separately a written notice that includes—

16 (1) the matters specified in paragraphs (1)
17 through (4) of subsection (a),

18 (2) a description of the procedures established
19 by such employer to resolve allegations of sexual
20 harassment in employment, and

21 (3) such other information as the Commission
22 may require.

23 Such notice shall be provided in a manner that ensures
24 that such employee actually receives such notice.

1 (c) MANAGEMENT INFORMATION FOR SUPERVISORY
2 EMPLOYEES.—Not later than 60 days after an employer
3 places an individual in a supervisory employment position
4 or 1 year after the date of the enactment of this subtitle,
5 whichever occurs later, such employer shall provide to the
6 supervisory employee information specifying the respon-
7 sibilities of, and the methods to be used by, such employee
8 to ensure that immediate and corrective action is taken
9 to address allegations of sexual harassment in employ-
10 ment.

11 (d) CIVIL PENALTY.—A willful violation of this sec-
12 tion shall be punishable by a civil penalty of not more than
13 \$1,000 for each separate violation.

14 **SEC. 15003. DUTIES OF THE COMMISSION.**

15 (a) TECHNICAL ASSISTANCE MATERIALS.—Not later
16 than 180 days after the date of the enactment of this sub-
17 title, the Commission shall prepare, revise from time to
18 time as needed, and make available to employers at no
19 cost (by publication in the Federal Register or other
20 means)—

21 (1) a model notice of the kind required by sec-
22 tion 15002(a) to be posted,

23 (2) a model notice of the kind required by sec-
24 tion 15002(b) to be provided to employees, and

1 (3) voluntary guidelines for the establishment of
2 policies and procedures by employers to address alle-
3 gations of discrimination (including sexual harass-
4 ment) in employment.

5 (b) TOLL-FREE TELEPHONE NUMBER.—Not later
6 than 180 days after the date of the enactment of this sub-
7 title, the Commission shall provide a toll-free telephone
8 number for use by employees and employers in the United
9 States to obtain—

10 (1) information regarding compliance with this
11 subtitle, and

12 (2) the model notices and guidelines prepared
13 under subsection (a).

14 **SEC. 15004. ENFORCEMENT.**

15 Section 15002 shall be enforced—

16 (1) by the Commission with respect to viola-
17 tions alleged by employees as defined in subpara-
18 graphs (A), (B), and (C) of section 15005(2), and

19 (2) the Board of the Office of Compliance with
20 respect to violations alleged by employees as defined
21 in subparagraph (D) of section 15005(2).

22 **SEC. 15005. DEFINITIONS.**

23 For purposes of this subtitle—

24 (1) the term “Commission” means the Equal
25 Employment Opportunity Commission,

1 (2) the term “employee” means—

2 (A) an employee as defined in section
3 701(f) of the Civil Rights Act of 1964 (42
4 U.S.C. 2000e(f)),

5 (B) an employee referred to in section
6 717(a) of such Act (42 U.S.C. 2000e–16(a)),

7 (C) an individual with respect to whom
8 section 302(a)(1) of the Government Employee
9 Rights Act of 1991 (2 U.S.C. 1202(a)(1)) ap-
10 plies, or

11 (D) a covered employee as defined in sec-
12 tion 101 of the Congressional Accountability
13 Act of 1995 (Public Law 104–1; 109 Stat. 3),

14 (3) the term “employer” means—

15 (A) an employer as defined in section
16 701(b) of the Civil Rights Act of 1964 (42
17 U.S.C. 2000e(b)),

18 (B) a Federal entity to which section
19 717(a) of the Civil Rights Act of 1964 (42
20 U.S.C. 2000e–716(a)) applies,

21 (C) an employing authority to which sec-
22 tion 302(a)(1) of the Government Employee
23 Rights Act of 1991 (2 U.S.C. 1202(a)(1)) ap-
24 plies, or

1 (D) an employing authority to which sec-
 2 tion 201(a) of the Congressional Accountability
 3 Act of 1995 (Public Law 104–1; 109 Stat. 3)
 4 applies, and

5 (4) the term “sexual harassment” has the same
 6 meaning as such term has for purposes of title VII
 7 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–
 8 2000e–17).

9 **SEC. 15006. EFFECTIVE DATES.**

10 (a) GENERAL EFFECTIVE DATE.—Except as pro-
 11 vided in subsection (b), this subtitle shall take effect on
 12 the date of the enactment of this subtitle.

13 (b) EFFECTIVE DATE OF SECTION 15002.—Section
 14 15002 shall take effect 1 year after the date of the enact-
 15 ment of this subtitle.

16 **Subtitle F—Sexual Harassment Tax**
 17 **Equity**

18 **SEC. 16001. DEDUCTION FOR LEGAL EXPENSES OF INDIVID-**
 19 **UALS BRINGING SEXUAL HARASSMENT SUITS**
 20 **AGAINST THEIR EMPLOYERS.**

21 (a) IN GENERAL.—Part VII of subchapter B of chap-
 22 ter 1 of the Internal Revenue Code of 1986 is amended
 23 by redesignating section 220 as section 221 and by insert-
 24 ing after section 219 the following new section:

1 **“SEC. 220. LEGAL EXPENSES OF INDIVIDUALS BRINGING**
2 **SEXUAL HARASSMENT SUITS AGAINST THEIR**
3 **EMPLOYERS.**

4 “In the case of an individual, there shall be allowed
5 as a deduction the amount paid during the taxable year
6 for reasonable legal fees and related expenses (including
7 attorney’s fees) with respect to a sexual harassment suit
8 by such individual against an employer or former em-
9 ployer.”

10 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
11 PAYER ITEMIZES.—Subsection (a) of section 62 of such
12 Code is amended by inserting the following new paragraph
13 after paragraph (15):

14 “(16) SEXUAL HARASSMENT SUIT LEGAL
15 COSTS.—The deduction allowed by section 220.”

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for part VII of subchapter B of chapter 1 of such Code
18 is amended by striking the item relating to section 220
19 and inserting the following new items:

“Sec. 219. Legal expenses of individuals bringing sexual harass-
ment suits against their employers.
“Sec. 220. Cross reference.”

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to suits filed after January 1,
22 1997.

1 **Subtitle G—Equal Remedies**

2 **SEC. 17001. EQUALIZATION OF REMEDIES.**

3 Section 1977A of the Revised Statutes, as added by
4 section 102 of the Civil Rights Act of 1991, is amended—

5 (1) in subsection (b)—

6 (A) by striking paragraph (3), and

7 (B) by redesignating paragraph (4) as
8 paragraph (3), and

9 (2) in subsection (c) by striking “section—”

10 and all that follows through the period, and insert-
11 ing “section, any party may demand a jury trial.”.

12 **Subtitle H—Federal Temporary** 13 **Workers Protection**

14 **SEC. 18001. ELIGIBILITY FOR HEALTH BENEFITS.**

15 (a) **IN GENERAL.**—Paragraph (4) of section 8913(b)
16 of title 5, United States Code, is amended to read as fol-
17 lows:

18 “(4) an employee who is occupying a position
19 on a temporary basis, if such employee has, in the
20 aggregate, completed the equivalent of at least 1
21 year of service in such position within the preceding
22 2 years.”.

23 (b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

24 (1) Section 8906a of title 5, United States Code, is re-
25 pealed.

1 (2) The table of sections for chapter 89 of title 5,
2 United States Code, is amended by striking the item relat-
3 ing to section 8906a.

4 **SEC. 18002. EFFECTIVE DATE.**

5 (a) IN GENERAL.—This subtitle and the amendments
6 made by this subtitle shall take effect on the date of the
7 enactment of this subtitle, and any change in contribu-
8 tions payable by or on behalf of an individual to the Em-
9 ployees Health Benefits Fund (described in section 8909
10 of title 5, United States Code) as a result of the enactment
11 of this subtitle shall take effect as of the first applicable
12 pay period beginning on or after such date.

13 (b) CREDITABILITY OF PRIOR SERVICE.—Service
14 performed before the effective date of this subtitle may
15 be taken into account for purposes of the amendment
16 made by section 18001(a).

17 **Subtitle I—Contingent Work Force**
18 **Equity**

19 **SEC. 19001. EQUAL PAY.**

20 Section 6 of the Fair Labor Standards Act of 1938
21 (29 U.S.C. 206) is amended by adding at the end the fol-
22 lowing:

23 “(g)(1) No employer having employees subject to any
24 provision of this section shall discriminate, within any es-
25 tablishment in which such employees are employed, be-

1 tween employees on the basis of employment status by
2 paying wages to part-time or temporary employees in such
3 establishment at a rate less than the rate at which the
4 employer pays wages to full-time employees in such estab-
5 lishment for equal work on jobs the performance of which
6 requires equal skill, effort, and responsibility and which
7 are performed under similar working conditions unless
8 such payment is made pursuant to—

9 “(A) a seniority system;

10 “(B) a merit system;

11 “(C) a system that measures earnings by quan-
12 tity or quality of production; or

13 “(D) a differential based on any other factor
14 other than employment status.

15 An employer who is paying a wage rate differential in vio-
16 lation of this paragraph shall not, in order to comply with
17 the requirements of this paragraph, reduce the wage rate
18 of any employee.

19 “(2) No labor organization, or its agents, represent-
20 ing employees of an employer having employees subject to
21 any provision of this section shall cause or attempt to
22 cause such an employer to discriminate against an em-
23 ployee in violation of paragraph (1).

24 “(3) For purposes of administration and enforcement
25 of paragraph (1), any amount owing to any employee that

1 has been withheld in violation of paragraph (1) shall be
2 deemed to be unpaid minimum wages under subsection (a)
3 or unpaid overtime compensation under section 7.

4 “(4) As used in paragraph (2), the term ‘labor orga-
5 nization’ means any organization of any kind, or any agen-
6 cy or employee representation committee or plan, in which
7 employees participate and which exists for the purpose,
8 in whole or in part, of dealing with employers concerning
9 grievances, labor disputes, wages, rates of pay, hours of
10 employment, or conditions of work.”.

11 **SEC. 19002. OCCUPATIONAL SAFETY AND HEALTH.**

12 (a) AMENDMENT.—Section 5(a)(1) of the Occupa-
13 tional Safety and Health Act of 1970 (29 U.S.C.
14 654(a)(1)) is amended to read as follows:

15 “(1) shall furnish employment and a place of
16 employment that are free from recognized hazards
17 that are causing or are likely to cause death or seri-
18 ous physical harm to the employees of the employer
19 or to individuals who are employed by another em-
20 ployer and are performing services at such place of
21 employment;”.

22 (b) STUDY.—The Secretary of Labor shall conduct
23 a study to determine if the health and safety of part-time
24 or temporary employees are being adequately monitored

1 and, if the monitoring is not adequate, to determine how
2 such monitoring can be made adequate.

3 **SEC. 19003. FAMILY AND MEDICAL LEAVE.**

4 (a) FAMILY AND MEDICAL LEAVE ACT.—Section
5 101(2)(A) of the Family and Medical Leave Act (29
6 U.S.C. 2611(2)(A)) is amended—

7 (1) by striking “at least 12 months” and insert-
8 ing “at least 3 months”; and

9 (2) by striking “at least 1,250 hours of service
10 with such employer during the previous 12-month
11 period” and inserting “at least 125 hours of service
12 with such employer during the previous 3-month pe-
13 riod”.

14 (b) FEDERAL EMPLOYEES.—Section 6381(1)(B) of
15 title 5, United States Code, is amended by striking “12
16 months” and inserting “3 months”.

17 (c) CONGRESSIONAL EMPLOYEES.—Section
18 202(a)(2)(B) of the Congressional Accountability Act of
19 1995 is amended—

20 (1) by striking “for 12 months” and inserting
21 “for 3 months”; and

22 (2) by striking “at least 1,250 hours of
23 employment during the previous 12 months” and
24 inserting “at least 125 hours of employment during
25 the previous 3-month period”.

1 **SEC. 19004. CONTINGENT WORKFORCE SURVEY.**

2 The Secretary of Labor, acting through the Commis-
3 sioner of the Bureau of Labor Statistics, shall establish
4 and carry out an annual survey identifying—

5 (1) the characteristics of temporary workers in
6 the United States;

7 (2) the relationship between such workers and
8 the establishments at which such workers are tempo-
9 rarily employed; and

10 (3) where appropriate, the relationship between
11 such workers and their permanent employers.

12 **SEC. 19005. COLLECTIVE BARGAINING RIGHTS.**

13 Section 9(b) of the National Labor Relations Act (29
14 U.S.C. 195(b)) is amended—

15 (1) by striking “; or (2)” and inserting “2”;

16 (2) by striking “or (3)” and inserting “; (3)”;
17 and

18 (3) by inserting before the period the following:
19 “; or (4) decide that an employee shall be excluded
20 from a unit otherwise appropriate for the purposes
21 of collective bargaining based on the employee’s
22 part-time or temporary status, if such employee (A)
23 has a reasonable expectation of continued employ-
24 ment; and (B) is employed by the employer on the
25 date on which eligibility for participation in a rep-

1 resentation election is determined and on the date of
2 the election.”.

3 **SEC. 19006. PROTECTION OF PART-TIME AND TEMPORARY**
4 **WORKERS.**

5 (a) TREATMENT OF EMPLOYEES WORKING AT LESS
6 THAN FULL-TIME UNDER PARTICIPATION, VESTING, AND
7 ACCRUAL RULES GOVERNING PENSION PLANS.—

8 (1) PARTICIPATION RULES.—

9 (A) IN GENERAL.—Section 202(a)(3) of
10 the Employee Retirement Income Security Act
11 of 1974 (29 U.S.C. 1052(a)(3)) is amended by
12 adding at the end the following new subpara-
13 graph:

14 “(E)(i) For purposes of this paragraph, in the case
15 of any employee who, as of the beginning of the 12-month
16 period referred to in subparagraph (A)—

17 “(I) has customarily completed 500 or more
18 hours of service per year but less than 1,000 hours
19 of service per year, or

20 “(II) is employed in a type of position in which
21 employment customarily constitutes 500 or more
22 hours of service per year but less than 1,000 hours
23 of service per year,

1 completion of 500 hours of service within such 12-month
2 period shall be treated as completion of 1,000 hours of
3 service.

4 “(ii) For purposes of this subparagraph, the extent
5 to which employment in any type of position customarily
6 constitutes less than 1,000 hours of service per year shall
7 be determined with respect to each pension plan in accord-
8 ance with such regulations as the Secretary shall prescribe
9 providing for consideration of facts and circumstances pe-
10 culiar to the work-force constituting the participants in
11 such plan.”.

12 (B) CONFORMING AMENDMENT.—Section
13 204(b)(1)(E) of such Act (29 U.S.C.
14 1054(b)(1)(E)) is amended by striking “section
15 202(a)(3)(A)” and inserting “subparagraphs
16 (A) and (E) of section 202(a)(3)”.

17 (2) VESTING RULES.—

18 (A) IN GENERAL.—Section 203(b)(2) of
19 such Act (29 U.S.C. 1053(b)(2)) is amended by
20 adding at the end the following new subpara-
21 graph:

22 “(E)(i) For purposes of this paragraph, in the case
23 of any employee who, as of the beginning of the period
24 designated by the plan pursuant to subparagraph (A)—

1 “(I) has customarily completed 500 or more
2 hours of service per year but less than 1,000 hours
3 of service per year, or

4 “(II) is employed in a type of position in which
5 employment customarily constitutes 500 or more
6 hours of service per year but less than 1,000 hours
7 of service per year,

8 completion of 500 hours of service within such period shall
9 be treated as completion of 1,000 hours of service.

10 “(ii) For purposes of this subparagraph, the extent
11 to which employment in any type of position customarily
12 constitutes less than 1,000 hours of service per year shall
13 be determined with respect to each pension plan in accord-
14 ance with such regulations as the Secretary shall prescribe
15 providing for consideration of facts and circumstances pe-
16 culiar to the work-force constituting the participants in
17 such plan.”.

18 (B) 1-YEAR BREAKS IN SERVICE.—Section
19 203(b)(3) of such Act (29 U.S.C. 1053(b)(3))
20 is amended by adding at the end the following
21 new subparagraph:

22 “(F)(i) For purposes of this paragraph, in the case
23 of any employee who, as of the beginning of the period
24 designated by the plan pursuant to subparagraph (A)—

1 “(I) has customarily completed 500 or more
2 hours of service per year but less than 1,000 hours
3 of service per year, or

4 “(II) is employed in a type of position in which
5 employment customarily constitutes 500 or more
6 hours of service per year but less than 1,000 hours
7 of service per year,

8 completion of 250 hours of service within such period shall
9 be treated as completion of 500 hours of service.

10 “(ii) For purposes of this subparagraph, the extent
11 to which employment in any type of position customarily
12 constitutes less than 1,000 hours of service per year shall
13 be determined with respect to each pension plan in accord-
14 ance with such regulations as the Secretary shall prescribe
15 providing for consideration of facts and circumstances pe-
16 culiar to the work-force constituting the participants in
17 such plan.”.

18 (3) ACCRUAL RULES.—Section 204(b)(4)(C) of
19 such Act (29 U.S.C. 1054(b)(4)(C)) is amended—

20 (A) by inserting “(i)” after “(C)”; and

21 (B) by adding at the end the following new
22 clauses:

23 “(ii) For purposes of this subparagraph, in the case
24 of any employee who, as of the beginning of the period
25 designated by the plan pursuant to clause (i)—

1 “(I) has customarily completed 500 or more
2 hours of service per year but less than 1,000 hours
3 of service per year, or

4 “(II) is employed in a type of position in which
5 employment customarily constitutes 500 or more
6 hours of service per year but less than 1,000 hours
7 of service per year,

8 completion of 500 hours of service within such period shall
9 be treated as completion of 1,000 hours of service.

10 “(iii) For purposes of clause (ii), the extent to which
11 employment in any type of position customarily constitutes
12 less than 1,000 hours of service per year shall be deter-
13 mined with respect to each pension plan in accordance
14 with such regulations as the Secretary shall prescribe pro-
15 viding for consideration of facts and circumstances pecu-
16 liar to the work-force constituting the participants in such
17 plan.”.

18 (b) TREATMENT OF EMPLOYEES WORKING AT LESS
19 THAN FULL-TIME UNDER GROUP HEALTH PLANS.

20 (1) IN GENERAL.—Part 2 of subtitle B of title
21 I of such Act is amended—

22 (A) by redesignating section 211 (29
23 U.S.C. 1061) as section 212; and

24 (B) by inserting after section 210 (29
25 U.S.C. 1060) the following new section:

1 “TREATMENT OF PART-TIME WORKERS UNDER GROUP
2 HEALTH PLANS

3 “SEC. 211. (a) IN GENERAL.—A reduction in the em-
4 ployer-provided premium under a group health plan with
5 respect to any employee for any period of coverage solely
6 because the employee’s customary employment is less than
7 full-time may be provided under such plan only if the em-
8 ployee is described in subsection (b) and only to the extent
9 permitted under subsection (c).

10 “(b) REDUCTIONS APPLICABLE TO EMPLOYEES
11 WORKING LESS THAN FULL-TIME.—

12 “(1) IN GENERAL.—An employee is described in
13 this subsection if such employee, as of the beginning
14 of the period of coverage referred to in subsection
15 (a)—

16 “(A) has customarily completed less than
17 30 hours of service per week, or

18 “(B) is employed in a type of position in
19 which employment customarily constitutes less
20 than 30 hours of service per week.

21 “(2) REGULATIONS.—For purposes of para-
22 graph (1), whether employment in any type of posi-
23 tion customarily constitutes less than 30 hours of
24 service per week shall be determined with respect to
25 each group health plan in accordance with such reg-

1 ulations as the Secretary shall prescribe providing
2 for consideration of facts and circumstances peculiar
3 to the work-force constituting the participants in
4 such plan.

5 “(c) AMOUNT OF PERMISSIBLE REDUCTION.—The
6 employer-provided premium under a group health plan
7 with respect to any employee for any period of coverage,
8 after the reduction permitted under subsection (a), shall
9 not be less than a ratable portion of the employer-provided
10 premium which would be provided under such plan for
11 such period of coverage with respect to an employee who
12 completes 30 hours of service per week.

13 “(d) DEFINITIONS.—For purposes of this section—

14 “(1) GROUP HEALTH PLAN.—The term ‘group
15 health plan’ has the meaning provided such term in
16 section 607(1).

17 “(2) EMPLOYER-PROVIDED PREMIUM.—

18 “(A) IN GENERAL.—The term ‘employer-
19 provided premium’ under a plan for any period
20 of coverage means the portion of the applicable
21 premium under the plan for such period of cov-
22 erage which is attributable under the plan to
23 employer contributions.

24 “(B) APPLICABLE PREMIUM.—For pur-
25 poses of subparagraph (A), in determining the

1 applicable premium of a group health plan,
2 principles similar to the principles applicable
3 under section 604 shall apply.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 201(1) of such Act (29 U.S.C.
6 1051(1)) is amended by inserting “, except with
7 respect to section 211” before the semicolon.

8 (B) The table of contents in section 1 of
9 such Act is amended by striking the item relat-
10 ing to section 211 and inserting the following
11 new items:

“Sec. 211. Treatment of part-time workers under group health plans.

“Sec. 212. Effective date.”.

12 (c) EXPANSION OF DEFINITION OF EMPLOYEE TO
13 INCLUDE CERTAIN INDIVIDUALS WHOSE SERVICES ARE
14 LEASED OR CONTRACTED FOR.—Paragraph (6) of section
15 3 of such Act (29 U.S.C. 1002(6)) is amended—

16 (1) by inserting “(A)” after “(6)”; and

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

19 “(B) Such term includes, with respect to any em-
20 ployer, any person who is not an employee (within the
21 meaning of subparagraph (A)) of such employer and who
22 provides services to such employer, if—

23 “(i) such person has (pursuant to an agreement
24 with such employer or any other person) performed

1 such services for such employer (or for such em-
2 ployer and related persons (within the meaning of
3 section 144(a)(3) of the Internal Revenue Code of
4 1986)) for a period of at least 1 year (6 months in
5 the case of core health benefits) at the rate of at
6 least 500 hours of service per year, and

7 “(ii) such services are of a type historically per-
8 formed, in the business field of the employer, by em-
9 ployees (within the meaning of subparagraph (A)).”.

10 (d) EFFECTIVE DATES.

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2), the amendments made by this section
13 shall apply with respect to plan years beginning on
14 or after January 1, 1997.

15 (2) SPECIAL RULE FOR COLLECTIVELY BAR-
16 GAINED PLANS.—In the case of a plan maintained
17 pursuant to 1 or more collective bargaining agree-
18 ments between employee representatives and 1 or
19 more employers ratified on or before the date of the
20 enactment of this subtitle, paragraph (1) shall be
21 applied to benefits pursuant to, and individuals cov-
22 ered by, any such agreement by substituting for
23 “January 1, 1997” the date of the commencement
24 of the first plan year beginning on or after the ear-
25 lier of—

1 (A) the later of—

2 (i) January 1, 1997, or

3 (ii) the date on which the last of such
4 collective bargaining agreements termi-
5 nates (determined without regard to any
6 extension thereof after the date of the en-
7 actment of this subtitle), or

8 (B) January 1, 1999.

9 (3) PLAN AMENDMENTS.—If any amendment
10 made by this section requires an amendment to any
11 plan, such plan amendment shall not be required to
12 be made before the first plan year beginning on or
13 after January 1, 1998, if—

14 (A) during the period after such amend-
15 ment made by this section takes effect and be-
16 fore such first plan year, the plan is operated
17 in accordance with the requirements of such
18 amendment made by this section, and

19 (B) such plan amendment applies retro-
20 actively to the period after such amendment
21 made by this section takes effect and such first
22 plan year.

23 A plan shall not be treated as failing to provide defi-
24 nitely determinable benefits or contributions, or to
25 be operated in accordance with the provisions of the

1 plan, merely because it operates in accordance with
2 this paragraph.

3 **SEC. 19007. UNEMPLOYMENT COMPENSATION.**

4 (a) PART-TIME EMPLOYEES; INDEPENDENT CON-
5 TRACTORS.—Subsection (a) of section 3304 of the Inter-
6 nal Revenue Code of 1986 (relating to requirements for
7 approval of State unemployment compensation laws) is
8 amended by striking “and” at the end of paragraph (17),
9 by redesignating paragraph (18) as paragraph (20), and
10 by inserting after paragraph (17) the following new para-
11 graphs:

12 “(18) in applying the State law provisions relat-
13 ing to availability for work, active search for work,
14 or refusal to accept work, to an individual seeking
15 part-time employment, the term ‘suitable work’ shall
16 not include any work where the individual would
17 normally perform services for more hours per week
18 than the number of hours per week for which the in-
19 dividual is available if the individual demonstrates
20 good cause for the individual’s limited availability
21 and such limitation does not substantially impair the
22 individual’s current attachment to the labor force;

23 “(19) the determination of whether an individ-
24 ual is an employee of another person shall be made
25 in accordance with section 3306(i); and”.

1 (b) EFFECTIVE DATE.—

2 (1) IN GENERAL.—Except as provided in para-
3 graph (2), the amendments made by this section
4 shall take effect on January 1, 1997.

5 (2) SPECIAL RULE.—In the case of any State
6 the legislature of which has not been in session for
7 at least 30 calendar days (whether or not successive)
8 between the date of the enactment of this subtitle
9 and January 1, 1997, the amendments made by this
10 section shall take effect 30 calendar days after the
11 1st day on which such legislature is in session on or
12 after January 1, 1998.

13 **TITLE II—ECONOMIC**
14 **OPPORTUNITY**

15 **Subtitle A—Microenterprise**
16 **Opportunity Expansion**

17 **SEC. 21001. PUBLIC ASSISTANCE PROVISIONS.**

18 (a) BUSINESS ASSETS EXCLUDED FROM RESOURCES
19 AND INCOME.—

20 (1) AFDC.—

21 (A) EXCLUSION FROM RESOURCES.—Sec-
22 tion 402(a)(7)(B) of the Social Security Act
23 (42 U.S.C. 602(a)(8)(A)) is amended—

24 (i) by striking “or” at the end of
25 clause (iii); and

1 (ii) by inserting before the semicolon
2 the following: “, or (v) any asset of the
3 family which is primarily used for business
4 purposes in a business owned, in whole or
5 in part, by an individual eligible for aid
6 under any State plan approved under this
7 part; and”.

8 (B) EXCLUSION FROM INCOME.—Section
9 402(a)(8)(A) of such Act (42 U.S.C.
10 602(a)(8)(A)) is amended—

11 (i) by striking “and” at the end of
12 clause (vii); and

13 (ii) by inserting after clause (viii) the
14 following:

15 “(ix) shall disregard from the income of
16 any child, relative, or other individual specified
17 in clause (ii) any asset which is primarily used
18 for business purposes in a business owned, in
19 whole or in part, by an individual eligible for
20 aid under any State plan approved under this
21 part; and”.

22 (2) SSI.—

23 (A) EXCLUSION FROM INCOME.—Section
24 1612(b) of such Act (42 U.S.C. 1382a(b)) is
25 amended—

1 (i) by striking “and” at the end of
2 paragraph (17);

3 (ii) in paragraph (18), by striking the
4 period and inserting “; and”; and

5 (iii) by adding at the end the follow-
6 ing:

7 “(19) any asset of such individual (or such
8 spouse) which is primarily used for business pur-
9 poses in a business owned, in whole or in part, by
10 an individual eligible for aid under any State plan
11 approved under part A of title IV.”.

12 (B) EXCLUSION FROM RESOURCES.—Sec-
13 tion 1613(a) of such Act (42 U.S.C. 1382b(a))
14 is amended—

15 (i) by striking “and” at the end of
16 paragraph (9);

17 (ii) in paragraph (10), by striking the
18 period and inserting “; and”; and

19 (iii) by inserting after paragraph (10)
20 the following:

21 “(11) any asset of (including any amount re-
22 ceived as a loan by) such individual (or such spouse)
23 which is primarily used for business purposes in a
24 business owned, in whole or in part, by an individual

1 eligible for aid under any State plan approved under
2 part A of title IV.”.

3 (b) PUBLIC ASSISTANCE BENEFITS EXTENDED FOR
4 PERSONS WITH INCOME FROM OR RESOURCES IN A
5 MICROENTERPRISE.—

6 (1) AFDC AND MEDICAID.—Section 402(a) of
7 such Act (42 U.S.C. 602(a)) is amended by inserting
8 after paragraph (28) the following:

9 “(29) notwithstanding paragraphs (7) and (8),
10 provide that, during the 2-year period beginning on
11 the first day any member of a family eligible for
12 benefits under the State plan sells any good or serv-
13 ice as part of operating a commercial enterprise with
14 5 or fewer employees, which is owned in whole or in
15 part by such family member, all income of such fam-
16 ily member attributable to the enterprise and all re-
17 sources in which such family member has a bene-
18 ficial interest used primarily in the enterprise shall
19 be disregarded in determining the amount of aid to
20 which the family is entitled under the State plan;”.

21 (2) SSI AND MEDICAID.—

22 (A) EXCLUSION FROM INCOME.—Section
23 1612(b) of such Act (42 U.S.C. 1382a(b)), as
24 amended by subsection (a)(2)(A) of this section,
25 is amended—

1 (i) by striking “and” at the end of
2 paragraph (18);

3 (ii) in paragraph (19), by striking the
4 period and inserting “; and”; and

5 (iii) by adding at the end the follow-
6 ing:

7 “(20) during the 2-year period beginning on the
8 first day such individual (or such spouse) sells any
9 good or service as part of operating a commercial
10 enterprise with 5 or fewer employees, which is owned
11 in whole or in part by such individual (or such
12 spouse), all income of such individual (or such
13 spouse) attributable to the enterprise.”.

14 (B) EXCLUSION FROM RESOURCES.—Sec-
15 tion 1613(a) of such Act (42 U.S.C. 1382b(a)),
16 as amended by subsection (a)(2)(B) of this sec-
17 tion, is amended—

18 (i) by striking “and” at the end of
19 paragraph (10);

20 (ii) in paragraph (11), by striking the
21 period and inserting “; and”; and

22 (iii) by inserting after paragraph (11)
23 the following:

24 “(12) during the 2-year period beginning on the
25 first day such individual (or such spouse) sells any

1 good or service as part of operating a commercial
2 enterprise with 5 or fewer employees, which is owned
3 in whole or in part by such individual (or such
4 spouse), all resources of such individual (or such
5 spouse) that are used primarily in the enterprise.”.

6 **SEC. 21002. UNEMPLOYMENT COMPENSATION FOR INDIVID-**
7 **UALS STARTING MICROENTERPRISES.**

8 (a) STATE LAW REQUIREMENTS.—Subsection (a) of
9 section 3304 of the Internal Revenue Code of 1986 (relat-
10 ing to State law requirements) is amended by striking
11 “and” at the end of paragraph (17), by redesignating
12 paragraph (18) as paragraph (19), and by inserting after
13 paragraph (17) the following new paragraph:

14 “(18) compensation shall be payable to individ-
15 uals starting microenterprises as provided in section
16 3(b) of the Act for microenterprises; and”.

17 (b) PAYMENT OF COMPENSATION TO INDIVIDUALS
18 STARTING MICROENTERPRISES.—

19 (1) IN GENERAL.—For purposes of section
20 3304(a)(18) of the Internal Revenue Code of 1986,
21 a State law shall provide that—

22 (A) each individual who is an eligible indi-
23 vidual with respect to any benefit year shall be
24 entitled to receive regular or extended unem-
25 ployment compensation, as the case may be,

1 without regard to any State or Federal require-
2 ments relating to availability for work, active
3 search for work, or refusal to accept suitable
4 work, and

5 (B) such individual shall be considered to
6 be unemployed for purposes of the State and
7 Federal laws applicable to unemployment com-
8 pensation, as long as the individual is actively
9 involved in the ownership and operation of a
10 microenterprise or the preparation of a business
11 plan for the ownership and operation of a
12 microenterprise and is receiving guidance or
13 consultation in starting up or operating a
14 microenterprise from an experienced entre-
15 preneur or provider of technical business assist-
16 ance.

17 (2) AUTHORIZATION FOR USING UNEMPLOY-
18 MENT FUNDS TO PROVIDE STARTUP ASSISTANCE.—

19 Nothing in section 3304(a)(4) or 3306(f) of the In-
20 ternal Revenue Code of 1986 or section 303(a)(5) of
21 the Social Security Act shall prevent amounts in a
22 State unemployment fund from being used to pro-
23 vide assistance to eligible individuals in starting
24 microenterprises. The amount of assistance so pro-
25 vided may be in the form of a lump sum and shall

1 be in lieu of the periodic payments of compensation
2 to which the individual would otherwise have been
3 entitled and shall not exceed the aggregate amount
4 of compensation to which the individual would other-
5 wise have been so entitled.

6 (3) DEFINITIONS.—For purposes of this sec-
7 tion—

8 (A) ELIGIBLE INDIVIDUAL.—The term “el-
9 igible individual” means, with respect to any
10 benefit year, an individual who—

11 (i) is eligible to receive regular or ex-
12 tended compensation under the State law
13 during such benefit year,

14 (ii) is starting a microenterprise in
15 which the individual will have an ownership
16 interest, and

17 (iii) submits a request to the State
18 agency for compensation under this sub-
19 section.

20 (B) MICROENTERPRISE.—The term
21 “microenterprise” means any unincorporated
22 trade or business with 5 or fewer employees, 1
23 or more of whom own the enterprise.

24 (C) OTHER TERMS.—The terms “com-
25 pensation”, “extended compensation”, “regular

1 compensation”, “benefit year”, “State”, and
2 “State law” have the respective meanings given
3 to such terms under section 205 of the Federal-
4 State Extended Unemployment Compensation
5 Act of 1970.

6 **SEC. 21003. TREATMENT OF MICROENTERPRISE LOANS**
7 **AND GRANTS BY INSURED DEPOSITORY IN-**
8 **STITUTIONS AS COMMUNITY REINVESTMENT.**

9 Section 804 of the Community Reinvestment Act of
10 1977 (12 U.S.C. 2903) is amended by adding at the end
11 the following new subsections:

12 “(c) MICROENTERPRISE LOANS.—

13 “(1) TREATMENT OF LOANS AND GRANTS.—

14 The following amounts shall be treated as an invest-
15 ment in a regulated financial institution’s commu-
16 nity for purposes of subsection (a):

17 “(A) The amount of any loan described in
18 paragraph (2)(A) made by the regulated finan-
19 cial institution directly to a microenterprise, if
20 the loan is made in accordance with the require-
21 ments of subsection (c).

22 “(B) The amount of any grant or donation
23 made by the regulated financial institution to
24 any microenterprise intermediary to meet oper-
25 ating costs of the intermediary, including the

1 costs associated with training, technical assist-
2 ance, and other support services provided by
3 the intermediary to microenterprises.

4 “(C) The amount of any regulated finan-
5 cial institution’s investment in a revolving fund
6 established by the institution for loans to micro-
7 enterprise intermediaries for lending to micro-
8 enterprises if—

9 “(i) the amount of the investment in
10 the revolving fund is equal to or greater
11 than the amount which is equal to 0.05
12 percent of the assets of the institution;

13 “(ii) the regulated financial institu-
14 tion—

15 “(I) makes grants or donations
16 described in subparagraph (B) to
17 microenterprise intermediaries the
18 total amount of which equals or ex-
19 ceeds the amount which is equal to 15
20 percent of the amount required to be
21 invested in the revolving fund under
22 clause (i); or

23 “(II) provides financial services,
24 including the establishment and main-
25 tenance of a transaction account, for

1 a microenterprise (or any individual
2 who controls the microenterprise) who
3 receives a microenterprise loan from a
4 microenterprise intermediary, at pref-
5 erential or reduced rates which are at
6 least as favorable to the microenter-
7 prise as the rates offered for such
8 services to the institution's most pre-
9 ferred commercial customers; and

10 “(iii) loans from the revolving fund
11 may be made only to microenterprise
12 intermediaries who agree to use the pro-
13 ceeds of the loan to make microenterprise
14 loans in accordance with the requirements
15 of subsection (d).

16 “(2) MICROENTERPRISE LOAN.—For purposes
17 of this subsection and subsection (d), the term
18 ‘microenterprise loan’—

19 “(A) means a loan—

20 “(i) to a commercial enterprise with 5
21 or fewer employees, 1 or more of whom
22 own the enterprise;

23 “(ii) in amounts not less than \$100
24 and not more than \$10,000;

1 “(iii) the interest rate on which is
2 comparable to the interest rate charged on
3 secured commercial loans offered by the
4 regulated financial institution to the insti-
5 tution’s most preferred commercial cus-
6 tomers;

7 “(iv) which—

8 “(I) is not secured by collateral;
9 or

10 “(II) is secured by collateral the
11 value of which, as a percentage of the
12 amount of the loan, is substantially
13 less than the percentage generally re-
14 quired by the institution for commer-
15 cial loans; and

16 “(v) the terms of which may permit
17 the deferral of principal or interest pay-
18 ments otherwise due under such terms;
19 and

20 “(B) includes a loan to a microenterprise
21 intermediary the proceeds of which will be used
22 by the intermediary for making loans described
23 in subparagraph (A).

24 “(d) CRITERIA FOR MICROENTERPRISE LOANS.—

1 “(1) IN GENERAL.—A microenterprise loan
2 meets the requirements of this subsection if the loan
3 is made in accordance with the following criteria:

4 “(A) In considering any loan to a micro-
5 enterprise, the lender takes into account—

6 “(i) the creditworthiness of any per-
7 son who controls the microenterprise in
8 lieu of the creditworthiness of the enter-
9 prise;

10 “(ii) in the case of a microenterprise
11 which is a startup business, whether the
12 microenterprise is soundly conceived; and

13 “(iii) the need of the microenterprise
14 for expansion capital.

15 “(B) The lender accepts as collateral for
16 the loan a security interest in any personal
17 property of any person who controls the micro-
18 enterprise which consists of consumer or house-
19 hold goods.

20 “(C) The lender does not require collateral
21 or a secured interest for more than 50 percent
22 of the face amount of the loan.

23 “(D) The loans are made in amounts not
24 less than \$100 and not more than \$10,000 to

1 persons who would not otherwise qualify for a
2 commercial loan.

3 “(E) The lender provides technical assist-
4 ance, training, and counseling in business prac-
5 tices, such as accounting, marketing, manage-
6 ment, sales, financial practices, and general
7 business practices, and closely monitors the
8 microenterprise during the period the loan is
9 outstanding, including the enterprise’s loan re-
10 payment performance.

11 “(2) LENDER DEFINED.—For purposes of
12 paragraph (1), the term ‘lender’ means—

13 “(A) in the case of a microenterprise loan
14 by a regulated financial institution to a micro-
15 enterprise, the regulated financial institution;
16 and

17 “(B) in the case of a microenterprise loan
18 by a microenterprise intermediary to a micro-
19 enterprise, the microenterprise intermediary.”.

20 **SEC. 21004. TREATMENT OF MICROENTERPRISE LOANS OF**
21 **SAVINGS ASSOCIATIONS AS QUALIFIED**
22 **THRIFT INVESTMENTS.**

23 (a) IN GENERAL.—Section 10(m)(4)(C)(ii) of the
24 Home Owners’ Loan Act (12 U.S.C. 1467a(m)(4)(C)(ii))

1 is amended by adding at the end the following new sub-
2 clause:

3 “(VII) The aggregate amount of
4 microenterprise loans held by the sav-
5 ings association.”.

6 (b) MICROENTERPRISE LOAN DEFINED.—Section
7 10(m)(4) of the Home Owners’ Loan Act (12 U.S.C.
8 1467a(m)(4)) is amended by adding at the end the follow-
9 ing new subparagraph:

10 “(D) MICROENTERPRISE LOAN.—For pur-
11 poses of this paragraph, the term ‘microenter-
12 prise loan’—

13 “(i) means a loan—

14 “(I) to a commercial enterprise
15 with 5 or fewer employees, 1 or more
16 of whom own the enterprise;

17 “(II) in amounts not less than
18 \$100 and not more than \$10,000; and

19 “(III) the interest rate on which
20 is comparable to the interest rate
21 charged on secured commercial loans
22 offered by the savings association to
23 the association’s most preferred com-
24 mercial customers;

1 “(IV) which is not secured by
2 collateral or is secured by collateral
3 the value of which, as a percentage of
4 the amount of the loan, is substan-
5 tially less than the percentage gen-
6 erally required by the institution for
7 commercial loans; and

8 “(V) the terms of which may per-
9 mit the deferral of principal or inter-
10 est payments otherwise due under
11 such terms;

12 “(ii) includes a loan to a microenter-
13 prise intermediary the proceeds of which
14 will be used by the intermediary for mak-
15 ing loans described in clause (i); and

16 “(iii) does not include—

17 “(I) any loan to a micro-
18 enterprise which does not meet the re-
19 quirements of paragraph (8); or

20 “(II) any loan to a micro-
21 enterprise intermediary which does
22 not agree to use the proceeds of the
23 loan to make microenterprise loans in
24 accordance with the requirements of
25 paragraph (8).”.

1 (c) CRITERIA FOR MICROENTERPRISE LOANS.—Sec-
2 tion 10(m) of the Home Owners' Loan Act (12 U.S.C.
3 1467a(m)) is amended by adding at the end the following
4 new paragraph:

5 “(8) CRITERIA FOR MICROENTERPRISE
6 LOANS.—

7 “(A) IN GENERAL.—A microenterprise
8 loan meets the requirements of this paragraph
9 only if the savings association makes the micro-
10 enterprise loan, or the microenterprise
11 intermediary which receives a loan from the as-
12 sociation, agrees to use the proceeds of the loan
13 to make microenterprise loans in accordance
14 with the following criteria:

15 “(i) In considering any loan to a
16 microenterprise, the lender takes into ac-
17 count—

18 “(I) the creditworthiness of any
19 person who controls the microenter-
20 prise in lieu of the creditworthiness of
21 the enterprise;

22 “(II) in the case of a microenter-
23 prise which is a startup business,
24 whether the microenterprise is soundly
25 conceived; and

1 “(III) the need of the microenter-
2 prise for expansion capital.

3 “(ii) The lender accepts as collateral
4 for the loan a security interest in any per-
5 sonal property of any person who controls
6 the microenterprise which consists of
7 consumer or household goods.

8 “(iii) The lender does not require col-
9 lateral or a secured interest for more than
10 50 percent of the face amount of the loan.

11 “(iv) The loans are made in amounts
12 not less than \$100 and not more than
13 \$10,000 to persons who would not other-
14 wise qualify for a commercial loan.

15 “(v) The lender provides technical as-
16 sistance, training, and counseling in busi-
17 ness practices, such as accounting, market-
18 ing, management, financial practices, and
19 general business practices and sales, to the
20 microenterprise in connection with the loan
21 and closely monitors the microenterprise,
22 including the enterprise’s loan repayment
23 performance.

24 “(B) LENDER DEFINED.—For purposes of
25 subparagraph (A), the term ‘lender’ means—

1 “(i) in the case of a microenterprise
2 loan by a savings association to a micro-
3 enterprise, the savings association; and

4 “(ii) in the case of a microenterprise
5 loan by a microenterprise intermediary to
6 a microenterprise, the microenterprise
7 intermediary.”.

8 **SEC. 21005. USE OF CDBG ASSISTANCE FOR ADMINISTRA-**
9 **TIVE COSTS OF ENTITIES ASSISTING MICRO-**
10 **ENTERPRISES.**

11 Section 105(a)(23) of the Housing and Community
12 Development Act of 1974 (42 U.S.C. 5305(a)(23)) is
13 amended by adding at the end the following flush material:

14 “assistance provided to such entities under this
15 paragraph may be used for reasonable administra-
16 tive and operating costs of such entities related to
17 facilitating economic development through activities
18 under subparagraphs (A) through (C);”.

19 **SEC. 21006. ESTABLISHMENT OF MICROENTERPRISE DIVI-**
20 **SION IN EACH FEDERAL BANKING AGENCY.**

21 (a) IN GENERAL.—Each Federal banking agency (as
22 defined in section 3(z) of the Federal Deposit Insurance
23 Act) shall establish a division to be known as the “Micro-
24 enterprise Technical and Operations Office” to promote
25 microenterprises by offering technical assistance, training,

1 outreach, and other support to groups and individuals en-
2 gaged in, or desiring to establish, a microenterprise or an
3 institution which offers credit or financial services to
4 microenterprises.

5 (b) DUTIES OF MICROENTERPRISE DIVISION.—The
6 Microenterprise Technical and Operations Office of each
7 Federal banking agency shall—

8 (1) facilitate the creation and financing of
9 microenterprises by—

10 (A) collecting information relating to
11 microenterprises, including the ownership char-
12 acteristics of microenterprises and the perform-
13 ance of microenterprises by industry;

14 (B) providing such information without
15 charge to interested persons; and

16 (C) generally serving as a clearinghouse
17 for information relating to microenterprises;
18 and

19 (2) monitor and provide assistance to the
20 microenterprise divisions established pursuant to
21 section 34 of the Federal Deposit Insurance Act.

22 (a) MICROENTERPRISE DEFINED.—As used in this
23 section, the term “microenterprise” means any commer-
24 cial enterprise with 5 or fewer employees, 1 or more of
25 whom own the enterprise.

1 **SEC. 21007. STUDY.**

2 (a) AVAILABILITY OF CREDIT FOR SMALL BUSI-
3 NESSES WHICH ARE LARGER THAN MICROENTER-
4 PRISES.—The Financial Institutions Examination Council
5 shall conduct a study before the end of the 2-year period
6 beginning on the date of the enactment of this subtitle,
7 based on the agency’s experience in administering the
8 microenterprise loan provisions of this subtitle, and the
9 amendments made by this subtitle, on the best means to
10 make credit available for small businesses which—

11 (1) do not qualify for microenterprise loans or
12 need credit in larger amounts than is available
13 through microenterprise loans; and

14 (2) need credit in smaller amounts than is gen-
15 erally available from financial institutions or the
16 Small Business Administration.

17 (b) RECOMMENDATIONS AND REPORT.—The Finan-
18 cial Institutions Examination Council shall submit a re-
19 port to the Congress before the end of the 2-year period
20 referred to in subsection (a) containing the findings and
21 conclusions of the agency in connection with the study
22 conducted pursuant to subsection (a) and such rec-
23 ommendations for legislative and administrative action as
24 the agency may determine to be appropriate.

1 **Subtitle B—Commission on the Ad-**
2 **vancement of Women in the**
3 **Science and Engineering Work**
4 **Forces**

5 **SEC. 22001. FINDINGS.**

6 The Congress finds that—

7 (1) despite a consistently high presence of
8 women in the professional and total work forces of
9 the United States, women continue to be underrep-
10 resented in the science and engineering work forces;

11 (2) women scientists and engineers have higher
12 rates of unemployment and underemployment than
13 their male counterparts, although the number of
14 women receiving degrees in scientific and engineer-
15 ing disciplines has increased since 1981;

16 (3) artificial barriers exist in the recruitment,
17 retention, and advancement of women in the science
18 and engineering work forces;

19 (4) academia, industry, and government are in-
20 creasingly aware of the necessity of and the advan-
21 tages derived from diverse science and engineering
22 work forces;

23 (5) initiatives of the White House Task Force
24 on Women, Minorities, and the Handicapped in
25 Science and Technology and of the Federal Coordi-

1 nating Council on Science, Engineering, and Tech-
2 nology have been instrumental in raising public
3 awareness of—

4 (A) the underrepresentation of women in
5 the science and engineering work forces; and

6 (B) the desirability of eliminating artificial
7 barriers to the recruitment, retention, and ad-
8 vancement of women in such work forces; and

9 (6) the establishment of a commission to exam-
10 ine issues raised by these initiatives would help to—

11 (A) focus greater attention on the impor-
12 tance of eliminating artificial barriers to the re-
13 cruitment, retention, and advancement of
14 women in the science and engineering work
15 forces and in all employment sectors of the
16 United States;

17 (B) promote work force diversity; and

18 (C) encourage the replication of successful
19 recruitment and retention programs by univer-
20 sities, corporations, and Federal agencies hav-
21 ing difficulties in employing women scientists
22 and engineers.

23 **SEC. 22002. ESTABLISHMENT.**

24 There is established a commission to be known as the
25 “Commission on the Advancement of Women in the

1 Science and Engineering Work Forces” (hereinafter in
2 this subtitle referred to as the “Commission”).

3 **SEC. 22003. DUTY OF COMMISSION.**

4 The Commission shall conduct a study to—

5 (1) identify the number of women in the United
6 States in the science and engineering work forces,
7 and the specific types of occupations in such
8 workforces in which women scientists and engineers
9 are underrepresented;

10 (2) examine the preparedness of women to—

11 (A) pursue careers in the science and engi-
12 neering work forces; and

13 (B) advance to positions of greater respon-
14 sibility within academia, industry, and govern-
15 ment;

16 (3) describe the practices and policies of em-
17 ployers and labor unions relating to the recruitment,
18 retention, and advancement of women scientists and
19 engineers;

20 (4) identify the opportunities for, and artificial
21 barriers to, the recruitment, retention, and advance-
22 ment of women scientists and engineers in academia,
23 industry, and government;

24 (5) describe the employment situations in which
25 the recruitment, retention, and advancement of

1 women scientists and engineers are comparable to
2 their male counterparts, and identify those situa-
3 tions in which such comparability does not exist;

4 (6) compile a synthesis of available research on
5 practices, policies, and programs that have success-
6 fully led to the recruitment, retention, and advance-
7 ment of women in the science and engineering work
8 forces, including training programs, rotational as-
9 signments, developmental programs, reward pro-
10 grams, employee benefit structures, and family leave
11 policies;

12 (7) examine such other issues and information
13 relating to the advancement of women in the science
14 and engineering work forces as determined by the
15 Commission to be appropriate; and

16 (8) issue recommendations that government (in-
17 cluding Congress and appropriate Federal agencies),
18 academia, and private industry can follow to assist
19 in the recruitment, retention, and advancement of
20 women in science and engineering.

21 **SEC. 22004. MEMBERSHIP.**

22 (a) NUMBER AND APPOINTMENT.—The Commission
23 shall be composed of 18 members as follows:

24 (1) 5 members appointed by the President.

1 (2) 3 members appointed jointly by the Speaker
2 of the House of Representatives and the majority
3 leader of the Senate.

4 (3) 1 member appointed by the majority leader
5 of the House of Representatives.

6 (4) 1 member appointed by the minority leader
7 of the House of Representatives.

8 (5) 1 member appointed by the majority leader
9 of the Senate.

10 (6) 1 member appointed by the minority leader
11 of the Senate.

12 (7) 2 Members of the House of Representatives,
13 appointed jointly by the majority leader and the mi-
14 nority leader of the House of Representatives.

15 (8) 2 Senators appointed jointly by the majority
16 leader and the minority leader of the Senate.

17 (9) The Director of the Office of Science and
18 Technology Policy.

19 (b) ADDITIONAL QUALIFICATIONS.—Initial appoint-
20 ments shall be made under subsection (a) not later than
21 180 days after the date of the enactment of this subtitle.
22 In making each appointment under subsection (a), the ap-
23 pointing authority shall consider (among other factors)
24 whether the individual—

1 (1) is a member of an organization representing
2 women and minorities;

3 (2) holds executive management or senior deci-
4 sion-making positions in any business entity; and

5 (3) possesses academic expertise or other recog-
6 nized abilities relating to employment and employ-
7 ment discrimination issues.

8 (c) POLITICAL AFFILIATION.—Not more than 1/2 of
9 the members may be of the same political party.

10 (d) CONTINUATION OF MEMBERSHIP.—If a member
11 was appointed to the Commission because the member was
12 an officer or employee of any government and later ceases
13 to be such an officer or employee, that member may con-
14 tinue as a member of the Commission for not longer than
15 the 60-day period beginning on the date the member
16 ceases to be such an officer or employee.

17 (e) TERMS.—

18 (1) IN GENERAL.—Each member shall be ap-
19 pointed for the life of the Commission.

20 (2) VACANCIES.—A vacancy in the Commission
21 shall be filled in the manner in which the original
22 appointment was made.

23 (f) BASIC PAY.—

24 (1) RATES OF PAY.—Except as provided in
25 paragraph (2), each member of the Commission

1 shall receive compensation at the daily equivalent of
2 the maximum rate of pay payable under section
3 5376 of title 5, United States Code, for each day the
4 member is engaged in the performance of duties for
5 the Commission, including attendance at meetings
6 and conferences of the Commission, and travel to
7 conduct the duties of the Commission.

8 (2) PROHIBITION OF COMPENSATION OF FED-
9 ERAL EMPLOYEES.—Members of the Commission
10 who are full-time officers or employees of the United
11 States or Members of Congress may not receive ad-
12 ditional pay, allowances, or benefits by reason of
13 their service on the Commission.

14 (g) TRAVEL EXPENSES.—Each member shall receive
15 travel expenses, including per diem in lieu of subsistence,
16 in accordance with sections 5702 and 5703 of title 5,
17 United States Code.

18 (h) QUORUM.—A majority of the members of the
19 Commission shall constitute a quorum for the transaction
20 of business.

21 (i) CHAIRPERSON.—The Director of the Office of
22 Science and Technology Policy shall serve as the Chair-
23 person of the Commission.

24 (j) MEETINGS.—

1 (1) MEETINGS PRIOR TO COMPLETION OF RE-
2 PORT.—The Commission shall meet not fewer than
3 5 times in connection with and pending the comple-
4 tion of the reports described in subsections (a) and
5 (b) of section 22007. The Commission shall hold ad-
6 ditional meetings for such purpose if the Chair-
7 person or a majority of the members of the Commis-
8 sion requests the additional meetings in writing.

9 (2) MEETINGS AFTER COMPLETION OF RE-
10 PORT.—The Commission shall meet at least once,
11 but not more than twice after the completion of the
12 report described in section 22007(b), in connection
13 with and pending completion of the report required
14 by section 22007(c).

15 (k) EMPLOYMENT STATUS.—A member of the Com-
16 mission, who is not otherwise an officer or employee of
17 the Federal Government, shall not be deemed to be an
18 employee of the Federal Government except for the pur-
19 poses of—

20 (1) the tort claims provisions of chapter 171 of
21 title 28, United States Code; and

22 (2) subchapter I of chapter 81 of title 5, United
23 States Code, relating to compensation for work inju-
24 ries.

1 **SEC. 22005. DIRECTOR AND STAFF OF COMMISSION; EX-**
2 **PERTS AND CONSULTANTS.**

3 (a) **DIRECTOR.**—The Commission shall have a Direc-
4 tor who shall be appointed by the Chairperson. The Direc-
5 tor shall be paid at a rate not to exceed the maximum
6 annual rate of basic pay payable under section 5376 of
7 title 5, United States Code.

8 (b) **STAFF.**—Subject to rules prescribed by the Com-
9 mission, the Chairperson may appoint and fix the pay of
10 additional personnel as the Chairperson considers appro-
11 priate.

12 (c) **APPLICABILITY OF CERTAIN CIVIL SERVICE**
13 **LAWS.**—The Director and staff of the Commission may
14 be appointed without regard to the provisions of title 5,
15 United States Code, governing appointments in the com-
16 petitive service, and may be paid without regard to the
17 provisions of chapter 51 and subchapter III of chapter 53
18 of that title relating to classification and General Schedule
19 pay rates, except that an individual so appointed may not
20 receive pay in excess of the maximum annual rate of basic
21 pay payable under section 5376 of title 5, United States
22 Code.

23 (d) **EXPERTS AND CONSULTANTS.**—The Commission
24 may procure temporary and intermittent services under
25 section 3109(b) of title 5, United States Code, at rates
26 for individuals not to exceed the maximum annual rate

1 of basic pay payable under section 5376 of title 5, United
2 States Code.

3 (e) STAFF OF FEDERAL AGENCIES.—Upon request
4 of the Commission, the head of any Federal department
5 or agency may detail, on a reimbursable basis, any of the
6 personnel of that department or agency to the Commission
7 to assist it in carrying out its duties under this subtitle.

8 **SEC. 22006. POWERS OF COMMISSION.**

9 (a) HEARINGS AND SESSIONS.—The Commission
10 may, for the purpose of carrying out this subtitle, hold
11 hearings, sit and act at times and places, take testimony,
12 and receive evidence as the Commission considers appro-
13 priate. The Commission may administer oaths or affirma-
14 tions to witnesses appearing before it.

15 (b) POWERS OF MEMBERS AND AGENTS.—Any mem-
16 ber or agent of the Commission may, if authorized by the
17 Commission, take any action which the Commission is au-
18 thorized to take by this section.

19 (c) OBTAINING OFFICIAL DATA.—The Commission
20 may secure directly from any department or agency of the
21 United States information necessary to enable it to carry
22 out this subtitle. Upon request of the Chairperson of the
23 Commission, the head of that department or agency shall
24 furnish that information to the Commission.

1 (d) GIFTS, BEQUESTS, AND DEVISES.—The Commis-
2 sion may accept, use, and dispose of gifts, bequests, or
3 devises of services or property, both real and personal, for
4 the purpose of aiding or facilitating the work of the Com-
5 mission. Gifts, bequests, or devises of money and proceeds
6 from sales of other property received as gifts, bequests,
7 or devises shall be deposited in the Treasury and shall be
8 available for disbursement upon order of the Commission.

9 (e) MAILS.—The Commission may use the United
10 States mails in the same manner and under the same con-
11 ditions as other departments and agencies of the United
12 States.

13 (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the
14 request of the Commission, the Administrator of General
15 Services shall provide to the Commission, on a reimburs-
16 able basis, the administrative support services necessary
17 for the Commission to carry out its responsibilities under
18 this subtitle.

19 (g) CONTRACT AUTHORITY.—To the extent provided
20 in advance in appropriations Acts, the Commission may
21 contract with and compensate government and private
22 agencies or persons for the purpose of conducting research
23 or surveys necessary to enable the Commission to carry
24 out its duties under this subtitle.

1 **SEC. 22007. REPORTS.**

2 (a) STATUS REPORT.—Not later than 1 year after
3 the date on which the initial appointments under section
4 22004(a) are completed, the Commission shall submit to
5 the President and the Congress a written report describing
6 the current activities and findings of the Commission and
7 the direction of the Commission.

8 (b) RECOMMENDATION REPORT.—Not later than 18
9 months after the date on which the initial appointments
10 under section 22004(a) are completed, the Commission
11 shall submit to the President and the Congress a written
12 report containing—

13 (1) the findings and conclusions of the Commis-
14 sion resulting from the study conducted under sec-
15 tion 22003; and

16 (2) recommendations, including specific pro-
17 posed legislation and administrative action, based on
18 the findings and conclusions referred to in para-
19 graph (1).

20 (c) FOLLOW-UP REPORT.—After submission of the
21 report required by subsection (b) and before the termi-
22 nation of the Commission, the Commission shall submit
23 to the President and to the Congress a written report—

24 (1) identifying which of the recommendations
25 included in such report have been implemented; and

1 (2) containing any additional information the
2 Commission considers to be appropriate.

3 **SEC. 22008. CONSTRUCTION; USE OF INFORMATION OB-**
4 **TAINED.**

5 (a) IN GENERAL.—Nothing in this subtitle shall be
6 construed to require any non-Federal entity (such as a
7 business, college, or university, foundation, or research or-
8 ganization) to provide information to the Commission con-
9 cerning such entity’s personnel policies, including, but not
10 limited to, salaries and benefits, promotion criteria, and
11 affirmative action plans.

12 (b) USE OF INFORMATION OBTAINED.—No informa-
13 tion obtained from any entity by the Commission may be
14 used in connection with any employment related litigation.

15 **SEC. 22009. TERMINATION.**

16 The Commission shall terminate 1 year after submit-
17 ting the report required by section 22007(b).

18 **SEC. 22010. AUTHORIZATION OF APPROPRIATIONS.**

19 There are authorized to be appropriated for fiscal
20 years 1997, 1998, and 1999 such sums as may be nec-
21 essary to carry out this subtitle.

1 **Subtitle C—Equal Surety Bond**
2 **Opportunity**

3 **SEC. 23001. EQUAL SURETY BOND OPPORTUNITY REQUIRE-**
4 **MENTS.**

5 (a) **ACTIVITIES CONSTITUTING DISCRIMINATION.**—It
6 shall be unlawful for any surety to discriminate against
7 any applicant, with respect to any aspect of a surety bond
8 transaction—

9 (1) on the basis of race, color, religion, national
10 origin, sex, marital status, sexual orientation, dis-
11 ability, or age (if the applicant has the capacity to
12 contract);

13 (2) because the applicant has in good faith ex-
14 ercised any right under this subtitle;

15 (3) because the applicant previously obtained a
16 bond through an individual or personal surety; or

17 (4) because the applicant previously obtained a
18 bond through—

19 (A) any bonding assistance program ex-
20 pressly authorized by law;

21 (B) any bonding assistance program ad-
22 ministered by a nonprofit organization for its
23 members or an economically disadvantaged
24 class of persons; or

1 (C) any special purpose bonding program
2 offered by a profit-making organization to meet
3 special needs.

4 (b) ACTIVITIES NOT CONSTITUTING DISCRIMINA-
5 TION.—It shall not constitute discrimination for purposes
6 of this subtitle for a surety—

7 (1) to make an inquiry of marital status if such
8 inquiry is for the purpose of ascertaining the sure-
9 ty's rights and remedies applicable to the granting
10 of a bond and not to discriminate in a determination
11 of bondability;

12 (2) to make an inquiry of the applicant's age if
13 such inquiry is for the purpose of determining the
14 amount and probable continuance of bondability; or

15 (3) to make an inquiry as to where the appli-
16 cant has previously obtained a bond, in order to de-
17 termine bonding history, or other pertinent element
18 of bondability, except that an applicant may not be
19 assigned a negative factor or value because the ap-
20 plicant previously obtained a bond through—

21 (A) an individual or personal surety;

22 (B) a bonding assistance program ex-
23 pressly authorized by law;

1 (C) any bonding program administered by
2 a nonprofit organization for its members or an
3 economically disadvantaged class of persons; or

4 (D) any special purpose bonding program
5 offered by a profit-making organization to meet
6 special needs.

7 (c) ADDITIONAL ACTIVITIES NOT CONSTITUTING
8 DISCRIMINATION.—It is not a violation of this subtitle for
9 a surety to refuse to issue a bond pursuant to—

10 (1) any bonding assistance program authorized
11 by law for an economically disadvantaged class of
12 persons;

13 (2) any bonding assistance program adminis-
14 tered by a nonprofit organization for its members or
15 an economically disadvantaged class of persons; or

16 (3) any special purpose bonding program of-
17 fered by a profit-making organization to meet special
18 needs;

19 if such refusal is required by or made pursuant to such
20 program.

21 (d) REASONS FOR ADVERSE ACTION; PROCEDURE
22 APPLICABLE; DEFINITION.—

23 (1) NOTICE REQUIRED.—

24 (A) IN GENERAL.—Except as provided in
25 subparagraph (B), any surety approved under

1 section 9304 of title 31, United States Code,
2 shall notify an applicant of the surety's action
3 on a completed application before the end of the
4 10-day period beginning on the date the appli-
5 cation is filed with the surety.

6 (B) EXTENSION.—The 10-day period re-
7 ferred to in subparagraph (A) may be extended
8 an additional 10 days if the surety has not is-
9 sued a bond to the applicant during the 1-year
10 period ending on the date the application is
11 filed with the surety.

12 (2) STATEMENT OF REASONS.—

13 (A) IN GENERAL.—Each applicant against
14 whom adverse action is taken shall be entitled
15 to a statement of reasons for such action from
16 the surety.

17 (B) ACCEPTABLE FORMS OF STATE-
18 MENT.—A surety satisfies the requirement es-
19 tablished under subparagraph (A) by—

20 (i) providing a statement of reasons in
21 writing as a matter of course to applicants
22 against whom adverse action is taken; or

23 (ii) giving written notification of ad-
24 verse action which discloses—

1 (I) the applicant's right to a
2 statement of reasons within 30 days
3 after receipt by the surety of a re-
4 quest made within 60 days after such
5 notification; and

6 (II) the identity of the person or
7 office from which such statement may
8 be obtained.

9 (C) ORAL STATEMENT PERMITTED.—Such
10 statement may be given orally if the written no-
11 tification advises the applicant of the appli-
12 cant's right to have the statement of reasons
13 confirmed in writing on written request.

14 (3) SPECIFICITY OF REASONS.—A statement of
15 reasons meets the requirements of this subtitle only
16 if it contains specific reasons for the adverse action
17 taken.

18 (4) APPLICABILITY IN CASE OF 3D PARTY AP-
19 PPLICATIONS.—In the case of a request to a surety
20 by a third party to issue a bond directly or indirectly
21 to an applicant, the notification and statement of
22 reasons required by this section may be made di-
23 rectly by such surety, or indirectly through the third
24 party, if the identity of the surety is disclosed to the
25 applicant.

1 (5) APPLICABILITY IN CASE OF SURETIES
2 WHICH ACCEPT FEW APPLICATIONS.—The require-
3 ments of paragraph (2), (3), or (4) may be satisfied
4 by oral statements or notifications in the case of any
5 surety who did not act on more than 100 applica-
6 tions during the calendar year in which the adverse
7 action is taken.

8 (e) ADVERSE ACTION DEFINED.—For purposes of
9 this subtitle, the term “adverse action”—

10 (1) means a denial of a bond, a change in the
11 terms of an existing bonding arrangement, or a re-
12 fusal to issue a bond in the amount or on substan-
13 tially the terms requested; and

14 (2) does not include any refusal to issue an ad-
15 ditional bond under an existing bonding arrange-
16 ment where the applicant is in default, or where
17 such additional bond would exceed a previously es-
18 tablished bonding limit.

19 **SEC. 23002. CIVIL LIABILITY.**

20 (a) DAMAGES.—Any surety who fails to comply with
21 section 23001(a) shall be liable to the aggrieved applicant
22 for—

23 (1) any actual damage sustained by such appli-
24 cant (individually or as a member of a class); and

1 (2) in the case of any successful action under
2 this section, the costs of the action, together with
3 reasonable attorney's fees as determined by the
4 court.

5 (b) **EQUITABLE RELIEF.**—Upon application by an
6 aggrieved applicant, a court of competent jurisdiction may
7 enjoin a surety from violating the requirements of this
8 subtitle or grant such other equitable relief as the court
9 determines to be appropriate to enforce such require-
10 ments.

11 (c) **JURISDICTION.**—Any action under this section
12 may be brought in any United States district court, or
13 in any other court of competent jurisdiction, within 1 year
14 after the date of the occurrence of the violation involved.

15 **SEC. 23003. ADMINISTRATIVE ENFORCEMENT.**

16 (a) **IN GENERAL.**—A company may not be approved
17 as a surety by the Secretary of the Treasury under section
18 9304 of title 31, United States Code, or provide any surety
19 bond pursuant to such section unless such company main-
20 tains full compliance with the requirements of this sub-
21 title.

22 (b) **REQUIREMENTS RELATING TO ENFORCEABILITY**
23 **OF ACT.**—

1 (1) SIGNED STATEMENT OF COMPLIANCE WITH
2 APPLICATION.—Section 9305(a) of title 31, United
3 States Code, is amended—

4 (A) by striking “and” at the end of para-
5 graph (1);

6 (B) by striking the period at the end of
7 paragraph (2) and inserting “; and”; and

8 (C) by adding at the end the following new
9 paragraph:

10 “(3) a statement of compliance with the Eco-
11 nomic Equity Act of 1996 which is signed under
12 penalty of perjury by the president and the secretary
13 of the corporation.”.

14 (2) COMPLIANCE AS A CONDITION FOR AP-
15 PROVAL OF APPLICATION.—Section 9305(b) of title
16 31, United States Code, is amended—

17 (A) by striking “and” at the end of para-
18 graph (2);

19 (B) by striking the period at the end of
20 paragraph (3) and inserting “; and”; and

21 (C) by adding at the end the following new
22 paragraph:

23 “(4) the corporation is in full compliance with
24 the Economic Equity Act of 1996.”.

1 (3) SIGNED STATEMENT OF COMPLIANCE WITH
2 QUARTERLY REPORTS.—Section 9305(c) of title 31,
3 United States Code, is amended by inserting “and a
4 statement of compliance with the Economic Equity
5 Act of 1996” before the period.

6 (4) ENFORCEMENT AUTHORITY OF SECRETARY
7 OF THE TREASURY.—Section 9305(d) of title 31,
8 United States Code, is amended—

9 (A) in paragraph (1), by inserting “or the
10 provisions of the Economic Equity Act of
11 1996” before the semicolon;

12 (B) by striking “and” at the end of para-
13 graph (2);

14 (C) by striking the period at the end of
15 paragraph (3) and inserting “; and”; and

16 (D) by adding at the end the following new
17 paragraph:

18 “(4) may, after the end of the 1-year period be-
19 ginning on the effective date of any revocation under
20 paragraph (1) of the authority of a surety corpora-
21 tion for noncompliance with the Economic Equity
22 Act of 1996, reauthorize such corporation to provide
23 surety bonds under section 9304.”.

1 (5) REVOCATION FOR FAILURE TO PAY CER-
2 TAIN JUDGMENTS.—Section 9305(e) of title 31,
3 United States Code, is amended—

4 (A) by striking “and” at the end of para-
5 graph (1);

6 (B) by redesignating paragraph (2) as
7 paragraph (3); and

8 (C) by inserting after paragraph (1) the
9 following new paragraph:

10 “(2) the corporation does not pay a final judg-
11 ment or order against the corporation for noncompli-
12 ance with the Economic Equity Act of 1996 or fails
13 to comply with any order under section 23002(c) of
14 such Act; and”.

15 (c) TECHNICAL AND CONFORMING AMENDMENT.—
16 Section 9304(a)(3) of title 31, United States Code, is
17 amended by inserting “and section 23003(a) of the Eco-
18 nomic Equity Act of 1996” before the period.

19 (d) REGULATIONS.—

20 (1) IN GENERAL.—The Secretary of the Treas-
21 ury shall prescribe such regulations as may be nec-
22 essary to carry out the purposes of this subtitle.

23 (2) INITIAL REGULATIONS.—The initial regula-
24 tions prescribed pursuant to paragraph (1) shall
25 take effect at the earliest practicable date after the

1 date of the enactment of this subtitle and not later
2 than the end of the 1-year period beginning on such
3 date of enactment.

4 **SEC. 23004. EFFECTIVE DATE.**

5 Sections 23001(d) and 23003(a) shall take effect on
6 the earlier of—

7 (1) the effective date of the initial regulations
8 prescribed pursuant to section 23003(d); or

9 (2) the end of the 1-year period beginning on
10 the date of the enactment of this subtitle.

11 **Subtitle D—Self-Sufficiency**
12 **Standard**

13 **SEC. 24001. FINDINGS AND PURPOSE.**

14 (a) FINDINGS.—The Congress finds that—

15 (1) the principle objective of programs under
16 part A of title II of the Job Training Partnership
17 Act (29 U.S.C. 1601 et seq.) is to move economically
18 disadvantaged adults into permanent, unsubsidized
19 employment that pays a wage that enables such
20 adults to achieve long-term economic self-sufficiency
21 for themselves and their dependents;

22 (2) current measures of success of such pro-
23 grams do not accurately assess the degree to which
24 participants achieve long-term economic self-suffi-
25 ciency;

1 (3) in order to ensure that such programs re-
2 sult in long-term economic self-sufficiency for par-
3 ticipants, performance standards must focus both on
4 the wage and benefits a participant receives relative
5 to the participant's family size and needs, and on
6 the duration and stability of the participant's em-
7 ployment; and

8 (4) the wage and benefits needed to achieve
9 long-term economic self-sufficiency will vary by fam-
10 ily size and local market conditions governing prices
11 of essential goods and services.

12 (b) PURPOSES.—The purposes of this subtitle are—

13 (1) to provide for the establishment and use of
14 local economic self-sufficiency standards tables to ac-
15 curately measure the effectiveness of adult training
16 programs carried out under part A of title II of the
17 Job Training Partnership Act (29 U.S.C. 1601 et
18 seq.); and

19 (2) to provide grants to States to develop dem-
20 onstration and exemplary programs to increase the
21 number of participants under such programs who
22 are trained and placed in jobs that yield long-term
23 economic self-sufficiency using the local economic
24 self-sufficiency standards tables.

1 **SEC. 24002. DEFINITION OF ECONOMIC SELF-SUFFICIENCY.**

2 Section 4 of the Job Training Partnership Act (29
3 U.S.C. 1503) is amended by adding at the end the follow-
4 ing new paragraph:

5 “(41) The term ‘economic self-sufficiency’
6 means the ability of an individual to meet the follow-
7 ing basic needs for the individual and such individ-
8 ual’s family:

9 “(A) Housing.

10 “(B) Child care.

11 “(C) Adult dependent care.

12 “(D) Food.

13 “(E) Transportation.

14 “(F) Health care.

15 “(G) Work-related expenses.”.

16 **SEC. 24003. ESTABLISHMENT OF ECONOMIC SELF-SUFFI-**
17 **CIENCY STANDARDS FOR ADULT TRAINING**
18 **PROGRAMS.**

19 (a) IN GENERAL.—Section 106(b) of such Act (29
20 U.S.C. 1516(b)) is amended by adding at the end the fol-
21 lowing new paragraph:

22 “(9) ECONOMIC SELF-SUFFICIENCY STANDARDS
23 FOR ADULT PROGRAMS.—

24 “(A) FORMULA DEVELOPED BY THE SEC-
25 RETARY.—(i)(I) Not later than 6 months after
26 the date of the enactment of this paragraph,

1 the Secretary shall develop and publish in the
2 Federal Register a proposed formula which
3 measures the minimum amount of wages and
4 employment benefits that a participant enrolled
5 in a program under part A of title II should re-
6 ceive after termination from such program to
7 ensure the long-term economic self-sufficiency
8 of such participant.

9 “(II) The Secretary shall provide for public
10 review and comment of the proposed formula
11 described in subclause (I) within the 60-day pe-
12 riod beginning on the date such formula is pub-
13 lished in the Federal Register. Not later than
14 4 months after the end of such 60-day period,
15 the Secretary shall develop and publish in the
16 Federal Register a final formula.

17 “(ii) The Secretary shall base the formula
18 described in clause (i) on appropriate factors,
19 which shall include—

20 “(I) the participant’s family size and
21 composition, including the number and age
22 of dependent adults and children;

23 “(II) 100 percent of the average hous-
24 ing costs, which shall be based on the fair
25 market rental in effect for the market area

1 in which the participant resides, as estab-
2 lished by the Secretary of Housing and
3 Urban Development pursuant to section
4 8(c) of the United States Housing Act of
5 1937;

6 “(III) 100 percent of the average
7 child care costs (differentiated by the age
8 of each child), which may be based on the
9 actual cost of such care established under
10 section 402(g)(1)(C)(i)(I) the Social Secu-
11 rity Act or the applicable local market rate
12 established under clause (ii) of such sec-
13 tion;

14 “(IV) 100 percent of the average
15 adult dependent care costs, which may be
16 based on local surveys or the local average
17 of such costs;

18 “(V) 100 percent of the average
19 health care costs, which shall include costs
20 incurred for full family health care cov-
21 erage (including premiums, deductibles,
22 and co-payments), and which may be based
23 on local surveys or the local average of
24 such costs;

1 “(VI) 100 percent of the average
2 transportation costs, which may be based
3 on local surveys or the local average of
4 such costs;

5 “(VII) 100 percent of the food costs,
6 which shall be equal to $\frac{1}{3}$ of the official
7 poverty line (as defined by the Office of
8 Management and Budget, and revised an-
9 nually in accordance with section 673(2) of
10 the Omnibus Budget Reconciliation Act of
11 1981 (42 U.S.C. 9902(2)); and

12 “(VIII) 100 percent of the average
13 work-related costs, which shall include the
14 cost of uniforms, tools, and other appro-
15 priate work-related costs.

16 “(iii) The Secretary shall also designate,
17 from among the needs identified through the
18 needs assessment conducted under this Act,
19 those needs which shall be used by a service de-
20 livery area to develop the summary needs table
21 under section 104(b)(14)(B).

22 “(B) LOCAL ECONOMIC SELF-SUFFICIENCY
23 STANDARDS TABLES DEVELOPED BY SERVICE
24 DELIVERY AREAS.—(i) Not later than 12
25 months after the date on which the Secretary

1 publishes the final formula in the Federal Reg-
2 ister under subparagraph (A)(i)(II), each serv-
3 ice delivery area shall, in accordance with such
4 formula, develop and submit to the Governor a
5 local economic self-sufficiency standards table
6 which measures the minimum amount of wages
7 and employment benefits that a participant en-
8 rolled in a program under part A of title II in
9 such area should receive after termination from
10 such program to ensure the long-term economic
11 self-sufficiency of such participant.

12 “(ii) The Secretary shall provide technical
13 assistance to States and service delivery areas
14 for the purpose of assisting such service deliv-
15 ery areas to develop the local economic self-suf-
16 ficiency standards tables under clause (i).

17 “(C) APPROVAL AND DISAPPROVAL OF
18 TABLE.—(i) Not later than 30 days after the
19 date on which the Governor receives a local eco-
20 nomic self-sufficiency standards table submitted
21 by a service delivery area under subparagraph
22 (B)(i), the Governor shall review such table and
23 approve or disapprove such table in accordance
24 with this subparagraph.

1 “(ii) The Governor shall approve each local
2 economic self-sufficiency standards table only
3 if—

4 “(I) such table accounts for the full
5 range of variations of family size and com-
6 position described in subclause (I) of sub-
7 paragraph (A)(ii);

8 “(II) such table accounts for 100 per-
9 cent of each of the costs described in sub-
10 clauses (II) through (VIII) of subpara-
11 graph (A)(ii);

12 “(III) the methodology used to deter-
13 mine such costs accurately represent such
14 costs; and

15 “(IV) such table complies with all
16 other provisions of the formula developed
17 by the Secretary under subparagraph (A).

18 “(iii) If the Governor determines that the
19 table does not meet the requirements of clause
20 (ii) or is otherwise incomplete or unsatisfactory,
21 the Governor shall, before the end of the period
22 referred to in clause (i)—

23 “(I) notify the service delivery area of
24 the reasons for the failure to approve the
25 table;

1 “(II) notify the service delivery area
2 that the table may be resubmitted during
3 the period referred to in subclause (III);
4 and

5 “(III) permit the service delivery area
6 to resubmit a corrected or amended table
7 during the 30-day period beginning on no-
8 tification under this clause.

9 “(iv) The Governor shall review and ap-
10 prove or disapprove any table resubmitted
11 under clause (iii) beginning before the expira-
12 tion of the 30-day period beginning upon such
13 resubmission.

14 “(D) ANNUAL UPDATES.—Each service de-
15 livery area shall update the local economic self-
16 sufficiency standards table developed by such
17 area on an annual basis and shall submit to the
18 Governor a description of the updated version
19 of such table.”.

20 (b) CONFORMING AMENDMENT.—Paragraph (3) of
21 section 106(b) of such Act (29 U.S.C. 1516(b)(3)) is
22 amended by striking “The Secretary” and inserting “In
23 addition to the standards under local economic self-suffi-
24 ciency standards tables developed pursuant to paragraph
25 (9), the Secretary”.

1 **SEC. 24004. PROHIBITION OF INCENTIVE GRANTS TO SERV-**
2 **ICE DELIVERY AREAS THAT DO NOT HAVE IN**
3 **EFFECT AN APPROVED LOCAL ECONOMIC**
4 **SELF-SUFFICIENCY STANDARDS TABLE.**

5 (a) IN GENERAL.—Paragraph (7) of section 106(b)
6 of such Act (29 U.S.C. 1516(b)(7)) is amended—

7 (1) by striking “From funds available” and in-
8 serting “(A) Subject to subparagraph (B), from
9 funds available”;

10 (2) by redesignating clauses (i) and (ii) of sub-
11 paragraph (D) as subclauses (I) and (II), respec-
12 tively;

13 (3) by redesignating subparagraphs (A) through
14 (E) of such paragraph as clauses (i) through (v), re-
15 spectively; and

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

18 “(B) A Governor shall not award incentive
19 grants for programs under part A of title II to serv-
20 ice delivery areas that do not have in effect a local
21 economic self-sufficiency standards table approved
22 under paragraph (9)(C).”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall take effect 2 years after the date of
25 the enactment of this subtitle.

1 **SEC. 24005. INCLUSION OF LOCAL ECONOMIC SELF-SUFFI-**
2 **CIENCY STANDARDS TABLE AND RELATED**
3 **REPORTS IN JOB TRAINING PLAN.**

4 (a) LOCAL ECONOMIC SELF-SUFFICIENCY STAND-
5 ARDS TABLE.—Subparagraph (B) of section 104(b)(5) of
6 such Act (29 U.S.C. 1514(b)(5)(B)) is amended by insert-
7 ing “, including the local economic self-sufficiency stand-
8 ards table developed pursuant to subsection (b)(9) of such
9 section” after “section 106”.

10 (b) ANNUAL REPORTS.—Subsection (b) of section
11 104 of such Act (29 U.S.C. 1514(b)) is amended—

12 (1) in paragraph (12), by striking “; and” and
13 inserting a semi-colon;

14 (2) in paragraph (13), by striking the period at
15 the end of such paragraph and inserting “; and”;
16 and

17 (3) by adding at the end the following new
18 paragraph:

19 “(14) procedures for the preparation and sub-
20 mission of an annual report to the Governor, which
21 shall include—

22 “(A) with respect to each participant who
23 has completed training under a program carried
24 out under part A of title II in the service deliv-
25 ery area, information relating to—

1 “(i) the type and amount of services
2 provided to such participant under the pro-
3 gram;

4 “(ii) the subsequent employment of
5 the participant, where appropriate, includ-
6 ing the amount of wages and employment
7 benefits received by the participant under
8 such employment; and

9 “(iii) the degree of long-term eco-
10 nomic self-sufficiency which the participant
11 has achieved as a result of the training re-
12 ceived by the participant under the pro-
13 gram based upon the local economic self-
14 sufficiency standards table; and

15 “(B) a summary needs table which—

16 “(i) ranks and places participants into
17 at least 4 categories of equal size based
18 upon the needs designated by the Sec-
19 retary under section 106(b)(9)(A)(iii);

20 “(ii) includes a description of the level
21 of measurements used to place the partici-
22 pants into such categories; and

23 “(iii) includes a description of the de-
24 gree to which participants in each category
25 achieved long-term economic self-suffi-

1 ciency after termination from a program
2 under part A of title II.”.

3 **SEC. 24006. INCLUSION OF LOCAL ECONOMIC SELF-SUFFI-**
4 **CIENCY STANDARDS TABLES AND RELATED**
5 **REPORTS IN GOVERNOR’S COORDINATION**
6 **AND SPECIAL SERVICES PLAN.**

7 Subsection (b) of section 121 of such Act (29 U.S.C.
8 1531(b)) is amended—

9 (1) by redesignating paragraphs (6) and (7) as
10 paragraphs (7) and (8), respectively; and

11 (2) by inserting after paragraph (5) the follow-
12 ing new paragraph:

13 “(6) The plan shall include—

14 “(A) the local economic self-sufficiency
15 standards table developed by each service deliv-
16 ery areas pursuant to section 106(b)(9);

17 “(B) a compilation of the reports received
18 by the Governor under section 104(b)(14); and

19 “(C) a description of goals and objectives
20 to assist participants enrolled in programs
21 under part A of title II achieve long-term eco-
22 nomic self-sufficiency.”.

1 **SEC. 24007. DEMONSTRATION PROGRAMS TO IMPLEMENT**
2 **LOCAL ECONOMIC SELF-SUFFICIENCY**
3 **STANDARDS TABLES.**

4 (a) IN GENERAL.—Part D of title IV of such Act (29
5 U.S.C. 1737 et seq.) is amended by adding at the end
6 the following new section:

7 **“SEC. 457. ECONOMIC SELF-SUFFICIENCY DEMONSTRATION**
8 **GRANT PROGRAM.**

9 “(a) AUTHORIZATION.—

10 “(1) IN GENERAL.—From funds available
11 under this part for the fiscal years 1997, 1998, and
12 1999, the Secretary shall use \$1,500,000 in each
13 such fiscal year to provide grants to States to estab-
14 lish and carry out demonstration and exemplary pro-
15 grams to increase the number of participants in pro-
16 grams under part A of title II who are trained and
17 placed in jobs that yield long-term economic self-suf-
18 ficiency in accordance with the local economic self-
19 sufficiency standards tables under section 106(b)(9).

20 “(2) LIMITATION.—The Secretary may provide
21 no more than 6 grants in each fiscal year under
22 paragraph (1).

23 “(b) APPLICATION.—The Secretary may provide a
24 grant to a State under subsection (a) only if such State
25 submits to the Secretary an application which contains
26 such information as the Secretary may reasonably require.

1 “(c) USE OF FUNDS.—

2 “(1) IN GENERAL.—A State shall use amounts
3 received from a grant under subsection (a) to award
4 grants to service delivery areas and eligible service
5 providers described in paragraph (3) to develop and
6 test strategies to train, place, and retain participants
7 in jobs that yield long-term economic self-sufficiency
8 in accordance with the local economic self-sufficiency
9 standards tables under section 106(b)(9).

10 “(2) APPROPRIATE LEVEL OF SERVICES.—In
11 providing grants under paragraph (1), a State shall
12 ensure that each service delivery area or service pro-
13 vider provides for an appropriate level of services, in-
14 cluding supportive services, to participants using the
15 relevant local economic self-sufficiency standards ta-
16 bles developed by the service delivery area.

17 “(3) ELIGIBLE SERVICE PROVIDERS.—Eligible
18 service providers described in this paragraph are
19 community-based organizations, educational institu-
20 tions, or any other service providers in the State
21 that have a demonstrated success in—

22 “(A) providing occupational skills training
23 to participants for high-wage jobs; and

1 “(B) ensuring that participants receive
2 supportive services in order to successfully com-
3 plete such training.

4 “(d) ADMINISTRATIVE AND RELATED COSTS.—In
5 any fiscal year in which a State receives amounts from
6 a grant under subsection (a), the State may retain an
7 amount not to exceed 10 percent of the grant amount to—

8 “(1) pay the administrative costs of programs
9 established and carried out under subsection (a);

10 “(2) facilitate the coordination of statewide ap-
11 proaches to training and placing participants in jobs
12 yielding long-term economic self-sufficiency; and

13 “(3) provide technical assistance to service de-
14 livery areas and service providers.

15 “(e) SELECTION.—In providing grants to States
16 under subsection (a), the Secretary shall consider—

17 “(1) the extent to which the State has dem-
18 onstrated that the coordination of services provided
19 under this Act with services provided by agencies
20 and organizations addressing the basic needs of low-
21 income individuals, including housing, food, trans-
22 portation, dependent care, and health care, has re-
23 sulted in the prompt and efficient delivery of services
24 to participants under this Act;

1 “(2) the extent to which the State has dem-
2 onstrated its capability to ensure the provision of all
3 needed supportive services to participants in any job
4 training program carried out in the State for the du-
5 ration of such participants’ enrollment;

6 “(3) the extent of private sector involvement in
7 the development and implementation of training pro-
8 grams that increase opportunities for participants to
9 achieve long-term economic self-sufficiency under
10 this Act in the State;

11 “(4) the extent to which the initiatives proposed
12 by a State in its application supplement or build
13 upon existing efforts in the State to train and place
14 individuals in jobs that increase opportunities for
15 participants to achieve long-term economic self-suffi-
16 ciency;

17 “(5) whether the proposed amount of the grant
18 to be provided under subsection (a) is sufficient to
19 accomplish measurable goals;

20 “(6) the extent to which the State is prepared
21 to disseminate information on its demonstration
22 training programs relating to training, placement,
23 and other services; and

1 “(7) the extent to which the State is prepared
2 to produce materials that allow for replication of
3 such State’s demonstration training programs.

4 “(f) EVALUATION.—The Secretary shall provide for
5 an evaluation of the programs established and carried out
6 under subsection (a), including evaluation of the effective-
7 ness of such programs in—

8 “(1) assisting participants with varying needs
9 in achieving long-term economic self-sufficiency
10 through training, placement, and other services;

11 “(2) effectively implementing the use of local
12 economic self-sufficiency standards tables to increase
13 the number of participants achieving long-term eco-
14 nomic self-sufficiency; and

15 “(3) developing and replicating approaches to
16 assist participants with varying needs in achieving
17 long-term economic self-sufficiency through training,
18 placement, and other services.”.

19 (b) CONFORMING AMENDMENT.—The table of con-
20 tents of such Act is amended by inserting after the item
21 relating to section 456 the following new item:

 “Sec. 457. Economic self-sufficiency demonstration grant program.”.

22 **SEC. 24008. REPORT AND RECOMMENDATIONS.**

23 (a) REPORT.—Not later than 2 years after the date
24 on which the Secretary provides the 1st grant to a State
25 under section 457(a)(1) of the Job Training Partnership

1 Act and biennially thereafter, the Secretary of Labor shall
2 submit to the Congress a report on—

3 (1) the extent to which States, service delivery
4 areas, and other service providers have succeeded in
5 training, placing, and retaining participants enrolled
6 in programs under part A of title II of such Act in
7 jobs yielding long-term economic self-sufficiency; and

8 (2) the effectiveness of the demonstration pro-
9 grams established under section 457 of such Act in
10 developing and replicating approaches to train,
11 place, and retain participants in such jobs, including
12 a summary of activities performed by grant recipi-
13 ents under the demonstration programs authorized
14 under such section.

15 (b) RECOMMENDATIONS.—The report described in
16 subsection (a) shall include recommendations on—

17 (1) the need to continue, expand, or modify the
18 demonstration programs established under section
19 457 of the Job Training Partnership Act;

20 (2) legislative and administrative changes nec-
21 essary to increase opportunities for participants to
22 achieve long-term economic self-sufficiency; and

23 (3) legislative and administrative action nec-
24 essary to institutionalize the use of local economic
25 self-sufficiency standards tables as the principal

1 measure of performance for programs carried out
2 under part A of title II of the Job Training Partner-
3 ship Act (29 U.S.C. 1601 et seq.) such that—

4 (A) the basic measure of performance for
5 such programs shall be the achievement of long-
6 term economic self-sufficiency resulting from
7 participation in the program;

8 (B) placements are evaluated according to
9 whether the wages and employment benefits
10 meet the participant's particular long-term eco-
11 nomic self-sufficiency needs;

12 (C) both wages and the cash value of em-
13 ployment benefits are used to determine wheth-
14 er a participant has achieved the self-sufficiency
15 standard for their particular family size and
16 composition;

17 (D) in order to ensure that participants
18 with varying needs are served equitably, the
19 placements shall be equitably distributed among
20 the categories contained in the summary needs
21 table established by the service delivery area in
22 the job training plan prepared under section
23 104(b)(14)(B) of the Job Training Partnership
24 Act; and

1 (E) incentive grants under section
2 106(b)(7) of such Act (29 U.S.C. 1516(b)(7))
3 are provided to service delivery areas based pri-
4 marily on the extent to which such areas exceed
5 the standards under the local economic self-suf-
6 ficiency standards table for such areas.

7 **Subtitle E—Community** 8 **Reinvestment**

9 **SEC. 25001. REPORTING OF ACTUAL PERFORMANCE DATA.**

10 (a) IN GENERAL.—The Community Reinvestment
11 Act of 1977 (12 U.S.C. 2901 et seq.) is amended by add-
12 ing at the end the following new section:

13 **“SEC. 809. REPORTING OF ACTUAL PERFORMANCE DATA.**

14 “(a) ESTABLISHMENT REQUIRED.—The appropriate
15 Federal financial supervisory agencies shall jointly develop
16 a format for collecting data from regulated financial insti-
17 tutions, in connection with examinations under section
18 804, concerning such institutions’ record of meeting the
19 credit needs of their local communities, including low- and
20 moderate-income neighborhoods.

21 “(b) DATA REQUIRED.—The data required to be col-
22 lected under subsection (a) shall include the following:

23 “(1) SMALL BUSINESS LENDING.—

24 “(A) The aggregate number and dollar vol-
25 ume of loans originated, with a separate break-

1 out for originations to minority-owned and
2 women-owned businesses and start-up busi-
3 nesses.

4 “(B) The aggregate number and dollar vol-
5 ume of loans originated under programs admin-
6 istered by the Small Business Administration,
7 with a separate break-out for minority-owned
8 and women-owned businesses.

9 “(C) The aggregate number and dollar vol-
10 ume of small business loans originated by the
11 financial institution, compiled on the basis of
12 the racial and income characteristics in the in-
13 stitution’s entire community.

14 “(2) COMMUNITY DEVELOPMENT.—

15 “(A) The number and dollar volume of
16 loans to nonprofit child care, mental health,
17 and literacy centers and to nonprofit developers
18 of affordable housing.

19 “(B) The financial institution’s participa-
20 tion in any community development project, in-
21 cluding a description of any partnerships devel-
22 oped with nonprofit community organizations,
23 that benefit the low- and moderate-income resi-
24 dents of the institution’s entire community.

1 “(3) CONSUMER LOANS.—A statistical analysis
2 of the number and dollar volume of consumer loans
3 compiled on the basis of the racial and income char-
4 acteristics of neighborhoods in the institution’s en-
5 tire community.

6 “(4) BRANCH CLOSURES.—

7 “(A) A compilation of the number of the
8 institution’s branches and other deposit facili-
9 ties in neighborhoods of various racial and in-
10 come characteristics within the institution’s
11 community.

12 “(B) An analysis of all openings and clos-
13 ings of branches and other deposit facilities by
14 the institution in the past 10 years in neighbor-
15 hoods of various racial and income characteris-
16 tics within the institution’s community.”.

17 (b) DATA REQUIRED IN PUBLIC SECTION OF RE-
18 PORT.—Section 807(b)(1)(A) of the Community Reinvest-
19 ment Act of 1977 (12 U.S.C. 2906(b)(1)(A)) is amend-
20 ed—

21 (1) by striking “and” at the end of clause (ii);

22 (2) by striking the period at the end of clause
23 (iii) and inserting “; and”; and

24 (3) by adding at the end the following new
25 clause:

1 “(iv) contain the data required to be
2 collected with respect to the institution
3 pursuant to section 809.”.

4 **Subtitle F—Telecommunications**
5 **Economic Opportunity**

6 **SEC. 26001. FINDINGS.**

7 The Congress finds the following:

8 (1) It is in the public interest for business en-
9 terprises owned by minorities and women to partici-
10 pate in procurement contracts of all providers of
11 telecommunications services.

12 (2) The opportunity for full participation in our
13 free enterprise system by business enterprises that
14 are owned by minorities and women is essential if
15 this Nation is to attain social and economic equality
16 for those businesses and improve the functioning of
17 the national economy.

18 (3) It is in this Nation’s interest to expedi-
19 tiously improve the economically disadvantaged posi-
20 tion of business enterprises that are owned by mi-
21 norities and women.

22 (4) The position of these businesses can be im-
23 proved through the development by the providers of
24 telecommunications services of substantial long-
25 range and annual goals, which are supported by

1 training and technical assistance, for the purchase,
2 to the maximum practicable extent, of technology,
3 equipment, supplies, services, material and construc-
4 tion from minority business enterprises.

5 (5) Procurement policies which include partici-
6 pation of business enterprises that are owned by mi-
7 norities and women also benefit the communication
8 industry and its consumers by encouraging the ex-
9 pansion of the numbers of suppliers for procure-
10 ment, thereby encouraging competition among sup-
11 pliers and promoting economic efficiency in the proc-
12 ess.

13 **SEC. 26002. PURPOSE.**

14 The purposes of this subtitle are—

15 (1) to encourage and foster greater economic
16 opportunity for business enterprises that are owned
17 by minorities and women;

18 (2) to promote competition among suppliers to
19 providers of telecommunications services and their
20 affiliates to enhance economic efficiency in the pro-
21 curement of telephone corporation contracts and
22 contracts of their State commission-regulated sub-
23 sidiaries and affiliates;

24 (3) to clarify and expand a program for the
25 procurement by State and federally-regulated tele-

1 phone companies of technology, equipment, supplies,
2 services, materials and construction work from busi-
3 ness enterprises that are owned by minorities and
4 women; and

5 (4) to ensure that a fair proportion of the total
6 purchases, contracts, and subcontracts for supplies,
7 commodities, technology, property, and services of-
8 fered by the providers of telecommunications services
9 and their affiliates are awarded to minority and
10 women business enterprises.

11 **SEC. 26003. ANNUAL PLAN SUBMISSION.**

12 (a) ANNUAL PLANS REQUIRED.—

13 (1) IN GENERAL.—The Commission shall re-
14 quire each provider of telecommunications services
15 to submit annually a detailed and verifiable plan for
16 increasing its procurement from business enterprises
17 that are owned by minorities or women in all cat-
18 egories of procurement in which minorities are under
19 represented.

20 (2) CONTENTS OF PLANS.—The annual plans
21 required by paragraph (1) shall include (but not be
22 limited to) short- and long-term progressive goals
23 and timetables, technical assistance, and training
24 and shall, in addition to goals for direct contracting
25 opportunities, include methods for encouraging both

1 prime contractors and grantees to engage business
2 enterprises that are owned by minorities and women
3 in subcontracts in all categories in which minorities
4 are under represented.

5 (3) IMPLEMENTATION REPORT.—Each provider
6 of telecommunications services shall furnish an an-
7 nual report to the Commission regarding the imple-
8 mentation of programs established pursuant to this
9 subtitle in such form as the Commission shall re-
10 quire, and at such time as the Commission shall an-
11 nually designate.

12 (4) REPORT TO CONGRESS.—The Commission
13 shall provide an annual report to Congress, begin-
14 ning in January 1996, on the progress of activities
15 undertaken by each provider of telecommunications
16 services regarding the implementation of activities
17 pursuant to this subtitle to develop business enter-
18 prises that are owned by minorities or women. The
19 report shall evaluate the accomplishments under this
20 subtitle and shall recommend a program for enhanc-
21 ing the policy declared in this subtitle, together with
22 such recommendations for legislation as it deems
23 necessary or desirable to further that policy.

1 (b) REGULATIONS AND CRITERIA FOR DETERMINING
2 ELIGIBILITY OF MINORITY BUSINESS ENTERPRISES FOR
3 PROCUREMENT CONTRACTS.—

4 (1) IN GENERAL.—The Commission shall estab-
5 lish regulations for implementing programs pursuant
6 to this subtitle that will govern providers of tele-
7 communications services and their affiliates.

8 (2) VERIFYING CRITERIA.—The Commission
9 shall develop and publish regulations setting forth
10 criteria for verifying and determining the eligibility
11 of business enterprises that are owned by minorities
12 or women for procurement contracts.

13 (3) OUTREACH.—The Commission's regulations
14 shall require each provider of telecommunications
15 services and its affiliates to develop and to imple-
16 ment an outreach program to inform and recruit
17 business enterprises that are owned by minorities or
18 women to apply for procurement contracts under
19 this subtitle.

20 (4) ENFORCEMENT.—The Commission shall es-
21 tablish and promulgate such regulations necessary to
22 enforce the provisions of this subtitle.

23 (c) WAIVER AUTHORITY.—The requirements of this
24 section may be waived, in whole or in part, by the Commis-
25 sion with respect to a particular contract or subcontract

1 in accordance with guidelines set forth in regulations
2 which the Commission shall prescribe when it determines
3 that the application of such regulations prove to result in
4 undue hardship or unreasonable expense to a provider of
5 telecommunications services.

6 **SEC. 26004. SANCTIONS AND REMEDIES.**

7 (a) FALSE REPRESENTATION OF BUSINESSES; SANC-
8 TIONS.—

9 (1) IN GENERAL.—Any person or corporation,
10 through its directors, officers, or agent, which falsely
11 represents the business as a business enterprise that
12 is owned by minorities or women in the procurement
13 or attempt to procure contracts from telephone oper-
14 ating companies and their affiliates pursuant to this
15 article, shall be punished by a fine of not more than
16 \$5,000, or by imprisonment for a period not to ex-
17 ceed 5 years of its directors, officers, or agents re-
18 sponsible for the false statements, or by both fine
19 and imprisonment.

20 (2) HOLDING COMPANIES.—Any provider of
21 telecommunications services which falsely represents
22 its annual report to the Commission or its imple-
23 mentation of its programs pursuant to this section
24 shall be subject to a fine of \$100,000 and be subject
25 to a penalty of up to 5 years restriction from partici-

1 pation in lines of business activities provided for in
2 this subtitle.

3 (b) INDEPENDENT CAUSE OF ACTION, REMEDIES,
4 AND ATTORNEY FEES.—

5 (1) DISCRIMINATION PROHIBITED.—No other-
6 wise qualified business enterprise that is owned by
7 minorities or women shall solely, by reason of its ra-
8 cial, ethnic, or gender composition be excluded from
9 the participation in, be denied the benefits of, or be
10 subjected to discrimination in procuring contracts
11 from telephone utilities.

12 (2) CIVIL ACTIONS AUTHORIZED.—Whenever a
13 qualified business enterprise that is owned by mi-
14 norities or women has reasonable cause to believe
15 that a provider of telecommunications services or its
16 affiliate is engaged in a pattern or practice of resist-
17 ance to the full compliance of any provision of this
18 subtitle, the business enterprise may bring a civil ac-
19 tion in the appropriate district court of the United
20 States against the provider of telecommunications
21 services or its affiliate requesting such monetary or
22 injunctive relief, or both, as deemed necessary to en-
23 sure the full benefits of this subtitle.

24 (3) ATTORNEYS' FEES AND COSTS.—In any ac-
25 tion or proceeding to enforce or charge of a violation

1 of a provision of this subtitle, the court, in its discre-
2 tion, may allow the prevailing party reasonable at-
3 torneys' fees and costs.

4 **SEC. 26005. DEFINITIONS.**

5 For the purpose of this subtitle, the following defini-
6 tions apply:

7 (1) The term "business enterprise owned by mi-
8 norities or women" means—

9 (A) a business enterprise that is at least
10 51 percent owned by a person or persons who
11 are minority persons or women; or

12 (B) in the case of any publicly owned busi-
13 ness, at least 51 percent of the stock of which
14 is owned by one or more persons who are mi-
15 nority persons or women, and whose manage-
16 ment and daily business operations are con-
17 trolled by one or more of those persons.

18 (2) The term "minority person" means persons
19 who are Black Americans, Hispanic Americans, Na-
20 tive Americans, Asian Americans, and Pacific Amer-
21 icans.

22 (3) The term "control" means exercising the
23 power to make financial and policy decisions.

1 (4) The term “operate” means the active in-
2 volvement in the day-to-day management of the
3 business and not merely being officers or directors.

4 (5) The term “Commission” means the Federal
5 Communications Commission.

6 (6) The term “telecommunications service”
7 means the offering, on a common carrier basis, of
8 telecommunications facilities, or of telecommuni-
9 cations by means of such facilities. Such term does
10 not include an information service.

11 **Subtitle G—HHS Women Scientist**
12 **Employment Opportunity**

13 **SEC. 27001. WOMEN’S SCIENTIFIC EMPLOYMENT.**

14 The Public Health Service Act (42 U.S.C. 281 et
15 seq.) is amended by adding at the end the following title:

16 “TITLE XXVII—WOMEN’S SCIENTIFIC EMPLOY-
17 MENT WITH DEPARTMENT OF HEALTH
18 AND HUMAN SERVICES

19 “**SEC. 2701. WOMEN’S SCIENTIFIC EMPLOYMENT.**

20 “(a) IN GENERAL.—

21 “(1) IN GENERAL.—For each agency specified
22 in paragraph (2), the Secretary, in collaboration
23 with the head of the agency, shall—

24 “(A) establish policies for the agency on
25 matters relating to the employment by the

1 agency of women as scientists, and periodically
2 review and as appropriate revise such policies;
3 and

4 “(B) monitor the extent of compliance with
5 such policies and take appropriate action in
6 cases in which the Secretary determines that
7 the policies have been violated.

8 “(2) SPECIFIED AGENCIES.—The agencies re-
9 ferred to in paragraph (1) are the National Insti-
10 tutes of Health, the Centers for Disease Control and
11 Prevention, the Food and Drug Administration, and
12 such other agencies or offices of the Department of
13 Health and Human Services as the Secretary deter-
14 mines to be appropriate.

15 “(b) CERTAIN FUNCTIONS.—

16 “(1) IN GENERAL.—In carrying out subsection
17 (a) with respect to a specified agency, the Secretary
18 shall provide for the following:

19 “(A) Determining the concerns of women
20 scientists employed at the agency.

21 “(B) Developing a policy defining the
22 standard tenure process for employment at the
23 agency.

1 “(C) Determining the reason for departure
2 from the agency by interviewing women and
3 men scientists as they leave.

4 “(D) Distributing yearly to all employees
5 of the agency of the policy of the agency on
6 flexible family leave.

7 “(E) Monitoring the number of women, in-
8 cluding minority women, included on the com-
9 mittees, panels, and other working groups (and
10 in meetings) of the agency.

11 “(F) Making efforts to recruit minority
12 women, based on the small numbers of tenured
13 minority women scientists.

14 “(G) Developing additional goals related to
15 women and minority women scientists at the
16 agency.

17 “(2) AGENCY-SPECIFIC PROVISIONS.—With re-
18 spect to the National Institutes of Health, in carry-
19 ing out subsection (a), the Secretary shall (in addi-
20 tion to activities under paragraph (1)) provide for
21 the implementation of the recommendations of the
22 group known as the Task Force on the Status of
23 NIH Intramural Women Scientists.

24 “(c) INCLUSION OF WOMEN ON INTRAMURAL AND
25 EXTRAMURAL CONFERENCES AND OTHER GROUPS.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish a policy at each specified agency of requiring in-
3 clusion of women scientists in greater numbers on or
4 in conferences, workshops, meetings, international
5 congresses, and other groups funded or sponsored by
6 the agency. Such policy shall provide for the inclu-
7 sion of not less than one woman scientist in each
8 such group, except as provided in paragraph (2).
9 This paragraph applies whether such groups are
10 held for employees of the agency headquarters, for
11 employees of field offices, or both.

12 “(2) EXCLUSION; WRITTEN EXPLANATION.—
13 The policy established in paragraph (1) may provide
14 that no woman scientist will be included in a group
15 for purposes of such paragraph if the Secretary pro-
16 vides a waiver of the requirement. The Secretary
17 may grant such a waiver only if—

18 “(A) the individual with the chief respon-
19 sibility for the group involved submits to the
20 Secretary a written request for the waiver and
21 the request provides an explanation of the rea-
22 sons underlying the need for the waiver; and

23 “(B) the Secretary makes a determination
24 that extraordinary circumstances justify provid-
25 ing the waiver.

1 “(d) STUDY ON PAY EQUITY.—

2 “(1) IN GENERAL.—For each specified agency,
3 the Secretary shall provide for a study to identify
4 any pay differences among men and women sci-
5 entists employed by the agency, both tenured and
6 untenured. The study shall include recommendations
7 on measures to adjust any disparities or inequities,
8 and shall identify a program to communicate infor-
9 mation on salary ranges to all employees.

10 “(2) REPORT.—Not later than 240 days after
11 the date of the enactment of the Economic Equity
12 Act of 1996, the Secretary shall complete the study
13 required in paragraph (1) and submit to the Com-
14 mittee on Commerce of the House of Representa-
15 tives, and to the Committee on Labor and Human
16 Resources of the Senate, a report describing the
17 findings made as a result of the study.

18 “(e) DEFINITIONS.—For purposes of this section, the
19 term ‘specified agency’ means an agency specified in sub-
20 section (a)(2).

21 “(f) AUTHORIZATION OF APPROPRIATIONS.—For the
22 purpose of carrying out this section, there are authorized
23 to be appropriated such sums as may be necessary for
24 each of the fiscal years 1997 through 1999.”.

1 **Subtitle H—Women in Enterprise**
2 **Development**

3 **SEC. 28001. WOMEN IN ENTERPRISE DEVELOPMENT.**

4 Chapter 1 of part I of the Foreign Assistance Act
5 of 1961 is amended by inserting after section 113 the fol-
6 lowing:

7 **“SEC. 114. WOMEN IN ENTERPRISE DEVELOPMENT.**

8 “(a) ESTABLISHMENT OF PROGRAM.—In carrying
9 out this part, the Administrator of the Agency for Inter-
10 national Development shall establish and implement a
11 Women in Enterprise Development Program.

12 “(b) DESCRIPTION OF PROGRAM.—This program
13 shall provide funding and other support for projects hav-
14 ing the following 3 interrelated components:

15 “(1) FINANCIAL ASSISTANCE.—The provision of
16 financial assistance to women—

17 “(A) to support the creation of small- to
18 medium-size businesses in which women can
19 readily participate;

20 “(B) to foster investment in businesses
21 substantially owned or managed by women; and

22 “(C) to enable such women to further their
23 education.

24 “(2) EDUCATIONAL ASSISTANCE.—The provi-
25 sion of assistance to encourage and support efforts

1 of indigenous educational institutions, and where ap-
2 propriate other organizations—

3 “(A) to encourage women to participate in
4 the processes of local and national government,
5 and to stimulate the interest of women in busi-
6 ness;

7 “(B) to prepare women for involvement in
8 government and business;

9 “(C) to provide opportunities for women to
10 gain practical experience in government and
11 business through internships or on-the-job ap-
12 prenticeships while in school;

13 “(D) to provide women with remedial as-
14 sistance whenever necessary; and

15 “(E) to identify women with leadership po-
16 tential to serve as role models, and to assist
17 such women in furthering their education and
18 obtaining suitable positions in the public or pri-
19 vate sector.

20 Assistance under this paragraph shall encourage the
21 development and implementation of guidelines to be
22 used by secondary and postsecondary education in-
23 stitutions to achieve the objectives described in sub-
24 paragraphs (A) through (E) through the develop-
25 ment of appropriate curricula and other means.

1 “(3) INFORMATION ASSISTANCE.—The provi-
2 sion of assistance to support the creation or expan-
3 sion of local resource centers which offer to women
4 interested in careers in business, government, or re-
5 lated fields—

6 “(A) courses in accounting, bookkeeping,
7 and elementary marketing practices, and other
8 courses; and

9 “(B) workshops, informational materials,
10 career counseling, and assistance in the local
11 community.

12 “(c) ELIGIBILITY CRITERIA FOR FINANCIAL ASSIST-
13 ANCE.—The Administrator of the Agency for Inter-
14 national Development shall develop criteria for identifying
15 the women who are eligible to receive financial assistance
16 under subsection (b)(1).

17 “(d) INITIAL FUNDING LEVEL.—The Congress urges
18 the Administrator of the Agency for International Devel-
19 opment, in carrying out this section during fiscal year
20 1997, to use not less than an amount equal to 10 percent
21 of the amount made available under this part for assist-
22 ance for micro-enterprise development.

23 “(e) ANNUAL REPORTS.—The annual congressional
24 presentation materials on economic assistance shall in-
25 clude a description of the assistance being provided under

1 this section, including the amount that was provided for
2 such assistance during preceding fiscal year, the amount
3 estimated to be provided during the current fiscal year,
4 and the amount proposed for the coming fiscal year.”.

5 **TITLE III—WORK AND FAMILY**

6 **Subtitle A—Child Care**

7 **Consolidation and Investment**

8 **SEC. 31001. FINDINGS.**

9 Congress finds that—

10 (1) fragmentation of the Federal Government’s
11 major child care assistance programs has left gaps
12 for many parents moving from welfare to work;

13 (2) child care problems have prevented 34 per-
14 cent of poor mothers between the ages 21 and 29
15 from working;

16 (3) $\frac{2}{3}$ of all families receiving assistance under
17 the Aid to Families with Dependent Children pro-
18 gram have at least one preschool age child and need
19 child care in order to work;

20 (4) there already exists an unmet need for child
21 care assistance—37 States now have waiting lists
22 that can run as high as 35,000 individuals;

23 (5) child care directly affects an individual’s
24 ability to stay in the work force;

1 (6) welfare reform that places work at its cen-
2 ter will increase the demand for child care and re-
3 quire an additional investment of resources;

4 (7) child care consumes \$260 per month or
5 about 27 percent of income for average working poor
6 families, leaving them with less income than families
7 eligible for assistance under the Aid to Families with
8 Dependent Children program;

9 (8) quality must be a central feature of the
10 child care policy of the United States;

11 (9) only 1 in 7 day care centers offer good qual-
12 ity care;

13 (10) 40 percent of day care centers serving in-
14 fants and toddlers do not meet basic sanitary condi-
15 tions, have safety problems, and do not encourage
16 learning; and

17 (11) only 9 percent of family and relative day
18 care is considered good quality care.

19 **SEC. 31002. PURPOSE.**

20 It is the purpose of this subtitle to—

21 (1) eliminate program fragmentation and create
22 a seamless system of high quality child care that al-
23 lows for continuity of care for children as parents
24 move from welfare to job training to work;

1 (2) provide for parental choice among high
2 quality child care programs; and

3 (3) increase the availability of high quality af-
4 fordable child care in order to promote self suffi-
5 ciency and support working families.

6 **SEC. 31003. AMENDMENTS TO CHILD CARE AND DEVELOP-**
7 **MENT BLOCK GRANT ACT OF 1990.**

8 (a) APPROPRIATIONS.—Section 658B of the Child
9 Care and Development Block Grant Act of 1990 (42
10 U.S.C. 9858) is amended to read as follows:

11 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

12 “There are authorized to be appropriated to carry out
13 this subchapter, \$2,790,000,000 for fiscal year 1997,
14 \$3,040,000,000 for fiscal year 1998, \$3,460,000,000 for
15 fiscal year 1999, \$4,030,000,000 for fiscal year 2000, and
16 \$4,680,000,000 for fiscal year 2001.”.

17 (b) AWARDING OF GRANTS.—Section 658C of the
18 Child Care and Development Block Grant Act of 1990 (42
19 U.S.C. 9858a) is amended by striking “is authorized to”
20 and inserting “shall”.

21 (c) SUPPLEMENTATION.—Section 658E(c)(2)(J) of
22 the Child Care and Development Block Grant Act of 1990
23 (42 U.S.C. 9858c(c)(2)(J)) is amended by inserting “in
24 fiscal year 1995” before the period.

1 (d) SET-ASIDES FOR QUALITY AND WORKING FAMI-
2 LIES, AND CHILD CARE GUARANTEE.—Section
3 658E(c)(3) of the Child Care and Development Block
4 Grant Act of 1990 (42 U.S.C. 9858c(c)(3))—

5 (1) in subparagraph (C), by striking “25 per-
6 cent” and inserting “20 percent”; and

7 (2) by adding at the end thereof the following:

8 “(D) ASSISTANCE FOR LOW-INCOME
9 WORKING FAMILIES.—The State shall reserve
10 not less than 50 percent of the amount provided
11 to the State and available for providing services
12 under this subchapter, to carry out child care
13 activities to support low-income working fami-
14 lies residing in the State.

15 “(E) CHILD CARE GUARANTEE.—The
16 State plan shall provide assurances that the
17 availability of child care under the grant will be
18 coordinated in an appropriate manner (as de-
19 termined by the Secretary) with the require-
20 ments of part A of title IV of the Social Secu-
21 rity Act. Such coordination shall ensure that
22 the single custodial parent of a dependent child
23 who is less than 11 years of age, or who is a
24 child with a disability (as defined in section
25 602(1)(A) of the Individuals with Disabilities

1 Act (20 U.S.C. 1401(1)(A)), is not required to
2 undertake an education, job training, job
3 search, or employment requirement unless child
4 care assistance in an appropriate child care pro-
5 gram is made available.”.

6 (e) MATCHING REQUIREMENT.—Section 658E(c) of
7 the Child Care and Development Block Grant Act of 1990
8 (42 U.S.C. 9858c(c)) is amended by adding at the end
9 thereof the following:

10 “(6) MATCHING REQUIREMENT.—With respect
11 to amounts made available to a State in each fiscal
12 year beginning on or after the effective date of this
13 paragraph, that exceed the aggregate amounts re-
14 ceived by the State for child care services in fiscal
15 year 1995, the State plan shall provide that, with re-
16 spect to the costs to be incurred by the State in car-
17 rying out the activities for which a grant under this
18 subchapter is awarded, the State will make available
19 (directly or through in-kind donations from public or
20 private entities) non-Federal contributions in an
21 amount equal to not less than \$1 for every \$4 of
22 Federal funds provided under the grant.”.

23 (f) IMPROVING QUALITY.—

24 (1) INCREASE IN REQUIRED FUNDING.—Section
25 658G of the Child Care and Development Block

1 Grant Act of 1990 (42 U.S.C. 9858e) is amended by
2 striking “not less than 20 percent” and inserting
3 “50 percent”.

4 (2) QUALITY IMPROVEMENT INCENTIVE INITIA-
5 TIVE.—Section 658G of the Child Care and Develop-
6 ment Block Grant Act of 1990 (42 U.S.C. 9858e)
7 is amended—

8 (A) by striking “A State” and inserting
9 “(a) IN GENERAL.—A State”; and

10 (B) by adding at the end thereof the fol-
11 lowing:

12 “(b) QUALITY IMPROVEMENT INCENTIVE INITIA-
13 TIVE.—

14 “(1) IN GENERAL.—The Secretary shall estab-
15 lish a child care quality improvement incentive ini-
16 tiative to make funds available to States that dem-
17 onstrate progress in the implementation of—

18 “(A) innovative teacher training programs
19 such as the Department of Defense staff devel-
20 opment and compensation program for child
21 care personnel; or

22 “(B) enhanced child care quality standards
23 and licensing and monitoring procedures.

24 “(2) FUNDING.—From the amounts made
25 available for each fiscal year under subsection (a),

1 the Secretary shall reserve not to exceed
2 \$50,000,000 in each such fiscal year to carry out
3 this subsection.”.

4 (g) BEFORE- AND AFTER-SCHOOL SERVICES.—Sec-
5 tion 658H(a) of the Child Care and Development Block
6 Grant Act of 1990 (42 U.S.C. 9858f(a)) is amended by
7 striking “not less than 75 percent” and inserting “50 per-
8 cent”.

9 (h) PAYMENTS.—Section 658J(a) of the Child Care
10 and Development Block Grant Act of 1990 (42 U.S.C.
11 9858h) is amended by striking “Subject to the availability
12 of appropriation, a” and inserting “A”.

13 (i) ALLOTMENTS.—Section 658O(b) of the Child
14 Care and Development Block Grant Act of 1990 (42
15 U.S.C. 9858m(b)) is amended by adding at the end there-
16 of the following:

17 “(5) ALLOTMENT.—

18 “(A) BASE ALLOTMENT.—The amount al-
19 lotted to a State under this section shall include
20 the base amount that the State received under
21 this Act, and under the provisions repealed
22 under section 31004 of the Economic Equity
23 Act of 1996, in fiscal year 1995.

24 “(B) ADDITIONAL AMOUNTS.—Any
25 amounts appropriated under section 658B for a

1 fiscal year and remaining after the requirement
2 of subparagraph (A) is complied with, shall be
3 allotted to States pursuant to the formula de-
4 scribed in paragraph (1).”.

5 **SEC. 31004. PROGRAM REPEALS.**

6 (a) AFDC JOBS AND TRANSITIONAL CHILD
7 CARE.—

8 (1) REPEAL.—Paragraphs (1), (3), (4), (5),
9 (6), and (7) of section 402(g) of the Social Security
10 Act (42 U.S.C. 602(g)) are repealed.

11 (2) CONFORMING AMENDMENTS.—Part A of
12 title IV of the Social Security Act (42 U.S.C. 601
13 et seq.) is amended—

14 (A) in section 402(a)(19) (42 U.S.C.
15 602(a)(19))—

16 (i) in subparagraph (B)(i)(I), by strik-
17 ing “section 402(g)” and inserting “the
18 Child Care Development Block Grant Act
19 of 1990 (42 U.S.C. 9858 et seq.)”;

20 (ii) in subparagraph (C)(iii)(II), by
21 striking “section 402(g)” and inserting
22 “the Child Care Development Block Grant
23 Act of 1990 (42 U.S.C. 9858 et seq.)”;

24 (iii) in subparagraph (D), by striking
25 “section 402(g)” and inserting “the Child

1 Care Development Block Grant Act of
2 1990 (42 U.S.C. 9858 et seq.)”; and

3 (iv) in subparagraph (F)(iv), by strik-
4 ing “section 402(g)” and inserting “section
5 402(g)(2) and the Child Care Development
6 Block Grant Act of 1990 (42 U.S.C. 9858
7 et seq.)”;

8 (B) in section 402(g)(2) (42 U.S.C.
9 602(g)(2)), by striking “(in addition to guaran-
10 teeing child care under paragraph (1))”; and

11 (C) in section 403(l)(1)(A) (42 U.S.C.
12 603(l)(1)(A)), by striking “(including expendi-
13 tures for child care under section
14 402(g)(1)(A)(i), but only in the case of a State
15 with respect to which section 1108 applies)”.

16 (b) AT-RISK CHILD CARE.—Sections 402(i) and
17 403(n) of the Social Security Act (42 U.S.C. 602(i),
18 603(n)) are repealed.

19 (c) STATE DEPENDENT CARE GRANTS.—Subchapter
20 E of chapter 8 of subtitle A of title VI of the Omnibus
21 Budget Reconciliation Act of 1981 (42 U.S.C. 9871 et
22 seq.) is repealed.

23 (d) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
24 ASSISTANCE ACT.—The Child Development Associate

1 Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et
2 seq.) is repealed.

3 (e) SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-
4 POSAL FOR TECHNICAL AND CONFORMING AMEND-
5 MENTS.—The Secretary of Health and Human Services
6 shall, within 90 days after the date of the enactment of
7 this subtitle, submit to the appropriate committees of the
8 Congress, a legislative proposal providing for such tech-
9 nical and conforming amendments in the law as are re-
10 quired by the provisions of subsections (a) and (c).

11 **SEC. 31005. EFFECTIVE DATE.**

12 This subtitle shall take effect on the first day of the
13 first fiscal year beginning after the date of the enactment
14 of this subtitle.

15 **Subtitle B—Child Care Public**
16 **Private Partnership**

17 **SEC. 32001. ESTABLISHMENT OF BUSINESS INCENTIVE**
18 **GRANT PROGRAM.**

19 The Secretary of Health and Human Services shall
20 establish a program to make grants to—

21 (1) businesses and consortia—

22 (A) to pay start-up costs incurred to pro-
23 vide child care services; or

24 (B) to provide additional child care serv-
25 ices;

1 needed by the employees of such businesses; and

2 (2) nonprofit business organizations to provide
3 technical information and assistance to enable busi-
4 nesses to provide child care services.

5 **SEC. 32002. ELIGIBILITY TO RECEIVE GRANTS.**

6 To be eligible to receive a grant under section 32001,
7 a business, nonprofit business organization, or consortium
8 shall submit to the Secretary an application in accordance
9 with section 32003.

10 **SEC. 32003. APPLICATION.**

11 The application required by section 32002 shall be
12 submitted by a business, nonprofit business organization,
13 or consortium at such time, in such form, and containing
14 such information as the Secretary may require by rule,
15 except that such application shall contain—

16 (1) an assurance that the applicant shall ex-
17 pend, for the purpose for which such grant is made,
18 an amount not less than 200 percent of the amount
19 of such grant;

20 (2) an assurance that such applicant will ex-
21 pend such grant for the use specified in paragraph
22 (1) or (2) of section 32001, as the case may be;

23 (3) an assurance that such applicant will em-
24 ploy strategies to ensure that child care services pro-
25 vided by such applicant, or provided with the tech-

1 nical information and assistance made available by
2 such applicant, are provided at affordable rates, and
3 on an equitable basis, to low- and moderate-income
4 employees;

5 (4) an assurance that such applicant—

6 (A) in the case of a business or consor-
7 tium, will comply with all State and local licens-
8 ing requirements applicable to such business or
9 consortium concerning the provision of child
10 care services; or

11 (B) in the case of a nonprofit business or-
12 ganization, will employ procedures to ensure
13 that technical information and assistance pro-
14 vided under this subtitle by such business orga-
15 nization will be provided only to businesses that
16 provide child care services in compliance with
17 all State and local licensing requirements appli-
18 cable to child care providers in such State; and

19 (5) in the case of a business or consortium, an
20 assurance that if the employees of such applicant do
21 not require all the child care services for which such
22 grant and the funds required by paragraph (1) are
23 to be expended by such applicant, the excess of such
24 child care services shall be made available to families
25 in the community in which such applicant is located.

1 **SEC. 32004. SELECTION OF GRANTEES.**

2 For purposes of selecting applicants to receive grants
3 under this subtitle, the Secretary shall give priority to
4 businesses that have fewer than 100 full-time employees.
5 To the extent practicable, the Secretary shall—

6 (1) make grants equitably under this subtitle to
7 applicants located in all geographical regions of the
8 United States; and

9 (2) give priority to applicants for grants under
10 section 32001(1).

11 **SEC. 32005. DEFINITIONS.**

12 As used in the Act:

13 (1) BUSINESS.—The term “business” means a
14 person engaged in commerce whose primary activity
15 is not providing child care services.

16 (2) CHILD CARE SERVICES.—The term “child
17 care services” means care for a child that is—

18 (A) provided on the site at which a parent
19 of such child is employed or at a site nearby in
20 the community; and

21 (B) subsidized at least in part by the busi-
22 ness that employs such parent.

23 (3) CONSORTIUM.—The term “consortium”
24 means 2 or more businesses acting jointly. A consor-
25 tium may also include a nonprofit private organiza-
26 tion.

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of Health and Human Services.

3 **SEC. 32006. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated to carry out
5 this subtitle \$25,000,000 for each of the fiscal years 1994,
6 1995, 1996, and 1997.

7 **Subtitle C—Dependent Care Tax**
8 **Credit Refundability**

9 **SEC. 33001. DEPENDENT CARE TAX CREDIT.**

10 (a) DEPENDENT CARE SERVICES.—Subpart C of
11 part IV of subchapter A of chapter 1 of the Internal Reve-
12 nue Code of 1986 (relating to refundable credits) is
13 amended by redesignating section 35 as section 36 and
14 by inserting after section 34 the following new section:

15 **“SEC. 35. DEPENDENT CARE SERVICES.**

16 “(a) ALLOWANCE OF CREDIT.—

17 “(1) IN GENERAL.—In the case of an individual
18 who maintains a household which includes as a
19 member 1 or more qualifying individuals, there shall
20 be allowed as a credit against the tax imposed by
21 this subtitle for the taxable year an amount equal to
22 the applicable percentage of the sum of—

23 “(A) the employment-related expenses paid
24 by such individual during the taxable year, plus

1 “(B) the respite care expenses paid by
2 such individual during the taxable year.

3 “(2) APPLICABLE PERCENTAGE DEFINED.—

4 “(A) IN GENERAL.—For purposes of para-
5 graph (1), the term ‘applicable percentage’
6 means 50 percent reduced (but not below 20
7 percent) by 1 percentage point for each full
8 \$1,000 amount by which the taxpayer’s ad-
9 justed gross income for the taxable year exceeds
10 \$15,000.

11 “(B) COST-OF-LIVING ADJUSTMENT.—

12 “(i) IN GENERAL.—In the case of a
13 taxable year beginning in a calendar year
14 after 1997, subparagraph (A) shall be ap-
15 plied by increasing the \$15,000 amount
16 contained therein by the cost-of-living ad-
17 justment (as defined in section 1(f)(3)) for
18 such calendar year determined by sub-
19 stituting ‘1996’ for ‘1992’ in subparagraph
20 (B) of section 1(f)(3).

21 “(ii) ROUNDING.—If any increase de-
22 termined under clause (i) is not a multiple
23 of \$10, such increase shall be rounded to
24 the nearest multiple of \$10 (or if such in-
25 crease is a multiple of \$15, such increase

1 shall be increased to the next highest mul-
2 tiple of \$10).

3 “(b) EMPLOYMENT-RELATED EXPENSES.—For pur-
4 poses of this section—

5 “(1) DETERMINATION OF ELIGIBLE EX-
6 PENSES.—

7 “(A) IN GENERAL.—The term ‘employ-
8 ment-related expenses’ means amounts paid for
9 the following expenses, but only if such ex-
10 penses are incurred to enable the taxpayer to be
11 gainfully employed for any period for which
12 there are 1 or more qualifying individuals with
13 respect to the taxpayer:

14 “(i) expenses for household services,
15 and

16 “(ii) expenses for the care of a quali-
17 fying individual.

18 Such term shall not include any amount paid
19 for services outside the taxpayer’s household at
20 a camp where the qualifying individual stays
21 overnight and shall not include any respite care
22 expense taken into account under subsection
23 (a).

24 “(B) EXCEPTION.—Employment-related
25 expenses described in subparagraph (A) which

1 are incurred for services outside the taxpayer's
2 household shall be taken into account only if in-
3 curred for the care of—

4 “(i) a qualifying individual described
5 in subsection (d)(1), or

6 “(ii) a qualifying individual (not de-
7 scribed in subsection (d)(1)) who regularly
8 spends at least 8 hours each day in the
9 taxpayer's household.

10 “(C) DEPENDENT CARE CENTERS.—Em-
11 ployment-related expenses described in subpara-
12 graph (A) which are incurred for services pro-
13 vided outside the taxpayer's household by a de-
14 pendent care center (as defined in subpara-
15 graph (D)) shall be taken into account only if—

16 “(i) such center complies with all ap-
17 plicable laws and regulations of a State or
18 unit of local government, and

19 “(ii) the requirements of subpara-
20 graph (B) are met.

21 “(D) DEPENDENT CARE CENTER DE-
22 FINED.—For purposes of this paragraph, the
23 term ‘dependent care center’ means any facility
24 which—

1 “(i) provides care for more than 6 in-
2 dividuals (other than individuals who re-
3 side at the facility), and

4 “(ii) receives a fee, payment, or grant
5 for providing services for any of the indi-
6 viduals (regardless of whether such facility
7 is operated for profit).

8 “(2) DOLLAR LIMIT ON AMOUNT CRED-
9 ITABLE.—

10 “(A) IN GENERAL.—The amount of the
11 employment-related expenses incurred during
12 any taxable year which may be taken into ac-
13 count under subsection (a) shall not exceed—

14 “(i) \$2,400 if there is 1 qualifying in-
15 dividual with respect to the taxpayer for
16 such taxable year, or

17 “(ii) \$4,800 if there are 2 or more
18 qualifying individuals with respect to the
19 taxpayer for such taxable year.

20 The amount determined under clause (i) or (ii)
21 (whichever is applicable) shall be reduced by the
22 aggregate amount excludable from gross income
23 under section 129 for the taxable year.

24 “(B) REDUCTION IN LIMIT FOR AMOUNT
25 OF RESPITE CARE EXPENSES.—The limitation

1 of subparagraph (A) shall be reduced by the
2 amount of the respite care expenses taken into
3 account by the taxpayer under subsection (a)
4 for the taxable year.

5 “(3) EARNED INCOME LIMITATION.—

6 “(A) IN GENERAL.—Except as otherwise
7 provided in this paragraph, the amount of the
8 employment-related expenses incurred during
9 any taxable year which may be taken into ac-
10 count under subsection (a) shall not exceed—

11 “(i) in the case of an individual who
12 is not married at the close of such year,
13 such individual’s earned income for such
14 year, or

15 “(ii) in the case of an individual who
16 is married at the close of such year, the
17 lesser of such individual’s earned income or
18 the earned income of his spouse for such
19 year.

20 “(B) SPECIAL RULE FOR SPOUSE WHO IS
21 A STUDENT OR INCAPABLE OF CARING FOR
22 HIMSELF.—In the case of a spouse who is a
23 student or a qualified individual described in
24 subsection (d)(3), for purposes of subparagraph
25 (A), such spouse shall be deemed for each

1 month during which such spouse is a full-time
2 student at an educational institution, or is such
3 a qualifying individual, to be gainfully employed
4 and to have earned income of not less than—

5 “(i) \$200 if paragraph (2)(A)(i) ap-
6 plies for the taxable year, or

7 “(ii) \$400 if paragraph (2)(A)(ii) ap-
8 plies for the taxable year.

9 In the case of any husband and wife, this sub-
10 paragraph shall apply with respect to only one
11 spouse for any one month.

12 “(c) RESPITE CARE EXPENSES.—For purposes of
13 this section—

14 “(1) IN GENERAL.—The term ‘respite care ex-
15 penses’ means expenses paid (whether or not to en-
16 able the taxpayer to be gainfully employed) for—

17 “(A) the care of a qualifying individual—

18 “(i) who has attained the age of 13,

19 or

20 “(ii) who is under the age of 13 but
21 has a physical or mental impairment which
22 results in the individual being incapable of
23 caring for himself,

1 during any period when such individual regu-
2 larly spends at least 8 hours each day in the
3 taxpayer's household, or

4 “(B) care (for not more than 14 days dur-
5 ing the calendar year) of a qualifying individual
6 described in subparagraph (A) during any pe-
7 riod during which the individual does not regu-
8 larly spend at least 8 hours each day in the tax-
9 payer's household.

10 “(2) DOLLAR LIMIT.—The amount of the res-
11 pite care expenses incurred during any taxable year
12 which may be taken into account under subsection
13 (a) shall not exceed—

14 “(A) \$1,200 if such expenses are incurred
15 with respect to only 1 qualifying individual for
16 the taxable year, or

17 “(B) \$2,400 if such expenses are incurred
18 for 2 or more qualifying individuals for such
19 taxable year.

20 “(d) QUALIFYING INDIVIDUAL.—For purposes of this
21 section, the term ‘qualifying individual’ means—

22 “(1) a dependent of the taxpayer who is under
23 the age of 13 and with respect to whom the taxpayer
24 is entitled to a deduction under section 151(c),

1 “(2) a dependent of the taxpayer who is phys-
2 ically or mentally incapable of caring for himself, or

3 “(3) the spouse of the taxpayer, if he is phys-
4 ically or mentally incapable of caring for himself.

5 “(e) SPECIAL RULES.—For purposes of this sec-
6 tion—

7 “(1) MAINTAINING HOUSEHOLD.—An individ-
8 ual shall be treated as maintaining a household for
9 any period only if over half the cost of maintaining
10 the household for such period is furnished by such
11 individual (or, if such individual is married during
12 such period, is furnished by such individual and his
13 spouse).

14 “(2) MARRIED COUPLES MUST FILE JOINT RE-
15 TURN.—If the taxpayer is married at the close of
16 the taxable year, the credit shall be allowed under
17 subsection (a) only if the taxpayer and his spouse
18 file a joint return for the taxable year.

19 “(3) MARITAL STATUS.—An individual legally
20 separated from his spouse under a decree of divorce
21 or of separate maintenance shall not be considered
22 as married.

23 “(4) CERTAIN MARRIED INDIVIDUALS LIVING
24 APART.—If—

1 “(A) an individual who is married and who
2 files a separate return—

3 “(i) maintains as his home a house-
4 hold which constitutes for more than one-
5 half of the taxable year the principal place
6 of abode of a qualifying individual, and

7 “(ii) furnishes over half the cost of
8 maintaining such household during the
9 taxable year, and

10 “(B) during the last 6 months of such tax-
11 able year such individual’s spouse is not a mem-
12 ber of such household,

13 such individual shall not be considered as married.

14 “(5) SPECIAL DEPENDENCY TEST IN CASE OF
15 DIVORCED PARENTS, ETC.—If—

16 “(A) paragraph (2) or (4) of section
17 152(e) applies to any child with respect to any
18 calendar year, and

19 “(B) such child is under the age of 13 or
20 is physically or mentally incapable of caring for
21 himself,

22 in the case of any taxable year beginning in such
23 calendar year, such child shall be treated as a quali-
24 fying individual with respect to the custodial parent
25 (within the meaning of section 152(e)(1)), and shall

1 not be treated as a qualifying individual with respect
2 to the noncustodial parent.

3 “(6) PAYMENTS TO RELATED INDIVIDUALS.—

4 No credit shall be allowed under subsection (a) for
5 any amount paid by the taxpayer to an individual—

6 “(A) with respect to whom, for the taxable
7 year, a deduction under section 151(c) (relating
8 to deduction for personal exemptions for de-
9 pendents) is allowable either to the taxpayer or
10 his spouse, or

11 “(B) who is a child of the taxpayer (within
12 the meaning of section 151(c)(3)) who has not
13 attained the age of 19 at the close of the tax-
14 able year.

15 For purposes of this paragraph, the term ‘taxable
16 year’ means the taxable year of the taxpayer in
17 which the service is performed.

18 “(7) STUDENT.—The term ‘student’ means an
19 individual who during each of 5 calendar months
20 during the taxable year is a full-time student at an
21 educational organization.

22 “(8) EDUCATIONAL ORGANIZATION.—The term
23 ‘educational organization’ means an educational or-
24 ganization described in section 170(b)(1)(A)(ii).

1 “(9) IDENTIFYING INFORMATION REQUIRED
2 WITH RESPECT TO SERVICE PROVIDER.—No credit
3 shall be allowed under subsection (a) for any amount
4 paid to any person unless—

5 “(A) the name, address, and taxpayer
6 identification number of such person are in-
7 cluded on the return claiming the credit, or

8 “(B) if such person is an organization de-
9 scribed in section 501(c)(3) and exempt from
10 tax under section 501(a), the name and address
11 of such person are included on the return
12 claiming the credit.

13 In the case of a failure to provide the information
14 required under the preceding sentence, the preceding
15 sentence shall not apply if it is shown that the tax-
16 payer exercised due diligence in attempting to pro-
17 vide the information so required.

18 “(f) REGULATIONS.—The Secretary shall prescribe
19 such regulations as may be necessary to carry out the pur-
20 poses of this section.”

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 21 of such Code is hereby repealed.

23 (2) Paragraph (2) of section 129(b) of such
24 Code is amended by striking “section 21(d)(2)” and
25 inserting “section 35(b)(3)(B)”.

1 (3) Subsection (e) of section 213 of such Code
2 is amended by striking “section 21” and inserting
3 “section 35”.

4 (c) TECHNICAL AMENDMENTS.—

5 (1) The table of sections for subpart C of part
6 IV of subchapter A of chapter 1 of such Code is
7 amended by striking the item relating to section 35
8 and inserting the following:

 “Sec. 35. Dependent care services.
 “Sec. 36. Overpayments of tax.”

9 (2) The table of sections for subpart A of such
10 part IV is amended by striking the item relating to
11 section 21.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 1996.

15 **Subtitle D—IRA Deductions for** 16 **Homemakers**

17 **SEC. 34001. HOMEMAKERS ELIGIBLE FOR FULL IRA DEDUC-**
18 **TION.**

19 (a) SPOUSAL IRA COMPUTED ON BASIS OF COM-
20 PENSATION OF BOTH SPOUSES.—Subsection (c) of section
21 219 of the Internal Revenue Code of 1986 (relating to
22 special rules for certain married individuals) is amended
23 to read as follows:

1 “(c) SPECIAL RULES FOR CERTAIN MARRIED INDI-
2 VIDUALS.—

3 “(1) IN GENERAL.—In the case of an individual
4 to whom this paragraph applies for the taxable year,
5 the limitation of paragraph (1) of subsection (b)
6 shall be equal to the lesser of—

7 “(A) \$2,000, or

8 “(B) the sum of—

9 “(i) the compensation includible in
10 such individual’s gross income for the tax-
11 able year, plus

12 “(ii) the compensation includible in
13 the gross income of such individual’s
14 spouse for the taxable year reduced by the
15 amount allowable as a deduction under
16 subsection (a) to such spouse for such tax-
17 able year.

18 “(2) INDIVIDUALS TO WHOM PARAGRAPH (1)
19 APPLIES.—Paragraph (1) shall apply to any individ-
20 ual if—

21 “(A) such individual files a joint return for
22 the taxable year, and

23 “(B) the amount of compensation (if any)
24 includible in such individual’s gross income for
25 the taxable year is less than the compensation

1 includible in the gross income of such individ-
2 ual's spouse for the taxable year.”

3 (b) IRA ALLOWED FOR SPOUSES WHO ARE NOT AC-
4 TIVE PLAN PARTICIPANTS.—Section 219(g)(1) of the In-
5 ternal Revenue Code of 1986 is amended by striking “or
6 the individual's spouse”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Paragraph (2) of section 219(f) of the In-
9 ternal Revenue Code of 1986 (relating to other defi-
10 nitions and special rules) is amended by striking
11 “subsections (b) and (c)” and inserting “subsection
12 (b)”.

13 (2) Section 408(d)(5) of such Code is amended
14 by striking “\$2,250” and inserting “\$2,000”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this subtitle shall apply to taxable years beginning after
17 December 31, 1996.

18 **Subtitle E—Federal Parental Leave** 19 **for Education Activities**

20 **SEC. 35001. COVERAGE OF EMPLOYEES.**

21 Paragraphs (2)(B)(ii) and (4)(A)(i) of section 101 of
22 the Family and Medical Leave Act of 1993 (29 U.S.C.
23 2611 (2)(B)(ii) and (4)(A)(i)) are amended by striking
24 “50” each place it appears and inserting “25”.

1 **SEC. 35002. PARENTAL INVOLVEMENT LEAVE.**

2 (a) LEAVE REQUIREMENT.—Section 102(a) of the
3 Family and Medical Leave Act of 1993 (29 U.S.C.
4 2612(a)) is amended by adding at the end the following:

5 “(3) ENTITLEMENT TO PARENTAL INVOLVE-
6 MENT LEAVE.—

7 “(A) IN GENERAL.—Subject to section
8 103(f), an eligible employee shall be entitled to
9 a total of 4 hours of leave during any 30-day
10 period, and a total of 24 hours of leave during
11 any 12-month period, in addition to leave avail-
12 able under paragraph (1), to participate in or
13 attend an activity that—

14 “(i) is sponsored by a school or com-
15 munity organization; and

16 “(ii) relates to a program of the
17 school or organization that is attended by
18 a son or daughter of the employee, includ-
19 ing a foster child of the employee.

20 “(B) DEFINITIONS.—As used in this para-
21 graph:

22 “(i) COMMUNITY ORGANIZATION.—
23 The term ‘community organization’ means
24 a private nonprofit organization that is
25 representative of a community or a signifi-
26 cant segment of a community and provides

1 activities for individuals described in sub-
2 paragraph (A) or (B) of section 101(12),
3 such as a scouting or sports organization.

4 “(ii) SCHOOL.—The term ‘school’
5 means an elementary school or secondary
6 school (as such terms are defined in sec-
7 tion 14101 of the Elementary and Second-
8 ary Education Act of 1965 (20 U.S.C.
9 8801)), a Head Start program assisted
10 under the Head Start Act (42 U.S.C. 9831
11 et seq.), and a child care facility licensed
12 under State law.”.

13 (b) SCHEDULE.—Section 102(b)(1) of such Act (29
14 U.S.C. 2612(b)(1)) is amended by inserting after the sec-
15 ond sentence the following: “Leave under subsection
16 (a)(3) may be taken intermittently or on a reduced leave
17 schedule.”.

18 (c) SUBSTITUTION OF PAID LEAVE.—Section
19 102(d)(2)(A) of such Act (29 U.S.C. 2612(d)(2)(A)) is
20 amended by inserting before the period the following:
21 “, or for leave provided under subsection (a)(3) for any
22 part of the 24-hour period of such leave under such sub-
23 section”.

24 (d) NOTICE.—Section 102(e)(1) of such Act (29
25 U.S.C. 2612(e)(1)) is amended by adding at the end the

1 following: “In any case in which an employee requests
2 leave under subsection (a)(3), the employee shall provide
3 the employer with not less than 7 days’ notice, before the
4 date the leave is to begin, of the employee’s intention to
5 take leave under such subsection.”.

6 (e) CERTIFICATION.—Section 103 of such Act (29
7 U.S.C. 2613) is amended by adding at the end the follow-
8 ing:

9 “(f) CERTIFICATION FOR PARENTAL INVOLVEMENT
10 LEAVE.—An employer may require that a request for
11 leave under section 102(a)(3) be supported by a certifi-
12 cation issued at such time and in such manner as the Sec-
13 retary may by regulation prescribe.”.

14 **SEC. 35003. PARENTAL INVOLVEMENT LEAVE FOR CIVIL**
15 **SERVANTS.**

16 (a) LEAVE REQUIREMENT.—Section 6382(a) of title
17 5, United States Code, is amended by adding at the end
18 the following:

19 “(3)(A) Subject to section 6383(f), an employee shall
20 be entitled to a total of 4 hours of leave during any 30-
21 day period, and a total of 24 hours of leave during any
22 12-month period, in addition to leave available under para-
23 graph (1), to participate in or attend an activity that—

24 “(i) is sponsored by a school or community or-
25 ganization; and

1 “(ii) relates to a program of the school or orga-
2 nization that is attended by a son or daughter of the
3 employee, including a foster child of the employee.

4 “(B) As used in this paragraph:

5 “(i) The term ‘community organization’ means
6 a private nonprofit organization that is representa-
7 tive of a community or a significant segment of a
8 community and provides activities for individuals de-
9 scribed in subparagraph (A) or (B) of section
10 6381(6), such as a scouting or sports organization.

11 “(ii) The term ‘school’ means an elementary
12 school or secondary school (as such terms are de-
13 fined in section 14101 of the Elementary and Sec-
14 ondary Education Act of 1965 (20 U.S.C. 8801)), a
15 Head Start program assisted under the Head Start
16 Act (42 U.S.C. 9831 et seq.), and a child care facil-
17 ity licensed under State law.”.

18 (b) SCHEDULE.—Section 6382(b)(1) of such title is
19 amended by inserting after the second sentence the follow-
20 ing: “Leave under subsection (a)(3) may be taken inter-
21 mittently or on a reduced leave schedule.”.

22 (c) SUBSTITUTION OF PAID LEAVE.—Section
23 6382(d) of such title is amended by inserting before
24 “, except” the following: “, or for leave provided under
25 subsection (a)(3) any of the employee’s accrued or accu-

1 mulated annual leave under subchapter I for any part of
2 the 24-hour period of such leave under such subsection”.

3 (d) NOTICE.—Section 6382(e)(1) of such title is
4 amended by adding at the end the following: “In any case
5 in which an employee requests leave under subsection
6 (a)(3), the employee shall provide the employing agency
7 with not less than 7 days’ notice, before the date the leave
8 is to begin, of the employee’s intention to take leave under
9 such subsection.”.

10 (e) CERTIFICATION.—Section 6383 of such title is
11 amended by adding at the end the following:

12 “(f) An employing agency may require that a request
13 for leave under section 6382(a)(3) be supported by a cer-
14 tification issued at such time and in such manner as the
15 Office of Personnel Management may by regulation pre-
16 scribe.”.

17 **Subtitle F—Tax Incentives for**
18 **Family-Friendly Workplaces**

19 **SEC. 36001. SMALL BUSINESS FAMILY AND MEDICAL LEAVE**
20 **CREDIT.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 (relating to business related credits) is amended by
24 adding at the end the following new section:

1 **“SEC. 45C. SMALL BUSINESS FAMILY AND MEDICAL LEAVE**

2 **CREDIT.**

3 “(a) **AMOUNT OF CREDIT.**—For purposes of section
4 38, in the case of an eligible small business employer, the
5 amount of the small business family and medical leave
6 credit determined under this section for any taxable year
7 shall be an amount equal to 50 percent of the qualified
8 family and medical leave costs paid or incurred by the tax-
9 payer during such taxable year.

10 “(b) **LIMITATION ON CREDIT.**—The credit allowed by
11 subsection (a) with respect to each employee for qualified
12 family and medical leave costs paid or incurred by the tax-
13 payer during the taxable year with respect to such em-
14 ployee shall not exceed \$2,000.

15 “(c) **DEFINITIONS.**—For purposes of this section—

16 “(1) **ELIGIBLE SMALL BUSINESS EMPLOYER.**—

17 The term ‘eligible small business employer’ means
18 any employer who complies with title I of the Family
19 and Medical Leave Act of 1993 but who is not re-
20 quired to comply with such title by reason of em-
21 ploying fewer than 50 employees during the periods
22 described in section 101(4)(A) of such Act.

23 “(2) **QUALIFIED FAMILY AND MEDICAL LEAVE**

24 **COSTS.**—The term ‘qualified family and medical
25 leave costs’ means expenses incurred in connection

1 with complying with title I of the Family and Medi-
2 cal Leave Act of 1993.

3 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
4 shall be allowed under this chapter for that portion of the
5 qualified family and medical leave costs otherwise allow-
6 able as a deduction for the taxable year which is equal
7 to the amount of the credit determined for such taxable
8 year under this section.”

9 (b) CONFORMING AMENDMENT.—Subsection (b) of
10 section 38 of such Code is amended by striking “plus”
11 at the end of paragraph (10), by striking the period at
12 the end of paragraph (11) and inserting “, plus”, and by
13 adding at the end the following new paragraph:

14 “(12) in the case of an eligible small business
15 employer (as defined in section 45C(e)), the small
16 business family and medical leave credit determined
17 under section 45C.”

18 (c) CLERICAL AMENDMENT.—The table of sections
19 for subpart D of part IV of subchapter A of chapter 1
20 of such Code is amended by adding at the end the follow-
21 ing new item:

“Sec. 45C. Small business family and medical leave credit.”

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to expenses paid or incurred after
24 the date which is 6 months after the date of the enactment
25 of this subtitle.

1 **SEC. 36002. CREDIT FOR WAGES PAID TO EMPLOYEE WHO**
2 **IS ALLOWED TO SHIFT HOURS OF EMPLOY-**
3 **MENT OR TO WORK AT HOME IN ORDER TO**
4 **REDUCE CHILD CARE NEEDS.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business related credits), as amended by
8 section 36001, is amended by adding at the end the follow-
9 ing new section:

10 **“SEC. 45D. WAGES PAID TO EMPLOYEE WHO IS ALLOWED**
11 **TO SHIFT HOURS OF EMPLOYMENT OR WORK**
12 **AT HOME IN ORDER TO REDUCE CHILD CARE**
13 **NEEDS.**

14 “(a) IN GENERAL.—For purposes of section 38, the
15 amount of the child care-related wage credit determined
16 under this section for any taxable year shall be an amount
17 equal to $\frac{1}{3}$ of the aggregate wages paid or incurred during
18 such year which are attributable to services performed by
19 an employee of the taxpayer during the 1-year period be-
20 ginning on the date the employee first becomes a qualified
21 employee of the taxpayer.

22 “(b) QUALIFIED EMPLOYEE.—For purposes of this
23 section, the term ‘qualified employee’ means any full-time
24 employee if—

25 “(1) such employee is permitted by the em-
26 ployer, solely in order to reduce the amount of de-

1 pendent care services provided (to a dependent of
2 the employee) outside the employee’s household, to
3 perform services for the employer—

4 “(A) at the employee’s home, or

5 “(B) during a period which is not within
6 the normal business hours of the employer, and

7 “(2) as a result of the services performed for
8 the employer as described in subparagraphs (A) and
9 (B) of paragraph (1), there is at least a 20 percent
10 reduction in the amount of time dependent care
11 services are provided to a dependent of the employee
12 outside the employee’s household.

13 “(c) OTHER DEFINITIONS AND SPECIAL RULES.—

14 For purposes of this section—

15 “(1) EMPLOYEE MUST BE QUALIFIED EM-
16 PLOYEE FOR ENTIRE YEAR.—No credit shall be de-
17 termined under subsection (a) with respect to any
18 employee unless such employee is a qualified em-
19 ployee throughout the 1-year period described in
20 subsection (a).

21 “(2) ONLY \$6,000 OF WAGES PER YEAR TAKEN
22 INTO ACCOUNT.—The amount of the wages which
23 may be taken into account with respect to any em-
24 ployee shall not exceed \$6,000 per year.

1 “(3) WAGES.—The term ‘wages’ has the mean-
2 ing given such term by section 51(e) (determined
3 without regard to paragraph (4) thereof).

4 “(4) CERTAIN RULES TO APPLY.—Rules similar
5 to the rules of section 52 and subsections (f), (g),
6 (h), (i), and (k) of section 51 shall apply.”

7 (b) CONFORMING AMENDMENT.—Subsection (b) of
8 section 38 of such Code (relating to current year business
9 credit), as amended by section 36001(b), is amended by
10 striking “plus” at the end of paragraph (11), by striking
11 the period at the end of paragraph (12) and inserting “,
12 plus”, and by adding at the end the following new para-
13 graph:

14 “(13) the child care-related wage credit deter-
15 mined under section 45D(a).”

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for subpart D of part IV of subchapter A of chapter 1
18 of such Code is amended by adding at the end the follow-
19 ing new item:

“Sec. 45D. Wages paid to employee who is allowed to shift hours
of employment or work at home in order to reduce
child care needs.”

20 (d) EFFECTIVE DATE.—

21 (1) IN GENERAL.—The amendments made by
22 this section shall apply to wages paid or incurred
23 after the date which is 6 months after the date of
24 the enactment of this subtitle.

1 (2) EMPLOYER PRACTICES BEFORE EFFECTIVE
2 DATE.—For purposes of section 45D(b)(2) of the
3 Internal Revenue Code of 1986, as added by this
4 section, no reduction before the 1st taxable year to
5 which such section applies shall be taken into ac-
6 count.

7 **Subtitle G—Parental Equity Leave**

8 **SEC. 37001. LEAVE FOR ADOPTED AND FOSTER CHILDREN.**

9 If an employer provides to an employee who is a par-
10 ent leave, in addition to the leave required by the Family
11 and Medical Leave Act of 1993, for the birth of a child,
12 such employer shall provide the same leave to an employee
13 who is a parent for an adopted child or a foster child.
14 For purposes of enforcement such additional leave shall
15 be considered leave required to be provided under section
16 102 of such Act.

17 **TITLE IV—ECONOMIC SELF-** 18 **SUFFICIENCY**

19 **Subtitle A—Child Support** 20 **Responsibility**

21 **SEC. 41001. REFERENCE TO SOCIAL SECURITY ACT.**

22 Except as otherwise specifically provided, wherever in
23 this subtitle an amendment is expressed in terms of an
24 amendment to or repeal of a section or other provision,

1 the reference shall be considered to be made to that sec-
2 tion or other provision of the Social Security Act.

3 **CHAPTER 1—ELIGIBILITY AND OTHER**
4 **MATTERS CONCERNING TITLE IV-D**
5 **PROGRAM CLIENTS**

6 **SEC. 41101. STATE OBLIGATION TO PROVIDE PATERNITY**
7 **ESTABLISHMENT AND CHILD SUPPORT EN-**
8 **FORCEMENT SERVICES.**

9 (a) STATE LAW REQUIREMENTS.—Section 466(a)
10 (42 U.S.C. 666(a)) is amended by adding at the end the
11 following new paragraph:

12 “(12) USE OF CENTRAL CASE REGISTRY AND
13 CENTRALIZED COLLECTIONS UNIT.—Procedures
14 under which—

15 “(A) every child support order established
16 or modified in the State on or after October 1,
17 1998, is recorded in the central case registry
18 established in accordance with section 454A(e);
19 and

20 “(B) child support payments are collected
21 through the centralized collections unit estab-
22 lished in accordance with section 454B—

23 “(i) on and after October 1, 1998,
24 under each order subject to wage withhold-
25 ing under section 466(b); and

1 “(ii) on and after October 1, 1999,
2 under each other order required to be re-
3 corded in such central case registry under
4 this paragraph or section 454A(e), except
5 as provided in subparagraph (C); and

6 “(C)(i) parties subject to a child support
7 order described in subparagraph (B)(ii) may
8 opt out of the procedure for payment of support
9 through the centralized collections unit (but not
10 the procedure for inclusion in the central case
11 registry) by filing with the State agency a writ-
12 ten agreement, signed by both parties, to an al-
13 ternative payment procedure; and

14 “(ii) an agreement described in clause (i)
15 becomes void whenever either party advises the
16 State agency of an intent to vacate the agree-
17 ment.”.

18 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
19 U.S.C. 654) is amended—

20 (1) by striking paragraph (4) and inserting the
21 following:

22 “(4) provide that such State will undertake—

23 “(A) to provide appropriate services under
24 this part to—

1 “(i) each child with respect to whom
2 an assignment is effective under section
3 402(a)(26), 471(a)(17), or 1912 (except in
4 cases where the State agency determines,
5 in accordance with paragraph (25), that it
6 is against the best interests of the child to
7 do so); and

8 “(ii) each child not described in clause
9 (i)—

10 “(I) with respect to whom an in-
11 dividual applies for such services; and

12 “(II) (on and after October 1,
13 1998) each child with respect to
14 whom a support order is recorded in
15 the central State case registry estab-
16 lished under section 454A, regardless
17 of whether application is made for
18 services under this part; and

19 “(B) to enforce the support obligation es-
20 tablished with respect to the custodial parent of
21 a child described in subparagraph (A) unless
22 the parties to the order which establishes the
23 support obligation have opted, in accordance
24 with section 466(a)(12)(C), for an alternative
25 payment procedure.”; and

1 (2) in paragraph (6)—

2 (A) by striking subparagraph (A) and in-
3 serting the following:

4 “(A) services under the State plan shall be
5 made available to nonresidents on the same
6 terms as to residents;”;

7 (B) in subparagraph (B)—

8 (i) by inserting “on individuals not re-
9 ceiving assistance under part A” after
10 “such services shall be imposed”; and

11 (ii) by inserting “but no fees or costs
12 shall be imposed on any absent or custo-
13 dial parent or other individual for inclusion
14 in the central State registry maintained
15 pursuant to section 454A(e)”; and

16 (C) in each of subparagraphs (B), (C), and
17 (D)—

18 (i) by indenting such subparagraph
19 and aligning its left margin with the left
20 margin of subparagraph (A); and

21 (ii) by striking the final comma and
22 inserting a semicolon.

23 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(g)(2)(A) (42 U.S.C.
2 652(g)(2)(A)) is amended by striking “454(6)” each
3 place it appears and inserting “454(4)(A)(ii)”.

4 (2) Section 454(23) (42 U.S.C. 654(23)) is
5 amended, effective October 1, 1998, by striking “in-
6 formation as to any application fees for such services
7 and”.

8 (3) Section 466(a)(3)(B) (42 U.S.C.
9 666(a)(3)(B)) is amended by striking “in the case of
10 overdue support which a State has agreed to collect
11 under section 454(6)” and inserting “in any other
12 case”.

13 (4) Section 466(e) (42 U.S.C. 666(e)) is
14 amended by striking “or (6)”.

15 **SEC. 41102. DISTRIBUTION OF PAYMENTS.**

16 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
17 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
18 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
19 amended—

20 (1) in subparagraph (A)—

21 (A) by inserting “except as otherwise spe-
22 cifically provided in section 464 or 466(a)(3),”
23 after “is effective,”; and

24 (B) by striking “except that” and all that
25 follows through the semicolon; and

1 (2) in subparagraph (B), by striking “, except”
2 and all that follows through “medical assistance”.

3 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
4 RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
5 ed—

6 (1) by striking subsection (a) and redesignating
7 subsection (b) as subsection (a);

8 (2) in subsection (a), as redesignated—

9 (A) in the matter preceding paragraph (2),
10 to read as follows:

11 “(a) IN THE CASE OF A FAMILY RECEIVING
12 AFDC.—Amounts collected under this part during any
13 month as support of a child who is receiving assistance
14 under part A (or a parent or caretaker relative of such
15 a child) shall (except in the case of a State exercising the
16 option under subsection (b)) be distributed as follows:

17 “(1) an amount equal to the amount that will
18 be disregarded pursuant to section 402(a)(8)(A)(vi)
19 shall be taken from each of—

20 “(A) amounts received in a month which
21 represent payments for that month; and

22 “(B) amounts received in a month which
23 represent payments for a prior month which
24 were made by the absent parent in the month
25 when due;

1 and shall be paid to the family without affecting its
2 eligibility for assistance or decreasing any amount
3 otherwise payable as assistance to such family dur-
4 ing such month;”;

5 (B) in paragraph (4), by striking “or (B)”
6 and all that follows and inserting “; then (B)
7 from any remainder, amounts equal to arrear-
8 ages of such support obligations assigned, pur-
9 suant to part A, to any other State or States
10 shall be paid to such other State or States and
11 used to pay any such arrearages (with appro-
12 priate reimbursement of the Federal Govern-
13 ment to the extent of its participation in the fi-
14 nancing); and then (C) any remainder shall be
15 paid to the family.”.

16 (3) by inserting after subsection (a), as redesign-
17 nated, the following new subsection:

18 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
19 ILY RECEIVING AFDC.—In the case of a State electing
20 the option under this subsection, amounts collected as de-
21 scribed in subsection (a) shall be distributed as follows:

22 “(1) an amount equal to the amount that will
23 be disregarded pursuant to section 402(a)(8)(A)(vi)
24 shall be taken from each of—

1 “(A) amounts received in a month which
2 represent payments for that month; and

3 “(B) amounts received in a month which
4 represent payments for a prior month which
5 were made by the absent parent in the month
6 when due;

7 and shall be paid to the family without affecting its
8 eligibility for assistance or decreasing any amount
9 otherwise payable as assistance to such family dur-
10 ing such month;

11 “(2) second, from any remainder, amounts
12 equal to the balance of support owed for the current
13 month shall be paid to the family;

14 “(3) third, from any remainder, amounts equal
15 to arrearages of such support obligations assigned,
16 pursuant to part A, to the State making the collec-
17 tion shall be retained and used by such State to pay
18 any such arrearages (with appropriate reimburse-
19 ment of the Federal Government to the extent of its
20 participation in the financing);

21 “(4) fourth, from any remainder, amounts
22 equal to arrearages of such support obligations as-
23 signed, pursuant to part A, to any other State or
24 States shall be paid to such other State or States
25 and used to pay any such arrearages (with appro-

1 appropriate reimbursement of the Federal Government to
2 the extent of its participation in the financing); and

3 “(5) fifth, any remainder shall be paid to the
4 family.”.

5 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
6 AFDC.—

7 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
8 657(c)) is amended to read as follows:

9 “(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—
10 Amounts collected by a State agency under this part dur-
11 ing any month as support of a child who is not receiving
12 assistance under part A (or of a parent or caretaker rel-
13 ative of such a child) shall (subject to the remaining provi-
14 sions of this section) be distributed as follows:

15 “(1) first, amounts equal to the total of such
16 support owed for such month shall be paid to the
17 family;

18 “(2) second, from any remainder, amounts
19 equal to arrearages of such support obligations for
20 months during which such child did not receive as-
21 sistance under part A shall be paid to the family;

22 “(3) third, from any remainder, amounts equal
23 to arrearages of such support obligations assigned to
24 the State making the collection pursuant to part A
25 shall be retained and used by such State to pay any

1 such arrearages (with appropriate reimbursement of
2 the Federal Government to the extent of its partici-
3 pation in the financing);

4 “(4) fourth, from any remainder, amounts
5 equal to arrearages of such support obligations as-
6 signed to any other State pursuant to part A shall
7 be paid to such other State or States, and used to
8 pay such arrearages, in the order in which such ar-
9 rearages accrued (with appropriate reimbursement
10 of the Federal Government to the extent of its par-
11 ticipation in the financing).”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall take effect on October 1,
14 1999.

15 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
16 ANCE UNDER TITLE IV–E.—Section 457(d) (42 U.S.C.
17 657(d)) is amended, in the matter preceding paragraph
18 (1), by striking “Notwithstanding the preceding provisions
19 of this section, amounts” and inserting the following:

20 “(d) IN CASE OF A CHILD RECEIVING ASSISTANCE
21 UNDER TITLE IV–E.—Amounts”.

22 (e) REGULATIONS.—The Secretary of Health and
23 Human Services shall promulgate regulations—

24 (1) under part D of title IV of the Social Secu-
25 rity Act, establishing a uniform nationwide standard

1 for allocation of child support collections from an ob-
2 ligor owing support to more than one family; and

3 (2) under part A of such title, establishing
4 standards applicable to States electing the alter-
5 native formula under section 457(b) of such Act for
6 distribution of collections on behalf of families re-
7 ceiving Aid to Families with Dependent Children,
8 designed to minimize irregular monthly payments to
9 such families.

10 (f) CLERICAL AMENDMENT.—Section 454 (42 U.S.C.
11 654) is amended—

12 (1) in paragraph (11), by striking “(11)” and
13 inserting “(11)(A)”; and

14 (2) by redesignating paragraph (12) as sub-
15 paragraph (B) of paragraph (11).

16 (g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

17 (1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42
18 U.S.C. 602(a)(8)(A)(vi)) is amended—

19 (A) by striking “\$50” each place such
20 term appears and inserting “\$50, or, if greater,
21 \$50 adjusted by the CPI (as prescribed in sec-
22 tion 406(i));”; and

23 (B) by striking the semicolon at the end
24 and inserting “or, in lieu of each dollar amount
25 specified in this clause, such greater amount as

1 the State may choose (and provide for in its
2 State plan);”.

3 (2) CPI ADJUSTMENT.—Section 406 (42
4 U.S.C. 606) is amended by adding at the end the
5 following:

6 “(i) For purposes of this part, an amount is ‘adjusted
7 by the CPI’ for any month in a calendar year by multiply-
8 ing the amount involved by the ratio of—

9 “(1) the Consumer Price Index (as prepared by
10 the Department of Labor) for the third quarter of
11 the preceding calendar year, to

12 “(2) such Consumer Price Index for the third
13 quarter of calendar year 1996,

14 and rounding the product, if not a multiple of \$10, to the
15 nearer multiple of \$10.”.

16 **SEC. 41103. DUE PROCESS RIGHTS.**

17 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
18 amended by section 41102(f) of this subtitle, is amended
19 by inserting after paragraph (11) the following new para-
20 graph:

21 “(12) provide for procedures to ensure that—

22 “(A) individuals who are applying for or
23 receiving services under this part, or are parties
24 to cases in which services are being provided
25 under this part—

1 “(i) receive notice of all proceedings in
2 which support obligations might be estab-
3 lished or modified; and

4 “(ii) receive a copy of any order estab-
5 lishing or modifying a child support obliga-
6 tion, or (in the case of a petition for modi-
7 fication) a notice of determination that
8 there should be no change in the amount
9 of the child support award, within 14 days
10 after issuance of such order or determina-
11 tion;

12 “(B) individuals applying for or receiving
13 services under this part have access to a fair
14 hearing that meets standards established by the
15 Secretary and ensures prompt consideration
16 and resolution of complaints (but the resort to
17 such procedure shall not stay the enforcement
18 of any support order); and

19 “(C)(i) individuals adversely affected by
20 the establishment or modification of (or, in the
21 case of a petition for modification, the deter-
22 mination that there should be no change in) a
23 child support order shall be afforded not less
24 than 30 days after the receipt of the order or

1 determination to initiate proceedings to chal-
2 lenge such order or determination; and

3 “(ii) the State may not provide to any non-
4 custodial parent of a child representation relat-
5 ing to the establishment or modification of an
6 order for the payment of child support with re-
7 spect to that child, unless the State makes pro-
8 vision for such representation outside the State
9 agency;”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall become effective on October 1, 1997.

12 **SEC. 41104. PRIVACY SAFEGUARDS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
14 U.S.C. 454) is amended—

15 (1) by striking “and” at the end of paragraph
16 (23);

17 (2) by striking the period at the end of para-
18 graph (24) and inserting “; and”; and

19 (3) by adding after paragraph (24) the follow-
20 ing:

21 “(25) will have in effect safeguards applicable
22 to all sensitive and confidential information handled
23 by the State agency designed to protect the privacy
24 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions on the release of infor-
6 mation on the whereabouts of one party to an-
7 other party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions on the release of infor-
11 mation on the whereabouts of one party to an-
12 other party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **CHAPTER 2—PROGRAM ADMINISTRATION**

19 **AND FUNDING**

20 **SEC. 41201. FEDERAL MATCHING PAYMENTS.**

21 (a) INCREASED BASE MATCHING RATE.—Section
22 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
23 follows:

24 “(2) The applicable percent for a quarter for
25 purposes of paragraph (1)(A) is—

1 “(A) for fiscal year 1997, 69 percent,
2 “(B) for fiscal year 1998, 72 percent, and
3 “(C) for fiscal year 1999 and succeeding
4 fiscal years, 75 percent.”.

5 (b) MAINTENANCE OF EFFORT.—Section 455 (42
6 U.S.C. 655) is amended—

7 (1) in subsection (a)(1), in the matter preced-
8 ing subparagraph (A), by striking “From” and in-
9 serting “Subject to subsection (c), from”; and
10 (2) by inserting after subsection (b) the follow-
11 ing new subsection:

12 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
13 the provisions of subsection (a), total expenditures for the
14 State program under this part for fiscal year 1997 and
15 each succeeding fiscal year, reduced by the percentage
16 specified for such fiscal year under subsection (a)(2) (A),
17 (B), or (C)(i), shall not be less than such total expendi-
18 tures for fiscal year 1996, reduced by 66 percent.”.

19 **SEC. 41202. PERFORMANCE-BASED INCENTIVES AND PEN-**
20 **ALTIES.**

21 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
22 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
23 read as follows:

24 “INCENTIVE ADJUSTMENTS TO MATCHING RATE
25 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—(1) IN
26 GENERAL.—In order to encourage and reward State child

1 support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

10 “(2) STANDARDS.—(A) IN GENERAL.—The Secretary shall specify in regulations—

12 “(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

16 “(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

20 “(I) 5 percentage points, in connection with Statewide paternity establishment; and

22 “(II) 10 percentage points, in connection with overall performance in child support enforcement.

1 “(B) LIMITATION.—In setting performance stand-
2 ards pursuant to subparagraph (A)(i) and adjustment
3 amounts pursuant to subparagraph (A)(ii), the Secretary
4 shall ensure that the aggregate number of percentage
5 point increases as incentive adjustments to all States do
6 not exceed such aggregate increases as assumed by the
7 Secretary in estimates of the cost of this section as of
8 June 1995, unless the aggregate performance of all States
9 exceeds the projected aggregate performance of all States
10 in such cost estimates.

11 “(3) DETERMINATION OF INCENTIVE ADJUST-
12 MENT.—The Secretary shall determine the amount (if
13 any) of incentive adjustment due each State on the basis
14 of the data submitted by the State pursuant to section
15 454(15)(B) concerning the levels of accomplishment (and
16 rates of improvement) with respect to performance indica-
17 tors specified by the Secretary pursuant to this section.

18 “(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUST-
19 MENT.—The total percentage point increase determined
20 pursuant to this section with respect to a State program
21 in a fiscal year shall apply as an adjustment to the appli-
22 cable percent under section 455(a)(2) for payments to
23 such State for the succeeding fiscal year.

24 “(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A
25 State shall expend in the State program under this part

1 all funds paid to the State by the Federal Government
2 as a result of an incentive adjustment under this section.

3 “(b) MEANING OF TERMS.—For purposes of this sec-
4 tion—

5 “(1) the term ‘Statewide paternity establish-
6 ment percentage’ means, with respect to a fiscal
7 year, the ratio (expressed as a percentage) of—

8 “(A) the total number of out-of-wedlock
9 children in the State under one year of age for
10 whom paternity is established or acknowledged
11 during the fiscal year, to

12 “(B) the total number of children born out
13 of wedlock in the State during such fiscal year;
14 and

15 “(2) the term ‘overall performance in child sup-
16 port enforcement’ means a measure or measures of
17 the effectiveness of the State agency in a fiscal year
18 which takes into account factors including—

19 “(A) the percentage of cases requiring a
20 child support order in which such an order was
21 established;

22 “(B) the percentage of cases in which child
23 support is being paid;

24 “(C) the ratio of child support collected to
25 child support due; and

1 “(D) the cost-effectiveness of the State
2 program, as determined in accordance with
3 standards established by the Secretary in regu-
4 lations.”.

5 (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF
6 TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as
7 amended by section 41201(a) of this subtitle, is amend-
8 ed—

9 (1) by striking the period at the end of sub-
10 paragraph (C)(ii) and inserting a comma; and

11 (2) by adding after and below subparagraph
12 (C), flush with the left margin of the subsection, the
13 following:

14 “increased by the incentive adjustment factor (if any) de-
15 termined by the Secretary pursuant to section 458.”.

16 (c) CONFORMING AMENDMENTS.—Section 454(22)
17 (42 U.S.C. 654(22)) is amended—

18 (1) by striking “incentive payments” the first
19 place it appears and inserting “incentive adjust-
20 ments”; and

21 (2) by striking “any such incentive payments
22 made to the State for such period” and inserting
23 “any increases in Federal payments to the State re-
24 sulting from such incentive adjustments”.

1 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
2 MENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C.
3 652(g)(1)) is amended in the matter preceding subpara-
4 graph (A) by inserting “its overall performance in child
5 support enforcement is satisfactory (as defined in section
6 458(b) and regulations of the Secretary), and” after
7 “1994.”.

8 (2) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
9 amended—

10 (A) in subparagraph (A), in the matter preced-
11 ing clause (i)—

12 (i) by striking “paternity establishment
13 percentage” and inserting “IV-D paternity es-
14 tablishment percentage”; and

15 (ii) by striking “(or all States, as the case
16 may be)”;

17 (B) in subparagraph (A)(i), by striking “during
18 the fiscal year”;

19 (C) in subparagraph (A)(ii)(I), by striking “as
20 of the end of the fiscal year” and inserting “in the
21 fiscal year or, at the option of the State, as of the
22 end of such year”;

23 (D) in subparagraph (A)(ii)(II), by striking “or
24 (E) as of the end of the fiscal year” and inserting

1 “in the fiscal year or, at the option of the State, as
2 of the end of such year”;

3 (E) in subparagraph (A)(iii)—

4 (i) by striking “during the fiscal year”;

5 and

6 (ii) by striking “and” at the end; and

7 (F) in the matter following subparagraph (A)—

8 (i) by striking “who were born out of wed-
9 lock during the immediately preceding fiscal
10 year” and inserting “born out of wedlock”;

11 (ii) by striking “such preceding fiscal
12 year” both places it appears and inserting “the
13 preceding fiscal year”; and

14 (iii) by striking “or (E)” the second place
15 it appears.

16 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
17 amended—

18 (A) by striking subparagraph (A) and redesignig-
19 nating subparagraphs (B) and (C) as subparagraphs
20 (A) and (B), respectively;

21 (B) in subparagraph (A), as redesignated, by
22 striking “the percentage of children born out-of-wed-
23 lock in the State” and inserting “the percentage of
24 children in the State who are born out of wedlock
25 or for whom support has not been established”; and

1 (C) in subparagraph (B), as redesignated—

2 (i) by inserting “and overall performance
3 in child support enforcement” after “paternity
4 establishment percentages”; and

5 (ii) by inserting “and securing support”
6 before the period.

7 (e) REDUCTION OF PAYMENTS UNDER PART D OF
8 TITLE IV.—

9 (1) NEW REQUIREMENTS.—Section 455 (42
10 U.S.C. 655) is amended by inserting after sub-
11 section (b) the following:

12 “(c)(1) If the Secretary finds, with respect to a State
13 program under this part in a fiscal year beginning on or
14 after October 1, 1997—

15 “(A)(i) on the basis of data submitted by a
16 State pursuant to section 454(15)(B), that the State
17 program in such fiscal year failed to achieve the IV-
18 D paternity establishment percentage (as defined in
19 section 452(g)(2)(A)) or the appropriate level of
20 overall performance in child support enforcement (as
21 defined in section 458(b)(2)), or to meet other per-
22 formance measures that may be established by the
23 Secretary, or

24 “(ii) on the basis of an audit or audits of such
25 State data conducted pursuant to section

1 452(a)(4)(C), that the State data submitted pursu-
2 ant to section 454(15)(B) is incomplete or unreli-
3 able; and

4 “(B) that, with respect to the succeeding fiscal
5 year—

6 “(i) the State failed to take sufficient cor-
7 rective action to achieve the appropriate per-
8 formance levels as described in subparagraph
9 (A)(i) of this paragraph, or

10 “(ii) the data submitted by the State pur-
11 suant to section 454(15)(B) is incomplete or
12 unreliable,

13 the amounts otherwise payable to the State under this
14 part for quarters following the end of such succeeding fis-
15 cal year, prior to quarters following the end of the first
16 quarter throughout which the State program is in compli-
17 ance with such performance requirement, shall be reduced
18 by the percentage specified in paragraph (2).

19 “(2) The reductions required under paragraph (1)
20 shall be—

21 “(A) not less than 6 nor more than 8 percent,
22 or

23 “(B) not less than 8 nor more than 12 percent,
24 if the finding is the second consecutive finding made
25 pursuant to paragraph (1), or

1 “(C) not less than 12 nor more than 15 per-
2 cent, if the finding is the third or a subsequent con-
3 secutive such finding.

4 “(3) For purposes of this subsection, section
5 402(a)(27), and section 452(a)(4), a State which is deter-
6 mined as a result of an audit to have submitted incomplete
7 or unreliable data pursuant to section 454(15)(B), shall
8 be determined to have submitted adequate data if the Sec-
9 retary determines that the extent of the incompleteness
10 or unreliability of the data is of a technical nature which
11 does not adversely affect the determination of the level of
12 the State’s performance.”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) Section 403 (42 U.S.C. 603) is amend-
15 ed by striking subsection (h).

16 (B) Section 452(a)(4) (42 U.S.C.
17 652(a)(4)) is amended by striking “403(h)”
18 each place such term appears and inserting
19 “455(c)”.

20 (C) Subsections (d)(3)(A), (g)(1), and
21 (g)(3)(A) of section 452 (42 U.S.C. 652) are
22 each amended by striking “403(h)” and insert-
23 ing “455(c)”.

24 (f) EFFECTIVE DATES.—

1 (1) INCENTIVE ADJUSTMENTS.—(A) The
2 amendments made by subsections (a), (b), and (c)
3 shall become effective October 1, 1997, except to the
4 extent provided in subparagraph (B).

5 (B) Section 458 of the Social Security Act, as
6 in effect prior to the enactment of this section, shall
7 be effective for purposes of incentive payments to
8 States for fiscal years prior to fiscal year 1999.

9 (2) PENALTY REDUCTIONS.—(A) The amend-
10 ments made by subsection (d) shall become effective
11 with respect to calendar quarters beginning on and
12 after the date of enactment of this subtitle.

13 (B) The amendments made by subsection (e)
14 shall become effective with respect to calendar quar-
15 ters beginning on and after the date one year after
16 the date of enactment of this subtitle.

17 **SEC. 41203. FEDERAL AND STATE REVIEWS AND AUDITS.**

18 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
19 U.S.C. 654) is amended—

20 (1) in paragraph (14), by striking “(14)” and
21 inserting “(14)(A)”;

22 (2) by redesignating paragraph (15) as sub-
23 paragraph (B) of paragraph (14); and

24 (3) by inserting after paragraph (14) the fol-
25 lowing new paragraph:

1 “(15) provide for—

2 “(A) a process for annual reviews of and
3 reports to the Secretary on the State program
4 under this part, which shall include such infor-
5 mation as may be necessary to measure State
6 compliance with Federal requirements for expe-
7 dited procedures and timely case processing,
8 using such standards and procedures as are re-
9 quired by the Secretary, under which the State
10 agency will determine the extent to which such
11 program is in conformity with applicable re-
12 quirements with respect to the operation of
13 State programs under this part (including the
14 status of complaints filed under the procedure
15 required under paragraph (12)(B)); and

16 “(B) a process of extracting from the
17 State automated data processing system and
18 transmitting to the Secretary data and calcula-
19 tions concerning the levels of accomplishment
20 (and rates of improvement) with respect to ap-
21 plicable performance indicators (including IV–D
22 paternity establishment percentages and overall
23 performance in child support enforcement) to
24 the extent necessary for purposes of sections
25 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 section 452(g) and 458, and determine the amount
8 (if any) of penalty reductions pursuant to section
9 455(c) to be applied to the State;

10 “(B) review annual reports by State agencies
11 pursuant to section 454(15)(A) on State program
12 conformity with Federal requirements; evaluate any
13 elements of a State program in which significant de-
14 ficiencies are indicated by such report on the status
15 of complaints under the State procedure under sec-
16 tion 454(12)(B); and, as appropriate, provide to the
17 State agency comments, recommendations for addi-
18 tional or alternative corrective actions, and technical
19 assistance; and

20 “(C) conduct audits, in accordance with the
21 government auditing standards of the United States
22 Comptroller General—

23 “(i) at least once every 3 years (or more
24 frequently, in the case of a State which fails to
25 meet requirements of this part, or of regula-

1 tions implementing such requirements, concern-
2 ing performance standards and reliability of
3 program data) to assess the completeness, reli-
4 ability, and security of the data, and the accu-
5 racy of the reporting systems, used for the cal-
6 culations of performance indicators specified in
7 subsection (g) and section 458;

8 “(ii) of the adequacy of financial manage-
9 ment of the State program, including assess-
10 ments of—

11 “(I) whether Federal and other funds
12 made available to carry out the State pro-
13 gram under this part are being appro-
14 priately expended, and are properly and
15 fully accounted for; and

16 “(II) whether collections and disburse-
17 ments of support payments and program
18 income are carried out correctly and are
19 properly and fully accounted for; and

20 “(iii) for such other purposes as the Sec-
21 retary may find necessary;”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective with respect to calendar
24 quarters beginning on or after the date one year after en-
25 actment of this section.

1 **SEC. 41204. REQUIRED REPORTING PROCEDURES.**

2 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
3 652(a)(5)) is amended by inserting “, and establish proce-
4 dures to be followed by States for collecting and reporting
5 information required to be provided under this part, and
6 establish uniform definitions (including those necessary to
7 enable the measurement of State compliance with the re-
8 quirements of this part relating to expedited processes and
9 timely case processing) to be applied in following such pro-
10 cedures” before the semicolon.

11 (b) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by section 41104(a) of this sub-
13 title, is amended—

14 (1) by striking “and” at the end of paragraph
15 (24);

16 (2) by striking the period at the end of para-
17 graph (25) and inserting “; and”; and

18 (3) by adding after paragraph (25) the follow-
19 ing:

20 “(26) provide that the State shall use the defi-
21 nitions established under section 452(a)(5) in col-
22 lecting and reporting information as required under
23 this part.”.

1 **SEC. 41205. AUTOMATED DATA PROCESSING REQUIRE-**
2 **MENTS.**

3 (a) REVISED REQUIREMENTS.—(1) Section 454(16)
4 (42 U.S.C. 654(16)) is amended—

5 (A) by striking “, at the option of the State,”;

6 (B) by inserting “and operation by the State
7 agency” after “for the establishment”;

8 (C) by inserting “meeting the requirements of
9 section 454A” after “information retrieval system”;

10 (D) by striking “in the State and localities
11 thereof, so as (A)” and inserting “so as”;

12 (E) by striking “(i)”; and

13 (F) by striking “(including” and all that follows
14 and inserting a semicolon.

15 (2) Part D of title IV (42 U.S.C. 651–669) is amend-
16 ed by inserting after section 454 the following new section:

17 “AUTOMATED DATA PROCESSING

18 “SEC. 454A. (a) IN GENERAL.—In order to meet the
19 requirements of this section, for purposes of the require-
20 ment of section 454(16), a State agency shall have in op-
21 eration a single statewide automated data processing and
22 information retrieval system which has the capability to
23 perform the tasks specified in this section, and performs
24 such tasks with the frequency and in the manner specified
25 in this part or in regulations or guidelines of the Sec-
26 retary.

1 “(b) PROGRAM MANAGEMENT.—The automated sys-
2 tem required under this section shall perform such func-
3 tions as the Secretary may specify relating to management
4 of the program under this part, including—

5 “(1) controlling and accounting for use of Fed-
6 eral, State, and local funds to carry out such pro-
7 gram; and

8 “(2) maintaining the data necessary to meet
9 Federal reporting requirements on a timely basis.

10 “(c) CALCULATION OF PERFORMANCE INDICA-
11 TORS.—In order to enable the Secretary to determine the
12 incentive and penalty adjustments required by sections
13 452(g) and 458, the State agency shall—

14 “(1) use the automated system—

15 “(A) to maintain the requisite data on
16 State performance with respect to paternity es-
17 tablishment and child support enforcement in
18 the State; and

19 “(B) to calculate the IV–D paternity es-
20 tablishment percentage and overall performance
21 in child support enforcement for the State for
22 each fiscal year; and

23 “(2) have in place systems controls to ensure
24 the completeness, and reliability of, and ready access
25 to, the data described in paragraph (1)(A), and the

1 accuracy of the calculations described in paragraph
2 (1)(B).

3 “(d) INFORMATION INTEGRITY AND SECURITY.—The
4 State agency shall have in effect safeguards on the integ-
5 rity, accuracy, and completeness of, access to, and use of
6 data in the automated system required under this section,
7 which shall include the following (in addition to such other
8 safeguards as the Secretary specifies in regulations):

9 “(1) POLICIES RESTRICTING ACCESS.—Written
10 policies concerning access to data by State agency
11 personnel, and sharing of data with other persons,
12 which—

13 “(A) permit access to and use of data only
14 to the extent necessary to carry out program re-
15 sponsibilities;

16 “(B) specify the data which may be used
17 for particular program purposes, and the per-
18 sonnel permitted access to such data; and

19 “(C) ensure that data obtained or disclosed
20 for a limited program purpose is not used or re-
21 disclosed for another, impermissible purpose.

22 “(2) SYSTEMS CONTROLS.—Systems controls
23 (such as passwords or blocking of fields) to ensure
24 strict adherence to the policies specified under para-
25 graph (1).

1 “(3) MONITORING OF ACCESS.—Routine mon-
2 itoring of access to and use of the automated sys-
3 tem, through methods such as audit trails and feed-
4 back mechanisms, to guard against and promptly
5 identify unauthorized access or use.

6 “(4) TRAINING AND INFORMATION.—The State
7 agency shall have in effect procedures to ensure that
8 all personnel (including State and local agency staff
9 and contractors) who may have access to or be re-
10 quired to use sensitive or confidential program data
11 are fully informed of applicable requirements and
12 penalties, and are adequately trained in security pro-
13 cedures.

14 “(5) PENALTIES.—The State agency shall have
15 in effect administrative penalties (up to and includ-
16 ing dismissal from employment) for unauthorized ac-
17 cess to, or disclosure or use of, confidential data.”.

18 (3) REGULATIONS.—Section 452 (42 U.S.C. 652) is
19 amended by adding at the end the following:

20 “(j) The Secretary shall prescribe final regulations
21 for implementation of the requirements of section 454A
22 not later than 2 years after the date of the enactment of
23 this subsection.”.

24 (4) IMPLEMENTATION TIMETABLE.—Section
25 454(24) (42 U.S.C. 654(24)), as amended by sections

1 41104(a)(2) and 41204(b)(1) of this subtitle, is amended
2 to read as follows:

3 “(24) provide that the State will have in effect
4 an automated data processing and information re-
5 trieval system—

6 “(A) by October 1, 1995, meeting all re-
7 quirements of this part which were enacted on
8 or before the date of enactment of the Family
9 Support Act of 1988; and

10 “(B) by October 1, 1999, meeting all re-
11 quirements of this part enacted on or before the
12 date of enactment of the Economic Equity Act
13 of 1996 (but this provision shall not be con-
14 strued to alter earlier deadlines specified for
15 elements of such system), except that such
16 deadline shall be extended by 1 day for each
17 day (if any) by which the Secretary fails to
18 meet the deadline imposed by section 452(j);”.

19 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
20 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
21 455(a) (42 U.S.C. 655(a)) is amended—

22 (1) in paragraph (1)(B)—

23 (A) by striking “90 percent” and inserting
24 “the percent specified in paragraph (3)”;

25 (B) by striking “so much of”; and

1 (C) by striking “which the Secretary” and
2 all that follows and inserting “, and”; and

3 (2) by adding at the end the following new
4 paragraph:

5 “(3)(A) The Secretary shall pay to each State, for
6 each quarter in fiscal year 1996, 90 percent of so much
7 of State expenditures described in subparagraph (1)(B) as
8 the Secretary finds are for a system meeting the require-
9 ments specified in section 454(16), or meeting such re-
10 quirements without regard to clause (D) thereof.

11 “(B)(i) The Secretary shall pay to each State, for
12 each quarter in fiscal years 1997 through 2001, the per-
13 centage specified in clause (ii) of so much of State expend-
14 itures described in subparagraph (1)(B) as the Secretary
15 finds are for a system meeting the requirements specified
16 in section 454(16) and 454A, subject to clause (iii).

17 “(ii) The percentage specified in this clause, for pur-
18 poses of clause (i), is the higher of—

19 “(I) 80 percent, or

20 “(II) the percentage otherwise applicable to
21 Federal payments to the State under subparagraph
22 (A) (as adjusted pursuant to section 458).”.

23 (c) CONFORMING AMENDMENT.—Section 123(c) of
24 the Family Support Act of 1988 (102 Stat. 2352; Public
25 Law 100–485) is repealed.

1 (d) ADDITIONAL PROVISIONS.—For additional provi-
2 sions of section 454A, as added by subsection (a) of this
3 section, see the amendments made by sections 121,
4 122(c), and 133(d) of this subtitle.

5 **SEC. 41206. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

6 (a) REPORTING TO SECRETARY.—Section 452(a) (42
7 U.S.C. 652(a)) is amended in the matter preceding para-
8 graph (1) by striking “directly”.

9 (b) STAFFING STUDIES.—

10 (1) SCOPE.—The Secretary of Health and
11 Human Services shall, directly or by contract, con-
12 duct studies of the staffing of each State child sup-
13 port enforcement program under part D of title IV
14 of the Social Security Act. Such studies shall include
15 a review of the staffing needs created by require-
16 ments for automated data processing, maintenance
17 of a central case registry and centralized collections
18 of child support, and of changes in these needs re-
19 sulting from changes in such requirements. Such
20 studies shall examine and report on effective staffing
21 practices used by the States and on recommended
22 staffing procedures.

23 (2) FREQUENCY OF STUDIES.—The Secretary
24 shall complete the first staffing study required under
25 paragraph (1) by October 1, 1997, and may conduct

1 additional studies subsequently at appropriate inter-
2 vals.

3 (3) REPORT TO THE CONGRESS.—The Sec-
4 retary shall submit a report to the Congress stating
5 the findings and conclusions of each study conducted
6 under this subsection.

7 **SEC. 41207. FUNDING FOR SECRETARIAL ASSISTANCE TO**
8 **STATE PROGRAMS.**

9 Section 452 (42 U.S.C. 652), as amended by section
10 41205(a)(3) of this subtitle, is amended by adding at the
11 end the following new subsection:

12 “(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING
13 STATE PROGRAMS.—(1) There shall be available to the
14 Secretary, from amounts appropriated for fiscal year 1996
15 and each succeeding fiscal year for payments to States
16 under this part, the amount specified in paragraph (2) for
17 the costs to the Secretary for—

18 “(A) information dissemination and technical
19 assistance to States, training of State and Federal
20 staff, staffing studies, and related activities needed
21 to improve programs (including technical assistance
22 concerning State automated systems);

23 “(B) research, demonstration, and special
24 projects of regional or national significance relating

1 to the operation of State programs under this part;
2 and

3 “(C) operation of the Federal Parent Locator
4 Service under section 453, to the extent such costs
5 are not recovered through user fees.

6 “(2) The amount specified in this paragraph for a
7 fiscal year is the amount equal to a percentage of the re-
8 duction in Federal payments to States under part A on
9 account of child support (including arrearages) collected
10 in the preceding fiscal year on behalf of children receiving
11 aid under such part A in such preceding fiscal year (as
12 determined on the basis of the most recent reliable data
13 available to the Secretary as of the end of the third cal-
14 endar quarter following the end of such preceding fiscal
15 year), equal to—

16 “(A) 1 percent, for the activities specified in
17 subparagraphs (A) and (B) of paragraph (1); and

18 “(B) 2 percent, for the activities specified in
19 subparagraph (C) of paragraph (1).”.

20 **SEC. 41208. REPORTS AND DATA COLLECTION BY THE SEC-**
21 **RETARY.**

22 (a) ANNUAL REPORT TO CONGRESS.—(1) Section
23 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

24 (A) by striking “this part;” and inserting “this
25 part, including—”; and

1 (B) by adding at the end the following indented
2 clauses:

3 “(i) the total amount of child support
4 payments collected as a result of services
5 furnished during such fiscal year to indi-
6 viduals receiving services under this part;

7 “(ii) the cost to the States and to the
8 Federal Government of furnishing such
9 services to those individuals; and

10 “(iii) the number of cases involving
11 families—

12 “(I) who became ineligible for aid
13 under part A during a month in such
14 fiscal year; and

15 “(II) with respect to whom a
16 child support payment was received in
17 the same month;”.

18 (2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C))

19 is amended—

20 (A) in the matter preceding clause (i)—

21 (i) by striking “with the data required
22 under each clause being separately stated for
23 cases” and inserting “separately stated for (1)
24 cases”;

1 (ii) by striking “cases where the child was
2 formerly receiving” and inserting “or formerly
3 received”;

4 (iii) by inserting “or 1912” after
5 “471(a)(17)”; and

6 (iv) by inserting “(2)” before “all other”;

7 (B) in each of clauses (i) and (ii), by striking
8 “, and the total amount of such obligations”;

9 (C) in clause (iii), by striking “described in”
10 and all that follows and inserting “in which support
11 was collected during the fiscal year”;

12 (D) by striking clause (iv); and

13 (E) by redesignating clause (v) as clause (vii),
14 and inserting after clause (iii) the following new
15 clauses:

16 “(iv) the total amount of support col-
17 lected during such fiscal year and distrib-
18 uted as current support;

19 “(v) the total amount of support col-
20 lected during such fiscal year and distrib-
21 uted as arrearages;

22 “(vi) the total amount of support due
23 and unpaid for all fiscal years; and”.

1 (3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G))
2 is amended by striking “on the use of Federal courts
3 and”.

4 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
5 amended by striking all that follows subparagraph (I).

6 (b) DATA COLLECTION AND REPORTING.—Section
7 469 (42 U.S.C. 669) is amended—

8 (1) by striking subsections (a) and (b) and in-
9 serting the following:

10 “(a) The Secretary shall collect and maintain, on a
11 fiscal year basis, up-to-date statistics, by State, with re-
12 spect to services to establish paternity and services to es-
13 tablish child support obligations, the data specified in sub-
14 section (b), separately stated, in the case of each such
15 service, with respect to—

16 “(1) families (or dependent children) receiving
17 aid under plans approved under part A (or E); and

18 “(2) families not receiving such aid.

19 “(b) The data referred to in subsection (a) are—

20 “(1) the number of cases in the caseload of the
21 State agency administering the plan under this part
22 in which such service is needed; and

23 “(2) the number of such cases in which the
24 service has been provided.”; and

1 (2) in subsection (c), by striking “(a)(2)” and
2 inserting “(b)(2)”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall be effective with respect to fiscal year
5 1996 and succeeding fiscal years.

6 **CHAPTER 3—LOCATE AND CASE**

7 **TRACKING**

8 **SEC. 41301. CENTRAL STATE AND CASE REGISTRY.**

9 Section 454A, as added by section 41205(a)(2) of
10 this subtitle, is amended by adding at the end the follow-
11 ing:

12 “(e) CENTRAL CASE REGISTRY.—(1) IN GEN-
13 ERAL.—The automated system required under this section
14 shall perform the functions, in accordance with the provi-
15 sions of this subsection, of a single central registry con-
16 taining records with respect to each case in which services
17 are being provided by the State agency (including, on and
18 after October 1, 1998, each order specified in section
19 466(a)(12)), using such standardized data elements (such
20 as names, social security numbers or other uniform identi-
21 fication numbers, dates of birth, and case identification
22 numbers), and containing such other information (such as
23 information on case status) as the Secretary may require.

24 “(2) PAYMENT RECORDS.—Each case record in the
25 central registry shall include a record of—

1 “(A) the amount of monthly (or other periodic)
2 support owed under the support order, and other
3 amounts due or overdue (including arrears, interest
4 or late payment penalties, and fees);

5 “(B) the date on which or circumstances under
6 which the support obligation will terminate under
7 such order;

8 “(C) all child support and related amounts col-
9 lected (including such amounts as fees, late payment
10 penalties, and interest on arrearages);

11 “(D) the distribution of such amounts collected;
12 and

13 “(E) the birth date of the child for whom the
14 child support order is entered.

15 “(3) UPDATING AND MONITORING.—The State agen-
16 cy shall promptly establish and maintain, and regularly
17 monitor, case records in the registry required by this sub-
18 section, on the basis of—

19 “(A) information on administrative actions and
20 administrative and judicial proceedings and orders
21 relating to paternity and support;

22 “(B) information obtained from matches with
23 Federal, State, or local data sources;

24 “(C) information on support collections and dis-
25 tributions; and

1 “(D) any other relevant information.

2 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
3 INFORMATION.—The automated system required under
4 this section shall have the capacity, and be used by the
5 State agency, to extract data at such times, and in such
6 standardized format or formats, as may be required by
7 the Secretary, and to share and match data with, and re-
8 ceive data from, other data bases and data matching serv-
9 ices, in order to obtain (or provide) information necessary
10 to enable the State agency (or Secretary or other State
11 or Federal agencies) to carry out responsibilities under
12 this part. Data matching activities of the State agency
13 shall include at least the following:

14 “(1) DATA BANK OF CHILD SUPPORT OR-
15 DERS.—Furnish to the Data Bank of Child Support
16 Orders established under section 453(h) (and update
17 as necessary, with information including notice of
18 expiration of orders) minimal information (to be
19 specified by the Secretary) on each child support
20 case in the central case registry.

21 “(2) FEDERAL PARENT LOCATOR SERVICE.—
22 Exchange data with the Federal Parent Locator
23 Service for the purposes specified in section 453.

24 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
25 change data with State agencies (of the State and

1 of other States) administering the programs under
2 part A and title XIX, as necessary for the perform-
3 ance of State agency responsibilities under this part
4 and under such programs.

5 “(4) INTRA- AND INTERSTATE DATA
6 MATCHES.—Exchange data with other agencies of
7 the State, agencies of other States, and interstate
8 information networks, as necessary and appropriate
9 to carry out (or assist other States to carry out) the
10 purposes of this part.”

11 **SEC. 41302. CENTRALIZED COLLECTION AND DISBURSE-**
12 **MENT OF SUPPORT PAYMENTS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
14 U.S.C. 654), as amended by sections 41104(a) and
15 41204(b) of this subtitle, is amended—

16 (1) by striking “and” at the end of paragraph
17 (25);

18 (2) by striking the period at the end of para-
19 graph (26) and inserting “; and”; and

20 (3) by adding after paragraph (26) the follow-
21 ing new paragraph:

22 “(27) provide that the State agency, on and
23 after October 1, 1998—

24 “(A) will operate a centralized, automated
25 unit for the collection and disbursement of child

1 support under orders being enforced under this
2 part, in accordance with section 454B; and

3 “(B) will have sufficient State staff (con-
4 sisting of State employees), and (at State op-
5 tion) contractors reporting directly to the State
6 agency to monitor and enforce support collec-
7 tions through such centralized unit, including
8 carrying out the automated data processing re-
9 sponsibilities specified in section 454A(g) and
10 to impose, as appropriate in particular cases,
11 the administrative enforcement remedies speci-
12 fied in section 466(c)(1).”.

13 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION
14 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
15 ed by adding after section 454A the following new section:

16 “CENTRALIZED COLLECTION AND DISBURSEMENT OF
17 SUPPORT PAYMENTS

18 “SEC. 454B. (a) IN GENERAL.—In order to meet the
19 requirement of section 454(27), the State agency must op-
20 erate a single centralized, automated unit for the collection
21 and disbursement of support payments, coordinated with
22 the automated data system required under section 454A,
23 in accordance with the provisions of this section, which
24 shall be—

25 “(1) operated directly by the State agency (or
26 by two or more State agencies under a regional co-

1 operative agreement), or by a single contractor re-
2 sponsible directly to the State agency; and

3 “(2) used for the collection and disbursement
4 (including interstate collection and disbursement) of
5 payments under support orders in all cases being en-
6 forced by the State pursuant to section 454(4).

7 “(b) REQUIRED PROCEDURES.—The centralized col-
8 lections unit shall use automated procedures, electronic
9 processes, and computer-driven technology to the maxi-
10 mum extent feasible, efficient, and economical, for the col-
11 lection and disbursement of support payments, including
12 procedures—

13 “(1) for receipt of payments from parents, em-
14 ployers, and other States, and for disbursements to
15 custodial parents and other obligees, the State agen-
16 cy, and the State agencies of other States;

17 “(2) for accurate identification of payments;

18 “(3) to ensure prompt disbursement of the cus-
19 todial parent’s share of any payment; and

20 “(4) to furnish to either parent, upon request,
21 timely information on the current status of support
22 payments.”.

23 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
24 added by section 41205(a)(2) of this subtitle and as

1 amended by section 41301 of this subtitle, is amended by
2 adding at the end the following new subsection:

3 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
4 OF SUPPORT PAYMENTS.—The automated system re-
5 quired under this section shall be used, to the maximum
6 extent feasible, to assist and facilitate collections and dis-
7 bursement of support payments through the centralized
8 collections unit operated pursuant to section 454B,
9 through the performance of functions including at a mini-
10 mum—

11 “(1) generation of orders and notices to em-
12 ployers (and other debtors) for the withholding of
13 wages (and other income)—

14 “(A) within two working days after receipt
15 (from the directory of New Hires established
16 under section 453(i) or any other source) of no-
17 tice of and the income source subject to such
18 withholding; and

19 “(B) using uniform formats directed by
20 the Secretary;

21 “(2) ongoing monitoring to promptly identify
22 failures to make timely payment; and

23 “(3) automatic use of enforcement mechanisms
24 (including mechanisms authorized pursuant to sec-
25 tion 466(c)) where payments are not timely made.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective on October 1, 1998.

3 **SEC. 41303. AMENDMENTS CONCERNING INCOME WITH-**
4 **HOLDING.**

5 (a) MANDATORY INCOME WITHHOLDING.—(1) Sec-
6 tion 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read
7 as follows:

8 “(1) INCOME WITHHOLDING.—(A) UNDER OR-
9 DERS ENFORCED UNDER THE STATE PLAN.—Proce-
10 dures described in subsection (b) for the withholding
11 from income of amounts payable as support in cases
12 subject to enforcement under the State plan.

13 “(B) UNDER CERTAIN ORDERS PREDATING
14 CHANGE IN REQUIREMENT.—Procedures under
15 which all child support orders issued (or modified)
16 before October 1, 1996, and which are not otherwise
17 subject to withholding under subsection (b), shall be-
18 come subject to withholding from wages as provided
19 in subsection (b) if arrearages occur, without the
20 need for a judicial or administrative hearing.”.

21 (2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is re-
22 pealed.

23 (3) Section 466(b) (42 U.S.C. 666(b)) is amended—

1 (A) in the matter preceding paragraph (1), by
2 striking “subsection (a)(1)” and inserting “sub-
3 section (a)(1)(A)”;

4 (B) in paragraph (5), by striking all that fol-
5 lows “administered by” and inserting “the State
6 through the centralized collections unit established
7 pursuant to section 454B, in accordance with the re-
8 quirements of such section 454B.”;

9 (C) in paragraph (6)(A)(i)—

10 (i) by inserting “, in accordance with time-
11 tables established by the Secretary,” after
12 “must be required”; and

13 (ii) by striking “to the appropriate agency”
14 and all that follows and inserting “to the State
15 centralized collections unit within 5 working
16 days after the date such amount would (but for
17 this subsection) have been paid or credited to
18 the employee, for distribution in accordance
19 with this part.”;

20 (D) in paragraph (6)(A)(ii), by inserting “be in
21 a standard format prescribed by the Secretary, and”
22 after “shall”; and

23 (E) in paragraph (6)(D)—

24 (i) by striking “employer who discharges”
25 and inserting “employer who—(A) discharges”;

1 (ii) by relocating subparagraph (A), as des-
2 ignated, as an indented subparagraph after and
3 below the introductory matter;

4 (iii) by striking the period at the end; and

5 (iv) by adding after and below subpara-
6 graph (A) the following new subparagraph:

7 “(B) fails to withhold support from wages,
8 or to pay such amounts to the State centralized
9 collections unit in accordance with this sub-
10 section.”.

11 (b) CONFORMING AMENDMENT.—Section 466(c) (42
12 U.S.C. 666(c)) is repealed.

13 (c) DEFINITION OF TERMS.—The Secretary shall
14 promulgate regulations providing definitions, for purposes
15 of part D of title IV of the Social Security Act, for the
16 term “income” and for such other terms relating to in-
17 come withholding under section 466(b) of such Act as the
18 Secretary may find it necessary or advisable to define.

19 **SEC. 41304. LOCATOR INFORMATION FROM INTERSTATE**
20 **NETWORKS.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 section 41303(a)(2) of this subtitle, is amended by insert-
23 ing after paragraph (7) the following new paragraph:

24 “(8) LOCATOR INFORMATION FROM INTER-
25 STATE NETWORKS.—Procedures ensuring that the

1 State will neither provide funding for, nor use for
2 any purpose (including any purpose unrelated to the
3 purposes of this part), any automated interstate net-
4 work or system used to locate individuals—

5 “(A) for purposes relating to the use of
6 motor vehicles; or

7 “(B) providing information for law en-
8 forcement purposes (where child support en-
9 forcement agencies are otherwise allowed access
10 by State and Federal law),

11 unless all Federal and State agencies administering
12 programs under this part (including the entities es-
13 tablished under section 453) have access to informa-
14 tion in such system or network to the same extent
15 as any other user of such system or network.”.

16 **SEC. 41305. EXPANDED FEDERAL PARENT LOCATOR SERV-**
17 **ICE.**

18 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
19 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
20 amended—

21 (1) in subsection (a), by striking all that follows

22 “subsection (e)” and inserting the following:

23 “, for the purpose of establishing parentage, establishing,
24 setting the amount of, modifying, or enforcing child sup-
25 port obligations—

1 “(1) information on, or facilitating the discov-
2 ery of, the location of any individual—

3 “(A) who is under an obligation to pay
4 child support;

5 “(B) against whom such an obligation is
6 sought; or

7 “(C) to whom such an obligation is owed,
8 including such individual’s social security num-
9 ber (or numbers), most recent residential ad-
10 dress, and the name, address, and employer
11 identification number of such individual’s em-
12 ployer; and

13 “(2) information on the individual’s wages (or
14 other income) from, and benefits of, employment (in-
15 cluding rights to or enrollment in group health care
16 coverage); and

17 “(3) information on the type, status, location,
18 and amount of any assets of, or debts owed by or
19 to, any such individual.”; and

20 (2) in subsection (b)—

21 (A) in the matter preceding paragraph (1),
22 by striking “social security” and all that follows
23 through “absent parent” and inserting “infor-
24 mation specified in subsection (a)”;

1 (B) in paragraph (2), by inserting before
2 the period “, or from any consumer reporting
3 agency (as defined in section 603(f) of the Fair
4 Credit Reporting Act (15 U.S.C. 1681a(f))”;

5 (3) in subsection (e)(1), by inserting before the
6 period “, or by consumer reporting agencies”.

7 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
8 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
9 amended in the fourth sentence by inserting before the
10 period “in an amount which the Secretary determines to
11 be reasonable payment for the data exchange (which
12 amount shall not include payment for the costs of obtain-
13 ing, compiling, or maintaining the data)”.

14 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
15 CREDIT REPORTING ACT.—(1) Section 608 of the Fair
16 Credit Reporting Act (15 U.S.C. 1681f) is amended—

17 (A) by striking “, limited to” and inserting “to
18 a governmental agency (including the entire
19 consumer report, in the case of a Federal, State, or
20 local agency administering a program under part D
21 of title IV of the Social Security Act, and limited
22 to”; and

23 (B) by striking “employment, to a govern-
24 mental agency” and inserting “employment, in the
25 case of any other governmental agency”.

1 (2) REIMBURSEMENT FOR REPORTS BY STATE
2 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
3 U.S.C. 653) is amended by adding at the end the following
4 new subsection:

5 “(g) The Secretary is authorized to reimburse costs
6 to State agencies and consumer credit reporting agencies
7 the costs incurred by such entities in furnishing informa-
8 tion requested by the Secretary pursuant to this section
9 in an amount which the Secretary determines to be rea-
10 sonable payment for the data exchange (which amount
11 shall not include payment for the costs of obtaining, com-
12 piling, or maintaining the data).”.

13 (d) DISCLOSURE OF TAX RETURN INFORMATION.—
14 (1) Section 6103(1)(6)(A)(ii) of the Internal Revenue
15 Code of 1986 is amended by striking “, but only if” and
16 all that follows and inserting a period.

17 (2) Section 6103(1)(8)(A) of the Internal Revenue
18 Code of 1986 is amended by inserting “Federal,” before
19 “State or local”.

20 (e) TECHNICAL AMENDMENTS.—

21 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
22 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),
23 663(a), and 663(e)) are each amended by inserting
24 “Federal” before “Parent” each place it appears.

1 (2) Section 453 (42 U.S.C. 653) is amended in
2 the heading by adding “FEDERAL” before “PAR-
3 ENT”.

4 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
5 653), as amended by subsection (e)(2) of this section, is
6 amended by adding at the end the following:

7 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

8 “(1) IN GENERAL.—Not later than October 1,
9 1998, in order to assist States in administering their
10 State plans under this part and parts A, F, and G,
11 and for the other purposes specified in this section,
12 the Secretary shall establish and maintain in the
13 Federal Parent Locator Service an automated reg-
14 istry to be known as the Data Bank of Child Sup-
15 port Orders, which shall contain abstracts of child
16 support orders and other information described in
17 paragraph (2) on each case in each State central
18 case registry maintained pursuant to section
19 454A(e), as furnished (and regularly updated), pur-
20 suant to section 454A(f), by State agencies admin-
21 istering programs under this part.

22 “(2) CASE INFORMATION.—The information re-
23 ferred to in paragraph (1), as specified by the Sec-
24 retary, shall include sufficient information (including
25 names, social security numbers or other uniform

1 identification numbers, and State case identification
2 numbers) to identify the individuals who owe or are
3 owed support (or with respect to or on behalf of
4 whom support obligations are sought to be estab-
5 lished), and the State or States which have estab-
6 lished or modified, or are enforcing or seeking to es-
7 tablish, such an order.

8 “(i) DIRECTORY OF NEW HIRES.—

9 “(1) IN GENERAL.—Not later than October 1,
10 1998, in order to assist States in administering their
11 State plans under this part and parts A, F, and G,
12 and for the other purposes specified in this section,
13 the Secretary shall establish and maintain in the
14 Federal Parent Locator Service an automated direc-
15 tory to be known as the directory of New Hires, con-
16 taining—

17 “(A) information supplied by employers on
18 each newly hired individual, in accordance with
19 paragraph (2); and

20 “(B) information supplied by State agen-
21 cies administering State unemployment com-
22 pensation laws, in accordance with paragraph
23 (3).

24 “(2) EMPLOYER INFORMATION.—

1 “(A) INFORMATION REQUIRED.—Subject
2 to subparagraph (D), each employer shall fur-
3 nish to the Secretary, for inclusion in the direc-
4 tory established under this subsection, not later
5 than 10 days after the date (on or after Octo-
6 ber 1, 1998) on which the employer hires a new
7 employee (as defined in subparagraph (C)), a
8 report containing the name, date of birth, and
9 social security number of such employee, and
10 the employer identification number of the em-
11 ployer.

12 “(B) REPORTING METHOD AND FOR-
13 MAT.—The Secretary shall provide for trans-
14 mission of the reports required under subpara-
15 graph (A) using formats and methods which
16 minimize the burden on employers, which shall
17 include—

18 “(i) automated or electronic trans-
19 mission of such reports;

20 “(ii) transmission by regular mail;
21 and

22 “(iii) transmission of a copy of the
23 form required for purposes of compliance
24 with section 3402 of the Internal Revenue
25 Code of 1986.

1 “(C) EMPLOYEE DEFINED.—For purposes
2 of this paragraph, the term ‘employee’ means
3 any individual subject to the requirement of
4 section 3402(f)(2) of the Internal Revenue Code
5 of 1986.

6 “(D) PAPERWORK REDUCTION REQUIRE-
7 MENT.—As required by the information re-
8 sources management policies published by the
9 Director of the Office of Management and
10 Budget pursuant to section 3504(b)(1) of title
11 44, United States Code, the Secretary, in order
12 to minimize the cost and reporting burden on
13 employers, shall not require reporting pursuant
14 to this paragraph if an alternative reporting
15 mechanism can be developed that either relies
16 on existing Federal or State reporting or en-
17 ables the Secretary to collect the needed infor-
18 mation in a more cost-effective and equally ex-
19 peditious manner, taking into account the re-
20 porting costs on employers.

21 “(E) CIVIL MONEY PENALTY ON NON-
22 COMPLYING EMPLOYERS.—(i) Any employer
23 that fails to make a timely report in accordance
24 with this paragraph with respect to an individ-
25 ual shall be subject to a civil money penalty, for

1 each calendar year in which the failure occurs,
2 of the lesser of \$500 or 1 percent of the wages
3 or other compensation paid by such employer to
4 such individual during such calendar year.

5 “(ii) Subject to clause (iii), the provisions
6 of section 1128A (other than subsections (a)
7 and (b) thereof) shall apply to a civil money
8 penalty under clause (i) in the same manner as
9 they apply to a civil money penalty or proceed-
10 ing under section 1128A(a).

11 “(iii) Any employer with respect to whom
12 a penalty under this subparagraph is upheld
13 after an administrative hearing shall be liable to
14 pay all costs of the Secretary with respect to
15 such hearing.

16 “(3) EMPLOYMENT SECURITY INFORMATION.—

17 “(A) REPORTING REQUIREMENT.—Each
18 State agency administering a State unemploy-
19 ment compensation law approved by the Sec-
20 retary of Labor under the Federal Unemploy-
21 ment Tax Act shall furnish to the Secretary of
22 Health and Human Services extracts of the re-
23 ports to the Secretary of Labor concerning the
24 wages and unemployment compensation paid to

1 individuals required under section 303(a)(6), in
2 accordance with subparagraph (B).

3 “(B) MANNER OF COMPLIANCE.—The ex-
4 tracts required under subparagraph (A) shall be
5 furnished to the Secretary of Health and
6 Human Services on a quarterly basis, with re-
7 spect to calendar quarters beginning on and
8 after October 1, 1996, by such dates, in such
9 format, and containing such information as re-
10 quired by that Secretary in regulations.

11 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

12 “(1) VERIFICATION BY SOCIAL SECURITY AD-
13 MINISTRATION.—(A) The Secretary shall transmit
14 data on individuals and employers maintained under
15 this section to the Social Security Administration to
16 the extent necessary for verification in accordance
17 with subparagraph (B).

18 “(B) The Social Security Administration shall
19 verify the accuracy of, correct or supply to the ex-
20 tent necessary and feasible, and report to the Sec-
21 retary, the following information in data supplied by
22 the Secretary pursuant to subparagraph (A):

23 “(i) the name, social security number, and
24 birth date of each individual; and

1 “(ii) the employer identification number of
2 each employer.

3 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
4 the purpose of locating individuals for purposes of
5 paternity establishment and establishment and en-
6 forcement of child support, the Secretary shall—

7 “(A) match data in the directory of New
8 Hires against the child support order abstracts
9 in the Data Bank of Child Support Orders not
10 less often than every 2 working days; and

11 “(B) report information obtained from
12 such a match to concerned State agencies oper-
13 ating programs under this part not later than
14 2 working days after such match.

15 “(3) DATA MATCHES AND DISCLOSURES OF
16 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
17 PURPOSES.—The Secretary shall—

18 “(A) perform matches of data in each com-
19 ponent of the Federal Parent Locator Service
20 maintained under this section against data in
21 each other such component (other than the
22 matches required pursuant to paragraph (1)),
23 and report information resulting from such
24 matches to State agencies operating programs
25 under this part and parts A, F, and G; and

1 “(B) disclose data in such registries to
2 such State agencies,
3 to the extent, and with the frequency, that the Sec-
4 retary determines to be effective in assisting such
5 States to carry out their responsibilities under such
6 programs.

7 “(k) FEES.—

8 “(1) FOR SSA VERIFICATION.—The Secretary
9 shall reimburse the Commissioner of Social Security,
10 at a rate negotiated between the Secretary and the
11 Commissioner, the costs incurred by the Commis-
12 sioner in performing the verification services speci-
13 fied in subsection (j).

14 “(2) FOR INFORMATION FROM SESAS.—The
15 Secretary shall reimburse costs incurred by State
16 employment security agencies in furnishing data as
17 required by subsection (j)(3), at rates which the Sec-
18 retary determines to be reasonable (which rates shall
19 not include payment for the costs of obtaining, com-
20 piling, or maintaining such data).

21 “(3) FOR INFORMATION FURNISHED TO STATE
22 AND FEDERAL AGENCIES.—State and Federal agen-
23 cies receiving data or information from the Secretary
24 pursuant to this section shall reimburse the costs in-
25 curred by the Secretary in furnishing such data or

1 information, at rates which the Secretary determines
2 to be reasonable (which rates shall include payment
3 for the costs of obtaining, verifying, maintaining,
4 and matching such data or information).

5 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data
6 in the Federal Parent Locator Service, and information
7 resulting from matches using such data, shall not be used
8 or disclosed except as specifically provided in this section.

9 “(m) RETENTION OF DATA.—Data in the Federal
10 Parent Locator Service, and data resulting from matches
11 performed pursuant to this section, shall be retained for
12 such period (determined by the Secretary) as appropriate
13 for the data uses specified in this section.

14 “(n) INFORMATION INTEGRITY AND SECURITY.—The
15 Secretary shall establish and implement safeguards with
16 respect to the entities established under this section de-
17 signed to—

18 “(1) ensure the accuracy and completeness of
19 information in the Federal Parent Locator Service;
20 and

21 “(2) restrict access to confidential information
22 in the Federal Parent Locator Service to authorized
23 persons, and restrict use of such information to au-
24 thorized purposes.

1 “(o) LIMIT ON LIABILITY.—The Secretary shall not
2 be liable to either a State or an individual for inaccurate
3 information provided to a component of the Federal Par-
4 ent Locator Service section and disclosed by the Secretary
5 in accordance with this section.”.

6 (g) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
8 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
9 654(8)(B)) is amended to read as follows:

10 “(B) the Federal Parent Locator Service
11 established under section 453;”.

12 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
13 Section 3304(16) of the Internal Revenue Code of
14 1986 is amended—

15 (A) by striking “Secretary of Health, Edu-
16 cation, and Welfare” each place such term ap-
17 pears and inserting “Secretary of Health and
18 Human Services”;

19 (B) in subparagraph (B), by striking
20 “such information” and all that follows and in-
21 serting “information furnished under subpara-
22 graph (A) or (B) is used only for the purposes
23 authorized under such subparagraph;”;

24 (C) by striking “and” at the end of sub-
25 paragraph (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (E) by inserting after subparagraph (A)
4 the following new subparagraph:

5 “(B) wage and unemployment compensa-
6 tion information contained in the records of
7 such agency shall be furnished to the Secretary
8 of Health and Human Services (in accordance
9 with regulations promulgated by such Sec-
10 retary) as necessary for the purposes of the di-
11 rectory of New Hires established under section
12 453(i) of the Social Security Act, and”.

13 (3) TO STATE GRANT PROGRAM UNDER TITLE
14 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
15 (42 U.S.C. 503(a)) is amended—

16 (A) by striking “and” at the end of para-
17 graph (8);

18 (B) by striking the period at the end of
19 paragraph (9) and inserting “; and”; and

20 (C) by adding after paragraph (9) the fol-
21 lowing new paragraph:

22 “(10) The making of quarterly electronic re-
23 ports, at such dates, in such format, and containing
24 such information, as required by the Secretary of
25 Health and Human Services under section 453(i)(3),

1 and compliance with such provisions as such Sec-
2 retary may find necessary to ensure the correctness
3 and verification of such reports.”.

4 **SEC. 41306. USE OF SOCIAL SECURITY NUMBERS.**

5 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
6 U.S.C. 666(a)), as amended by section 41101(a) of this
7 subtitle, is amended by adding at the end the following
8 new paragraph:

9 “(13) SOCIAL SECURITY NUMBERS RE-
10 QUIRED.—Procedures requiring the recording of so-
11 cial security numbers—

12 “(A) of both parties on marriage licenses
13 and divorce decrees; and

14 “(B) of both parents, on birth records and
15 child support and paternity orders.”.

16 (b) CLARIFICATION OF FEDERAL POLICY.—Section
17 205(e)(2)(C)(ii) (42 U.S.C. 405(e)(2)(C)(ii)) is amended
18 by striking the third sentence and inserting “This clause
19 shall not be considered to authorize disclosure of such
20 numbers except as provided in the preceding sentence.”.

1 **CHAPTER 4—STREAMLINING AND**
2 **UNIFORMITY OF PROCEDURES**

3 **SEC. 41401. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 41101(a) and 41306(a) of this subtitle, is amend-
6 ed by adding at the end the following new paragraph:

7 “(14) INTERSTATE ENFORCEMENT.—(A) ADOPT-
8 TION OF UIFSA.—Procedures under which the State
9 adopts in its entirety (with the modifications and ad-
10 ditions specified in this paragraph) not later than
11 January 1, 1997, and uses on and after such date,
12 the Uniform Interstate Family Support Act, as ap-
13 proved by the National Conference of Commissioners
14 on Uniform State Laws in August, 1992.

15 “(B) EXPANDED APPLICATION OF UIFSA.—The
16 State law adopted pursuant to subparagraph (A)
17 shall be applied to any case—

18 “(i) involving an order established or modi-
19 fied in one State and for which a subsequent
20 modification is sought in another State; or

21 “(ii) in which interstate activity is required
22 to enforce an order.

23 “(C) JURISDICTION TO MODIFY ORDERS.—The
24 State law adopted pursuant to subparagraph (A) of
25 this paragraph shall contain the following provision

1 in lieu of section 611(a)(1) of the Uniform Inter-
2 state Family Support Act described in such subpara-
3 graph (A):

4 “(1) the following requirements are met:

5 “(i) the child, the individual obligee, and
6 the obligor—

7 “(I) do not reside in the issuing
8 State; and

9 “(II) either reside in this State or
10 are subject to the jurisdiction of this State
11 pursuant to section 201; and

12 “(ii) (in any case where another State is
13 exercising or seeks to exercise jurisdiction to
14 modify the order) the conditions of section 204
15 are met to the same extent as required for pro-
16 ceedings to establish orders; or’.

17 “(D) SERVICE OF PROCESS.—The State law
18 adopted pursuant to subparagraph (A) shall recog-
19 nize as valid, for purposes of any proceeding subject
20 to such State law, service of process upon persons
21 in the State (and proof of such service) by any
22 means acceptable in another State which is the initi-
23 ating or responding State in such proceeding.

24 “(E) COOPERATION BY EMPLOYERS.—The
25 State law adopted pursuant to subparagraph (A)

1 shall provide for the use of procedures (including
2 sanctions for noncompliance) under which all entities
3 in the State (including for-profit, nonprofit, and gov-
4 ernmental employers) are required to provide
5 promptly, in response to a request by the State
6 agency of that or any other State administering a
7 program under this part, information on the employ-
8 ment, compensation, and benefits of any individual
9 employed by such entity as an employee or contrac-
10 tor.”.

11 **SEC. 41402. IMPROVEMENTS TO FULL FAITH AND CREDIT**
12 **FOR CHILD SUPPORT ORDERS.**

13 Section 1738B of title 28, United States Code, is
14 amended—

15 (1) in subsection (a)(2), by striking “subsection
16 (e)” and inserting “subsections (e), (f), and (i)”;

17 (2) in subsection (b), by inserting after the 2nd
18 undesignated paragraph the following:

19 “‘child’s home State’ means the State in which
20 a child lived with a parent or a person acting as par-
21 ent for at least six consecutive months immediately
22 preceding the time of filing of a petition or com-
23 parable pleading for support and, if a child is less
24 than six months old, the State in which the child
25 lived from birth with any of them. A period of tem-

1 porary absence of any of them is counted as part of
2 the six-month period.”;

3 (3) in subsection (c), by inserting “by a court
4 of a State” before “is made”;

5 (4) in subsection (c)(1), by inserting “and sub-
6 sections (e), (f), and (g)” after “located”;

7 (5) in subsection (d)—

8 (A) by inserting “individual” before “con-
9 testant”; and

10 (B) by striking “subsection (e)” and in-
11 serting “subsections (e) and (f)”;

12 (6) in subsection (e), by striking “make a modi-
13 fication of a child support order with respect to a
14 child that is made” and inserting “modify a child
15 support order issued”;

16 (7) in subsection (e)(1), by inserting “pursuant
17 to subsection (i)” before the semicolon;

18 (8) in subsection (e)(2)—

19 (A) by inserting “individual” before “con-
20 testant” each place such term appears; and

21 (B) by striking “to that court’s making the
22 modification and assuming” and inserting “with
23 the State of continuing, exclusive jurisdiction
24 for a court of another State to modify the order
25 and assume”;

1 (9) by redesignating subsections (f) and (g) as
2 subsections (g) and (h), respectively;

3 (10) by inserting after subsection (e) the follow-
4 ing:

5 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

6 If one or more child support orders have been issued in
7 this or another State with regard to an obligor and a child,
8 a court shall apply the following rules in determining
9 which order to recognize for purposes of continuing, exclu-
10 sive jurisdiction and enforcement:

11 “(1) If only one court has issued a child sup-
12 port order, the order of that court must be recog-
13 nized.

14 “(2) If two or more courts have issued child
15 support orders for the same obligor and child, and
16 only one of the courts would have continuing, exclu-
17 sive jurisdiction under this section, the order of that
18 court must be recognized.

19 “(3) If two or more courts have issued child
20 support orders for the same obligor and child, and
21 only one of the courts would have continuing, exclu-
22 sive jurisdiction under this section, an order issued
23 by a court in the current home State of the child
24 must be recognized, but if an order has not been is-

1 sued in the current home State of the child, the
2 order most recently issued must be recognized.

3 “(4) If two or more courts have issued child
4 support orders for the same obligor and child, and
5 none of the courts would have continuing, exclusive
6 jurisdiction under this section, a court may issue a
7 child support order, which must be recognized.

8 “(5) The court that has issued an order recog-
9 nized under this subsection is the court having con-
10 tinuing, exclusive jurisdiction.”;

11 (11) in subsection (g) (as so redesignated)—

12 (A) by striking “PRIOR” and inserting
13 “MODIFIED”; and

14 (B) by striking “subsection (e)” and in-
15 serting “subsections (e) and (f)”;

16 (12) in subsection (h) (as so redesignated)—

17 (A) in paragraph (2), by inserting “includ-
18 ing the duration of current payments and other
19 obligations of support” before the comma; and

20 (B) in paragraph (3), by inserting “arrears
21 under” after “enforce”; and

22 (13) by adding at the end the following:

23 “(i) REGISTRATION FOR MODIFICATION.—If there is
24 no individual contestant or child residing in the issuing
25 State, the party or support enforcement agency seeking

1 to modify, or to modify and enforce, a child support order
2 issued in another State shall register that order in a State
3 with jurisdiction over the nonmovant for the purpose of
4 modification.”.

5 **SEC. 41403. STATE LAWS PROVIDING EXPEDITED PROCE-**
6 **DURES.**

7 (a) STATE LAW REQUIREMENTS.—Section 466 (42
8 U.S.C. 666) is amended—

9 (1) in subsection (a)(2), in the first sentence, to
10 read as follows: “Expedited administrative and judi-
11 cial procedures (including the procedures specified in
12 subsection (c)) for establishing paternity and for es-
13 tablishing, modifying, and enforcing support obliga-
14 tions.”; and

15 (2) by adding after subsection (b) the following
16 new subsection:

17 “(c) EXPEDITED PROCEDURES.—The procedures
18 specified in this subsection are the following:

19 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
20 CY.—Procedures which give the State agency the au-
21 thority (and recognize and enforce the authority of
22 State agencies of other States), without the necessity
23 of obtaining an order from any other judicial or ad-
24 ministrative tribunal (but subject to due process
25 safeguards, including (as appropriate) requirements

1 for notice, opportunity to contest the action, and op-
2 portunity for an appeal on the record to an inde-
3 pendent administrative or judicial tribunal), to take
4 the following actions relating to establishment or en-
5 forcement of orders:

6 “(A) GENETIC TESTING.—To order genetic
7 testing for the purpose of paternity establish-
8 ment as provided in section 466(a)(5).

9 “(B) DEFAULT ORDERS.—To enter a de-
10 fault order, upon a showing of service of proc-
11 ess and any additional showing required by
12 State law—

13 “(i) establishing paternity, in the case
14 of any putative father who refuses to sub-
15 mit to genetic testing; and

16 “(ii) establishing or modifying a sup-
17 port obligation, in the case of a parent (or
18 other obligor or obligee) who fails to re-
19 spond to notice to appear at a proceeding
20 for such purpose.

21 “(C) SUBPOENAS.—To subpoena any fi-
22 nancial or other information needed to estab-
23 lish, modify, or enforce an order, and to sanc-
24 tion failure to respond to any such subpoena.

1 “(D) ACCESS TO PERSONAL AND FINAN-
2 CIAL INFORMATION.—To obtain access, subject
3 to safeguards on privacy and information secu-
4 rity, to the following records (including auto-
5 mated access, in the case of records maintained
6 in automated data bases):

7 “(i) records of other State and local
8 government agencies, including—

9 “(I) vital statistics (including
10 records of marriage, birth, and di-
11 vorce);

12 “(II) State and local tax and rev-
13 enue records (including information
14 on residence address, employer, in-
15 come and assets);

16 “(III) records concerning real
17 and titled personal property;

18 “(IV) records of occupational and
19 professional licenses, and records con-
20 cerning the ownership and control of
21 corporations, partnerships, and other
22 business entities;

23 “(V) employment security
24 records;

1 “(VI) records of agencies admin-
2 istering public assistance programs;

3 “(VII) records of the motor vehi-
4 cle department; and

5 “(VIII) corrections records; and

6 “(ii) certain records held by private
7 entities, including—

8 “(I) customer records of public
9 utilities and cable television compa-
10 nies; and

11 “(II) information (including in-
12 formation on assets and liabilities) on
13 individuals who owe or are owed sup-
14 port (or against or with respect to
15 whom a support obligation is sought)
16 held by financial institutions (subject
17 to limitations on liability of such enti-
18 ties arising from affording such ac-
19 cess).

20 “(E) INCOME WITHHOLDING.—To order
21 income withholding in accordance with sub-
22 section (a)(1) and (b) of section 466.

23 “(F) CHANGE IN PAYEE.—(In cases where
24 support is subject to an assignment under sec-
25 tion 402(a)(26), 471(a)(17), or 1912, or to a

1 requirement to pay through the centralized col-
2 lections unit under section 454B) upon provid-
3 ing notice to obligor and obligee, to direct the
4 obligor or other payor to change the payee to
5 the appropriate government entity.

6 “(G) SECURE ASSETS TO SATISFY ARREAR-
7 AGES.—For the purpose of securing overdue
8 support—

9 “(i) to intercept and seize any peri-
10 odic or lump-sum payment to the obligor
11 by or through a State or local government
12 agency, including—

13 “(I) unemployment compensa-
14 tion, workers’ compensation, and
15 other benefits;

16 “(II) judgments and settlements
17 in cases under the jurisdiction of the
18 State or local government; and

19 “(III) lottery winnings;

20 “(ii) to attach and seize assets of the
21 obligor held by financial institutions;

22 “(iii) to attach public and private re-
23 tirement funds in appropriate cases, as de-
24 termined by the Secretary; and

1 “(iv) to impose liens in accordance
2 with paragraph (a)(4) and, in appropriate
3 cases, to force sale of property and dis-
4 tribution of proceeds.

5 “(H) INCREASE MONTHLY PAYMENTS.—
6 For the purpose of securing overdue support, to
7 increase the amount of monthly support pay-
8 ments to include amounts for arrearages (sub-
9 ject to such conditions or restrictions as the
10 State may provide).

11 “(I) SUSPENSION OF DRIVERS’ LI-
12 CENSES.—To suspend drivers’ licenses of indi-
13 viduals owing past-due support, in accordance
14 with subsection (a)(16).

15 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
16 The expedited procedures required under subsection
17 (a)(2) shall include the following rules and author-
18 ity, applicable with respect to all proceedings to es-
19 tablish paternity or to establish, modify, or enforce
20 support orders:

21 “(A) LOCATOR INFORMATION; PRESUMP-
22 TIONS CONCERNING NOTICE.—Procedures
23 under which—

24 “(i) the parties to any paternity or
25 child support proceedings are required

1 (subject to privacy safeguards) to file with
2 the tribunal before entry of an order, and
3 to update as appropriate, information on
4 location and identity (including Social Se-
5 curity number, residential and mailing ad-
6 dresses, telephone number, driver’s license
7 number, and name, address, and telephone
8 number of employer); and

9 “(ii) in any subsequent child support
10 enforcement action between the same par-
11 ties, the tribunal shall be authorized, upon
12 sufficient showing that diligent effort has
13 been made to ascertain such party’s cur-
14 rent location, to deem due process require-
15 ments for notice and service of process to
16 be met, with respect to such party, by de-
17 livery to the most recent residential or em-
18 ployer address so filed pursuant to clause
19 (i).

20 “(B) STATEWIDE JURISDICTION.—Proce-
21 dures under which—

22 “(i) the State agency and any admin-
23 istrative or judicial tribunal with authority
24 to hear child support and paternity cases
25 exerts statewide jurisdiction over the par-

1 ties, and orders issued in such cases have
2 statewide effect; and

3 “(ii) (in the case of a State in which
4 orders in such cases are issued by local ju-
5 risdictions) a case may be transferred be-
6 tween jurisdictions in the State without
7 need for any additional filing by the peti-
8 tioner, or service of process upon the re-
9 spondent, to retain jurisdiction over the
10 parties.”.

11 (c) EXCEPTIONS FROM STATE LAW REQUIRE-
12 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
13 ed—

14 (1) by striking “(d) If” and inserting the fol-
15 lowing:

16 “(d) EXEMPTIONS FROM REQUIREMENTS.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 if”; and

19 (2) by adding at the end the following new
20 paragraph:

21 “(2) NONEXEMPT REQUIREMENTS.—The Sec-
22 retary shall not grant an exemption from the re-
23 quirements of—

24 “(A) subsection (a)(5) (concerning proce-
25 dures for paternity establishment);

1 “(B) subsection (a)(10) (concerning modi-
2 fication of orders);

3 “(C) subsection (a)(12) (concerning re-
4 cording of orders in the central State case reg-
5 istry);

6 “(D) subsection (a)(13) (concerning re-
7 cording of Social Security numbers);

8 “(E) subsection (a)(14) (concerning inter-
9 state enforcement); or

10 “(F) subsection (c) (concerning expedited
11 procedures), other than paragraph (1)(A) there-
12 of (concerning establishment or modification of
13 support amount).”.

14 (d) **AUTOMATION OF STATE AGENCY FUNCTIONS.**—
15 Section 454A, as added by section 41205(a)(2) of this
16 subtitle and as amended by sections 41301 and 41302(c)
17 of this subtitle, is amended by adding at the end the fol-
18 lowing new subsection:

19 “(h) **EXPEDITED ADMINISTRATIVE PROCEDURES.**—
20 The automated system required under this section shall
21 be used, to the maximum extent feasible, to implement any
22 expedited administrative procedures required under sec-
23 tion 466(c).”.

1 **CHAPTER 5—PATERNITY ESTABLISHMENT**

2 **SEC. 41501. STATE LAWS CONCERNING PATERNITY ESTAB-**
3 **LISHMENT.**

4 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
5 U.S.C. 666(a)(5)) is amended—

6 (1) by striking “(5)” and inserting the follow-
7 ing:

8 “(5) PROCEDURES CONCERNING PATERNITY ES-
9 TABLISHMENT.—”;

10 (2) in subparagraph (A)—

11 (A) by striking “(A)(i)” and inserting the
12 following:

13 “(A) ESTABLISHMENT PROCESS AVAIL-
14 ABLE FROM BIRTH UNTIL AGE EIGHTEEN.—

15 (i)”; and

16 (B) by indenting clauses (i) and (ii) so
17 that the left margin of such clauses is 2 ems to

18 the right of the left margin of paragraph (4);

19 (3) in subparagraph (B)—

20 (A) by striking “(B)” and inserting the
21 following:

22 “(B) PROCEDURES CONCERNING GENETIC
23 TESTING.—(i)”;

24 (B) in clause (i), as redesignated, by in-
25 serting before the period “, where such request

1 is supported by a sworn statement (I) by such
2 party alleging paternity setting forth facts es-
3 tablishing a reasonable possibility of the req-
4 uisite sexual contact of the parties, or (II) by
5 such party denying paternity setting forth facts
6 establishing a reasonable possibility of the non-
7 existence of sexual contact of the parties;”;

8 (C) by inserting after and below clause (i)
9 (as redesignated) the following new clause:

10 “(ii) Procedures which require the State
11 agency, in any case in which such agency orders
12 genetic testing—

13 “(I) to pay costs of such tests, subject
14 to recoupment (where the State so elects)
15 from the putative father if paternity is es-
16 tablished; and

17 “(II) to obtain additional testing in
18 any case where an original test result is
19 disputed, upon request and advance pay-
20 ment by the disputing party.”;

21 (4) by striking subparagraphs (C) and (D) and
22 inserting the following:

23 “(C) PATERNITY ACKNOWLEDGMENT.—(i)
24 Procedures for a simple civil process for volun-
25 tarily acknowledging paternity under which the

1 State must provide that, before a mother and a
2 putative father can sign an acknowledgment of
3 paternity, the putative father and the mother
4 must be given notice, orally, in writing, and in
5 a language that each can understand, of the al-
6 ternatives to, the legal consequences of, and the
7 rights (including, if 1 parent is a minor, any
8 rights afforded due to minority status) and re-
9 sponsibilities that arise from, signing the ac-
10 knowledgment.

11 “(ii) Such procedures must include a hos-
12 pital-based program for the voluntary acknowl-
13 edgment of paternity focusing on the period im-
14 mediately before or after the birth of a child.

15 “(iii) Such procedures must require the
16 State agency responsible for maintaining birth
17 records to offer voluntary paternity establish-
18 ment services.

19 “(iv) The Secretary shall prescribe regula-
20 tions governing voluntary paternity establish-
21 ment services offered by hospitals and birth
22 record agencies. The Secretary shall prescribe
23 regulations specifying the types of other entities
24 that may offer voluntary paternity establish-
25 ment services, and governing the provision of

1 such services, which shall include a requirement
2 that such an entity must use the same notice
3 provisions used by, the same materials used by,
4 provide the personnel providing such services
5 with the same training provided by, and evalu-
6 ate the provision of such services in the same
7 manner as, voluntary paternity establishment
8 programs of hospitals and birth record agen-
9 cies.

10 “(v) Such procedures must require the
11 State and those required to establish paternity
12 to use only the affidavit developed under section
13 452(a)(7) for the voluntary acknowledgment of
14 paternity, and to give full faith and credit to
15 such an affidavit signed in any other State.

16 “(D) STATUS OF SIGNED PATERNITY AC-
17 KNOWLEDGMENT.—(i) Procedures under which
18 a signed acknowledgment of paternity is consid-
19 ered a legal finding of paternity, subject to the
20 right of any signatory to rescind the acknowl-
21 edgment within 60 days.

22 “(ii)(I) Procedures under which, after the
23 60-day period referred to in clause (i), a signed
24 acknowledgment of paternity may be challenged
25 in court only on the basis of fraud, duress, or

1 material mistake of fact, with the burden of
2 proof upon the challenger, and under which the
3 legal responsibilities (including child support
4 obligations) of any signatory arising from the
5 acknowledgment may not be suspended during
6 the challenge, except for good cause shown.

7 “(II) Procedures under which, after the
8 60-day period referred to in clause (i), a minor
9 who signs an acknowledgment of paternity
10 other than in the presence of a parent or court-
11 appointed guardian ad litem may rescind the
12 acknowledgment in a judicial or administrative
13 proceeding, until the earlier of—

14 “(aa) attaining the age of majority; or

15 “(bb) the date of the first judicial or
16 administrative proceeding brought (after
17 the signing) to establish a child support
18 obligation, visitation rights, or custody
19 rights with respect to the child whose pa-
20 ternity is the subject of the acknowledg-
21 ment, and at which the minor is rep-
22 resented by a parent, guardian ad litem, or
23 attorney.”;

24 (5) by striking subparagraph (E) and inserting
25 the following:

1 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
2 CATION PROCEEDINGS.—Procedures under
3 which no judicial or administrative proceedings
4 are required or permitted to ratify an unchal-
5 lenged acknowledgment of paternity.”;

6 (6) by striking subparagraph (F) and inserting
7 the following:

8 “(F) ADMISSIBILITY OF GENETIC TESTING
9 RESULTS.—Procedures—

10 “(i) requiring that the State admit
11 into evidence, for purposes of establishing
12 paternity, results of any genetic test that
13 is—

14 “(I) of a type generally acknowl-
15 edged, by accreditation bodies des-
16 ignated by the Secretary, as reliable
17 evidence of paternity; and

18 “(II) performed by a laboratory
19 approved by such an accreditation
20 body;

21 “(ii) that any objection to genetic
22 testing results must be made in writing not
23 later than a specified number of days be-
24 fore any hearing at which such results may
25 be introduced into evidence (or, at State

1 option, not later than a specified number
2 of days after receipt of such results); and

3 “(iii) that, if no objection is made, the
4 test results are admissible as evidence of
5 paternity without the need for foundation
6 testimony or other proof of authenticity or
7 accuracy.”; and

8 (7) by adding after subparagraph (H) the
9 following new subparagraphs:

10 “(I) NO RIGHT TO JURY TRIAL.—Proce-
11 dures providing that the parties to an action to
12 establish paternity are not entitled to jury trial.

13 “(J) TEMPORARY SUPPORT ORDER BASED
14 ON PROBABLE PATERNITY IN CONTESTED
15 CASES.—Procedures which require that a tem-
16 porary order be issued, upon motion by a party,
17 requiring the provision of child support pending
18 an administrative or judicial determination of
19 parentage, where there is clear and convincing
20 evidence of paternity (on the basis of genetic
21 tests or other evidence).

22 “(K) PROOF OF CERTAIN SUPPORT AND
23 PATERNITY ESTABLISHMENT COSTS.—Proce-
24 dures under which bills for pregnancy, child-
25 birth, and genetic testing are admissible as evi-

1 dence without requiring third-party foundation
2 testimony, and shall constitute prima facie evi-
3 dence of amounts incurred for such services and
4 testing on behalf of the child.

5 “(L) WAIVER OF STATE DEBTS FOR CO-
6 OPERATION.—At the option of the State, proce-
7 dures under which the tribunal establishing pa-
8 ternity and support has discretion to waive
9 rights to all or part of amounts owed to the
10 State (but not to the mother) for costs related
11 to pregnancy, childbirth, and genetic testing
12 and for public assistance paid to the family
13 where the father cooperates or acknowledges
14 paternity before or after genetic testing.

15 “(M) STANDING OF PUTATIVE FATHERS.—
16 Procedures ensuring that the putative father
17 has a reasonable opportunity to initiate a pater-
18 nity action.”.

19 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
20 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
21 amended by inserting “, and develop an affidavit to be
22 used for the voluntary acknowledgment of paternity which
23 shall include the social security account number of each
24 parent” before the semicolon.

1 (c) TECHNICAL AMENDMENT.—Section 468 (42
2 U.S.C. 668) is amended by striking “a simple civil process
3 for voluntarily acknowledging paternity and”.

4 **SEC. 41502. OUTREACH FOR VOLUNTARY PATERNITY ES-**
5 **TABLISHMENT.**

6 (a) STATE PLAN REQUIREMENT.—Section 454(23)
7 (42 U.S.C. 654(23)) is amended by adding at the end the
8 following new subparagraph:

9 “(C) publicize the availability and encour-
10 age the use of procedures for voluntary estab-
11 lishment of paternity and child support through
12 a variety of means, which—

13 “(i) include distribution of written
14 materials at health care facilities (includ-
15 ing hospitals and clinics), and other loca-
16 tions such as schools;

17 “(ii) may include pre-natal programs
18 to educate expectant couples on individual
19 and joint rights and responsibilities with
20 respect to paternity (and may require all
21 expectant recipients of assistance under
22 part A to participate in such pre-natal pro-
23 grams, as an element of cooperation with
24 efforts to establish paternity and child sup-
25 port);

1 “(iii) include, with respect to each
2 child discharged from a hospital after birth
3 for whom paternity or child support has
4 not been established, reasonable follow-up
5 efforts (including at least one contact of
6 each parent whose whereabouts are known,
7 except where there is reason to believe
8 such follow-up efforts would put mother or
9 child at risk), providing—

10 “(I) in the case of a child for
11 whom paternity has not been estab-
12 lished, information on the benefits of
13 and procedures for establishing pater-
14 nity; and

15 “(II) in the case of a child for
16 whom paternity has been established
17 but child support has not been estab-
18 lished, information on the benefits of
19 and procedures for establishing a
20 child support order, and an applica-
21 tion for child support services;”.

22 (b) ENHANCED FEDERAL MATCHING.—Section
23 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

24 (1) by inserting “(i)” before “laboratory costs”,

25 and

1 (2) by inserting before the semicolon “, and (ii)
2 costs of outreach programs designed to encourage
3 voluntary acknowledgment of paternity”.

4 (c) EFFECTIVE DATES.—(1) The amendments made
5 by subsection (a) shall become effective October 1, 1997.

6 (2) The amendments made by subsection (b) shall be
7 effective with respect to calendar quarters beginning on
8 and after October 1, 1996.

9 **CHAPTER 6—ESTABLISHMENT AND**
10 **MODIFICATION OF SUPPORT ORDERS**

11 **SEC. 41601. NATIONAL CHILD SUPPORT GUIDELINES COM-**
12 **MISSION.**

13 (a) ESTABLISHMENT.—There is hereby established a
14 commission to be known as the “National Child Support
15 Guidelines Commission” (in this section referred to as the
16 “Commission”).

17 (b) GENERAL DUTIES.—The Commission shall de-
18 velop a national child support guideline for consideration
19 by the Congress that is based on a study of various guide-
20 line models, the benefits and deficiencies of such models,
21 and any needed improvements.

22 (c) MEMBERSHIP.—

23 (1) NUMBER; APPOINTMENT.—

24 (A) IN GENERAL.—The Commission shall
25 be composed of 12 individuals appointed jointly

1 by the Secretary of Health and Human Services
2 and the Congress, not later than January 15,
3 1997, of which—

4 (i) 2 shall be appointed by the Chair-
5 man of the Committee on Finance of the
6 Senate, and 1 shall be appointed by the
7 ranking minority member of the Commit-
8 tee;

9 (ii) 2 shall be appointed by the Chair-
10 man of the Committee on Ways and Means
11 of the House of Representatives, and 1
12 shall be appointed by the ranking minority
13 member of the Committee; and

14 (iii) 6 shall be appointed by the Sec-
15 retary of Health and Human Services.

16 (B) QUALIFICATIONS OF MEMBERS.—

17 Members of the Commission shall have exper-
18 tise and experience in the evaluation and devel-
19 opment of child support guidelines. At least 1
20 member shall represent advocacy groups for
21 custodial parents, at least 1 member shall rep-
22 resent advocacy groups for noncustodial par-
23 ents, and at least 1 member shall be the direc-
24 tor of a State program under part D of title IV
25 of the Social Security Act.

1 (2) TERMS OF OFFICE.—Each member shall be
2 appointed for a term of 2 years. A vacancy in the
3 Commission shall be filled in the manner in which
4 the original appointment was made.

5 (d) COMMISSION POWERS, COMPENSATION, ACCESS
6 TO INFORMATION, AND SUPERVISION.—The first sentence
7 of subparagraph (C), the first and third sentences of sub-
8 paragraph (D), subparagraph (F) (except with respect to
9 the conduct of medical studies), clauses (ii) and (iii) of
10 subparagraph (G), and subparagraph (H) of section
11 1886(e)(6) of the Social Security Act shall apply to the
12 Commission in the same manner in which such provisions
13 apply to the Prospective Payment Assessment Commis-
14 sion.

15 (e) REPORT.—Not later than 2 years after the ap-
16 pointment of members, the Commission shall submit to
17 the President, the Committee on Ways and Means of the
18 House of Representatives, and the Committee on Finance
19 of the Senate, a recommended national child support
20 guideline and a final assessment of issues relating to such
21 a proposed national child support guideline.

22 (f) TERMINATION.—The Commission shall terminate
23 6 months after the submission of the report described in
24 subsection (e).

1 **SEC. 41602. SIMPLIFIED PROCESS FOR REVIEW AND AD-**
2 **JUSTMENT OF CHILD SUPPORT ORDERS.**

3 (a) IN GENERAL.—Section 466(a)(10) (42 U.S.C.
4 666(a)(10)) is amended to read as follows:

5 “(10) PROCEDURES FOR MODIFICATION OF
6 SUPPORT ORDERS.—

7 “(A)(i) Procedures under which—

8 “(I) every 3 years, at the request of
9 either parent subject to a child support
10 order, the State shall review and, as appro-
11 priate, adjust the order in accordance with
12 the guidelines established under section
13 467(a) if the amount of the child support
14 award under the order differs from the
15 amount that would be awarded in accord-
16 ance with such guidelines, without a re-
17 quirement for any other change in cir-
18 cumstances; and

19 “(II) upon request at any time of ei-
20 ther parent subject to a child support
21 order, the State shall review and, as appro-
22 priate, adjust the order in accordance with
23 the guidelines established under section
24 467(a) based on a substantial change in
25 the circumstances of either such parent.

1 “(ii) Such procedures shall require both
2 parents subject to a child support order to be
3 notified of their rights and responsibilities pro-
4 vided for under clause (i) at the time the order
5 is issued and in the annual information ex-
6 change form provided under subparagraph (B).

7 “(B) Procedures under which each child
8 support order issued or modified in the State
9 after the effective date of this subparagraph
10 shall require the parents subject to the order to
11 provide each other with a complete statement of
12 their respective financial condition annually on
13 a form which shall be established by the Sec-
14 retary and provided by the State. The Secretary
15 shall establish regulations for the enforcement
16 of such exchange of information.”.

17 **CHAPTER 7—ENFORCEMENT OF SUPPORT**
18 **ORDERS**

19 **SEC. 41701. FEDERAL INCOME TAX REFUND OFFSET.**

20 (a) CHANGED ORDER OF REFUND DISTRIBUTION
21 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of
22 the Internal Revenue Code of 1986 is amended—

23 (1) by striking “The amount” and inserting
24 “(1) IN GENERAL.—The amount”;

1 (2) by striking “paid to the State. A reduction”
2 and inserting “paid to the State.

3 “(2) PRIORITIES FOR OFFSET.—A reduction”;

4 (3) by striking “has been assigned” and insert-
5 ing “has not been assigned”; and

6 (4) by striking “and shall be applied” and all
7 that follows and inserting “and shall thereafter be
8 applied to satisfy any past-due support that has
9 been so assigned.”.

10 (b) ELIMINATION OF DISPARITIES IN TREATMENT
11 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1)
12 Section 464(a) (42 U.S.C. 664(a)) is amended—

13 (A) by striking “(a)” and inserting “(a) OFF-
14 SET AUTHORIZED.—”;

15 (B) in paragraph (1)—

16 (i) in the first sentence, by striking “which
17 has been assigned to such State pursuant to
18 section 402(a)(26) or section 471(a)(17)”;

19 (ii) in the second sentence, by striking “in
20 accordance with section 457 (b)(4) or (d)(3)”
21 and inserting “as provided in paragraph (2)”;

22 (C) in paragraph (2), to read as follows:

23 “(2) The State agency shall distribute amounts
24 paid by the Secretary of the Treasury pursuant to
25 paragraph (1)—

1 “(A) in accordance with section 457 (a)(4)
2 or (d)(3), in the case of past-due support as-
3 signed to a State pursuant to section
4 402(a)(26) or section 471(a)(17); and

5 “(B) to or on behalf of the child to whom
6 the support was owed, in the case of past-due
7 support not so assigned.”;

8 (D) in paragraph (3)—

9 (i) by striking “or (2)” each place it ap-
10 pears; and

11 (ii) in subparagraph (B), by striking
12 “under paragraph (2)” and inserting “on ac-
13 count of past-due support described in para-
14 graph (2)(B)”.

15 (2) Section 464(b) (42 U.S.C. 664(b)) is
16 amended—

17 (A) by striking “(b)(1)” and inserting “(b)
18 REGULATIONS.—”; and

19 (B) by striking paragraph (2).

20 (3) Section 464(c) (42 U.S.C. 664(c)) is
21 amended—

22 (A) by striking “(c)(1) Except as provided
23 in paragraph (2), as” and inserting “(c) DEFINI-
24 TION.—As”; and

25 (B) by striking paragraphs (2) and (3).

1 (c) TREATMENT OF LUMP-SUM TAX REFUND
2 UNDER AFDC.—

3 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
4 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended
5 by adding at the end the following: “but this para-
6 graph shall not apply to income received by a family
7 that is attributable to a child support obligation
8 owed with respect to a member of the family and
9 that is paid to the family from amounts withheld
10 from a Federal income tax refund otherwise payable
11 to the person owing such obligation, to the extent
12 that such income is placed in a qualified asset ac-
13 count (as defined in section 406(j)) the total
14 amounts in which, after such placement, does not
15 exceed \$10,000;”.

16 (2) QUALIFIED ASSET ACCOUNT DEFINED.—
17 Section 406 (42 U.S.C. 606), as amended by section
18 41102(g)(2) of this subtitle, is amended by adding
19 at the end the following:

20 “(j)(1) The term ‘qualified asset account’ means a
21 mechanism approved by the State (such as individual re-
22 tirement accounts, escrow accounts, or savings bonds) that
23 allows savings of a family receiving aid to families with
24 dependent children to be used for qualified distributions.

1 “(2) The term ‘qualified distribution’ means a dis-
2 tribution from a qualified asset account for expenses di-
3 rectly related to 1 or more of the following purposes:

4 “(A) The attendance of a member of the family
5 at any education or training program.

6 “(B) The improvement of the employability (in-
7 cluding self-employment) of a member of the family
8 (such as through the purchase of an automobile).

9 “(C) The purchase of a home for the family.

10 “(D) A change of the family residence.”.

11 (d) **EFFECTIVE DATE.**—The amendments made by
12 this section shall become effective October 1, 1999.

13 **SEC. 41702. INTERNAL REVENUE SERVICE COLLECTION OF**
14 **ARREARS.**

15 (a) **AMENDMENT TO INTERNAL REVENUE CODE.**—
16 Section 6305(a) of the Internal Revenue Code of 1986 is
17 amended—

18 (1) in paragraph (1), by inserting “except as
19 provided in paragraph (5)” after “collected”;

20 (2) by striking “and” at the end of paragraph
21 (3);

22 (3) by striking the period at the end of para-
23 graph (4) and inserting a comma;

24 (4) by adding after paragraph (4) the following
25 new paragraph:

1 “(5) no additional fee may be assessed for ad-
2 justments to an amount previously certified pursu-
3 ant to such section 452(b) with respect to the same
4 obligor.”; and

5 (5) by striking “Secretary of Health, Edu-
6 cation, and Welfare” each place it appears and in-
7 serting “Secretary of Health and Human Services”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall become effective October 1, 1997.

10 **SEC. 41703. AUTHORITY TO COLLECT SUPPORT FROM FED-**
11 **ERAL EMPLOYEES.**

12 (a) CONSOLIDATION AND STREAMLINING OF AU-
13 THORITIES.—

14 (1) Section 459 (42 U.S.C. 659) is amended in
15 the caption by inserting “INCOME WITHHOLDING,”
16 before “GARNISHMENT”.

17 (2) Section 459(a) (42 U.S.C. 659(a)) is
18 amended—

19 (A) by striking “(a)” and inserting “(a)
20 CONSENT TO SUPPORT ENFORCEMENT.—

21 (B) by striking “section 207” and insert-
22 ing “section 207 of this Act and 38 U.S.C.
23 5301”; and

24 (C) by striking all that follows “a private
25 person,” and inserting “to withholding in ac-

1 cordance with State law pursuant to subsections
2 (a)(1) and (b) of section 466 and regulations of
3 the Secretary thereunder, and to any other legal
4 process brought, by a State agency administer-
5 ing a program under this part or by an individ-
6 ual obligee, to enforce the legal obligation of
7 such individual to provide child support or ali-
8 mony.”.

9 (3) Section 459(b) (42 U.S.C. 659(b)) is
10 amended to read as follows:

11 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
12 PRIVATE PERSON.— Except as otherwise provided herein,
13 each entity specified in subsection (a) shall be subject,
14 with respect to notice to withhold income pursuant to sub-
15 section (a)(1) or (b) of section 466, or to any other order
16 or process to enforce support obligations against an indi-
17 vidual (if such order or process contains or is accompanied
18 by sufficient data to permit prompt identification of the
19 individual and the moneys involved), to the same require-
20 ments as would apply if such entity were a private per-
21 son.”.

22 (4) Section 459(c) (42 U.S.C. 659(c)) is redес-
23 igned and relocated as paragraph (2) of subsection
24 (f), and is amended—

1 (A) by striking “responding to interro-
2 gatories pursuant to requirements imposed by
3 section 461(b)(3)” and inserting “taking ac-
4 tions necessary to comply with the requirements
5 of subsection (A) with regard to any individ-
6 ual”; and

7 (B) by striking “any of his duties” and all
8 that follows and inserting “such duties.”.

9 (5) Section 461 (42 U.S.C. 661) is amended by
10 striking subsection (b), and section 459 (42 U.S.C.
11 659) is amended by inserting after subsection (b)
12 (as added by paragraph (3) of this subsection) the
13 following:

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS.—(1) The head of each agency subject to the
16 requirements of this section shall—

17 “(A) designate an agent or agents to receive or-
18 ders and accept service of process; and

19 “(B) publish (i) in the appendix of such regula-
20 tions, (ii) in each subsequent republication of such
21 regulations, and (iii) annually in the Federal Reg-
22 ister, the designation of such agent or agents, identi-
23 fied by title of position, mailing address, and tele-
24 phone number.”.

1 (6) Section 459 (42 U.S.C. 659) is amended by
2 striking subsection (d) and by inserting after sub-
3 section (c)(1) (as added by paragraph (5) of this
4 subsection) the following:

5 “(2) Whenever an agent designated pursuant to para-
6 graph (1) receives notice pursuant to subsection (a)(1) or
7 (b) of section 466, or is effectively served with any order,
8 process, or interrogatories, with respect to an individual’s
9 child support or alimony payment obligations, such agent
10 shall—

11 “(A) as soon as possible (but not later than fif-
12 teen days) thereafter, send written notice of such no-
13 tice or service (together with a copy thereof) to such
14 individual at his duty station or last-known home
15 address;

16 “(B) within 30 days (or such longer period as
17 may be prescribed by applicable State law) after re-
18 ceipt of a notice pursuant to subsection (a)(1) or (b)
19 of section 466, comply with all applicable provisions
20 of such section 466; and

21 “(C) within 30 days (or such longer period as
22 may be prescribed by applicable State law) after ef-
23 fective service of any other such order, process, or
24 interrogatories, respond thereto.”.

1 (7) Section 461 (42 U.S.C. 661) is amended by
2 striking subsection (c), and section 459 (42 U.S.C.
3 659) is amended by inserting after subsection (c) (as
4 added by paragraph (5) and amended by paragraph
5 (6) of this subsection) the following:

6 “(d) PRIORITY OF CLAIMS.—In the event that a gov-
7 ernmental entity receives notice or is served with process,
8 as provided in this section, concerning amounts owed by
9 an individual to more than one person—

10 “(1) support collection under section 466(b)
11 must be given priority over any other process, as
12 provided in section 466(b)(7);

13 “(2) allocation of moneys due or payable to an
14 individual among claimants under section 466(b)
15 shall be governed by the provisions of such section
16 466(b) and regulations thereunder; and

17 “(3) such moneys as remain after compliance
18 with subparagraphs (A) and (B) shall be available to
19 satisfy any other such processes on a first-come,
20 first-served basis, with any such process being satis-
21 fied out of such moneys as remain after the satisfac-
22 tion of all such processes which have been previously
23 served.”.

1 (8) Section 459(e) (42 U.S.C. 659(e)) is
2 amended by striking “(e)” and inserting the follow-
3 ing:

4 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—”.

5 (9) Section 459(f) (42 U.S.C. 659(f)) is amend-
6 ed by striking “(f)” and inserting the following:

7 “(f) RELIEF FROM LIABILITY.—(1)”.

8 (10) Section 461(a) (42 U.S.C. 661(a)) is re-
9 designated and relocated as section 459(g), and is
10 amended—

11 (A) by striking “(g)” and inserting the fol-
12 lowing:

13 “(g) REGULATIONS.—”; and

14 (B) by striking “section 459” and insert-
15 ing “this section”.

16 (11) Section 462 (42 U.S.C. 662) is amended
17 by striking subsection (f), and section 459 (42
18 U.S.C. 659) is amended by inserting the following
19 after subsection (g) (as added by paragraph (10) of
20 this subsection):

21 “(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to
22 subsection (i), moneys paid or payable to an individual
23 which are considered to be based upon remuneration for
24 employment, for purposes of this section—

25 “(A) consist of—

1 “(i) compensation paid or payable for per-
2 sonal services of such individual, whether such
3 compensation is denominated as wages, salary,
4 commission, bonus, pay, allowances, or other-
5 wise (including severance pay, sick pay, and in-
6 centive pay);

7 “(ii) periodic benefits (including a periodic
8 benefit as defined in section 228(h)(3)) or other
9 payments—

10 “(I) under the insurance system es-
11 tablished by title II;

12 “(II) under any other system or fund
13 established by the United States which
14 provides for the payment of pensions, re-
15 tirement or retired pay, annuities, depend-
16 ents’ or survivors’ benefits, or similar
17 amounts payable on account of personal
18 services performed by the individual or any
19 other individual;

20 “(III) as compensation for death
21 under any Federal program;

22 “(IV) under any Federal program es-
23 tablished to provide ‘black lung’ benefits;

24 or

1 “(V) by the Secretary of Veterans Af-
2 fairs as pension, or as compensation for a
3 service-connected disability or death (ex-
4 cept any compensation paid by such Sec-
5 retary to a former member of the Armed
6 Forces who is in receipt of retired or re-
7 tainer pay if such former member has
8 waived a portion of his retired pay in order
9 to receive such compensation); and

10 “(iii) worker’s compensation benefits paid
11 under Federal or State law; but

12 “(B) do not include any payment—

13 “(i) by way of reimbursement or otherwise,
14 to defray expenses incurred by such individual
15 in carrying out duties associated with his em-
16 ployment; or

17 “(ii) as allowances for members of the uni-
18 formed services payable pursuant to chapter 7
19 of title 37, United States Code, as prescribed
20 by the Secretaries concerned (defined by section
21 101(5) of such title) as necessary for the effi-
22 cient performance of duty.”.

23 (12) Section 462(g) (42 U.S.C. 662(g)) is re-
24 designated and relocated as section 459(i) (42
25 U.S.C. 659(i)).

1 (13)(A) Section 462 (42 U.S.C. 662) is amend-
2 ed—

3 (i) in subsection (e)(1), by redesignating
4 subparagraphs (A), (B), and (C) as clauses (i),
5 (ii), and (iii); and

6 (ii) in subsection (e), by redesignating
7 paragraphs (1) and (2) as subparagraphs (A)
8 and (B).

9 (B) Section 459 (42 U.S.C. 659) is amended by
10 adding at the end the following:

11 “(j) DEFINITIONS.—For purposes of this section—
12 ”.

13 (C) Subsections (a) through (e) of section 462
14 (42 U.S.C. 662), as amended by subparagraph (A)
15 of this paragraph, are relocated and redesignated as
16 paragraphs (1) through (4), respectively of section
17 459(j) (as added by subparagraph (B) of this para-
18 graph, (42 U.S.C. 659(j))), and the left margin of
19 each of such paragraphs (1) through (4) is indented
20 2 ems to the right of the left margin of subsection
21 (i) (as added by paragraph (12) of this subsection).

22 (b) CONFORMING AMENDMENTS.—

23 (1) TO PART D OF TITLE IV.—Sections 461 and
24 462 (42 U.S.C. 661), as amended by subsection (a)
25 of this section, are repealed.

1 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
2 tion 5520a of title 5, United States Code, is amend-
3 ed, in subsections (h)(2) and (i), by striking “sec-
4 tions 459, 461, and 462 of the Social Security Act
5 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
6 tion 459 of the Social Security Act (42 U.S.C.
7 659)”.

8 (c) MILITARY RETIRED AND RETAINER PAY.—(1)
9 DEFINITION OF COURT.—Section 1408(a)(1) of title 10,
10 United States Code, is amended—

11 (A) by striking “and” at the end of subpara-
12 graph (B);

13 (B) by striking the period at the end of sub-
14 paragraph (C) and inserting “; and”; and

15 (C) by adding after subparagraph (C) the fol-
16 lowing new paragraph:

17 “(D) any administrative or judicial tribu-
18 nal of a State competent to enter orders for
19 support or maintenance (including a State
20 agency administering a State program under
21 part D of title IV of the Social Security Act).”;

22 (2) DEFINITION OF COURT ORDER.—Section
23 1408(a)(2) of such title is amended by inserting “or a
24 court order for the payment of child support not included

1 in or accompanied by such a decree or settlement,” before
2 “which—”.

3 (3) PUBLIC PAYEE.—Section 1408(d) of such title is
4 amended—

5 (A) in the heading, by striking “to spouse” and
6 inserting “to (or for benefit of)”; and

7 (B) in paragraph (1), in the first sentence, by
8 inserting “(or for the benefit of such spouse or
9 former spouse to a State central collections unit or
10 other public payee designated by a State, in accord-
11 ance with part D of title IV of the Social Security
12 Act, as directed by court order, or as otherwise di-
13 rected in accordance with such part D)” before “in
14 an amount sufficient”.

15 (4) RELATIONSHIP TO PART D OF TITLE IV.—Sec-
16 tion 1408 of such title is amended by adding at the end
17 the following new subsection:

18 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
19 involving a child support order against a member who has
20 never been married to the other parent of the child, the
21 provisions of this section shall not apply, and the case
22 shall be subject to the provisions of section 459 of the
23 Social Security Act.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective 6 months after the date
3 of the enactment of this subtitle.

4 **SEC. 41704. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
5 **TIONS OF MEMBERS OF THE ARMED FORCES.**

6 (a) AVAILABILITY OF LOCATOR INFORMATION.—

7 (1) MAINTENANCE OF ADDRESS INFORMA-
8 TION.—The Secretary of Defense shall establish a
9 centralized personnel locator service that includes
10 the address of each member of the Armed Forces
11 under the jurisdiction of the Secretary. Upon re-
12 quest of the Secretary of Transportation, addresses
13 for members of the Coast Guard shall be included in
14 the centralized personnel locator service.

15 (2) TYPE OF ADDRESS.—

16 (A) RESIDENTIAL ADDRESS.—Except as
17 provided in subparagraph (B), the address for
18 a member of the Armed Forces shown in the lo-
19 cator service shall be the residential address of
20 that member.

21 (B) DUTY ADDRESS.—The address for a
22 member of the Armed Forces shown in the loca-
23 tor service shall be the duty address of that
24 member in the case of a member—

1 (i) who is permanently assigned over-
2 seas, to a vessel, or to a routinely
3 deployable unit; or

4 (ii) with respect to whom the Sec-
5 retary concerned makes a determination
6 that the member's residential address
7 should not be disclosed due to national se-
8 curity or safety concerns.

9 (3) UPDATING OF LOCATOR INFORMATION.—

10 Within 30 days after a member listed in the locator
11 service establishes a new residential address (or a
12 new duty address, in the case of a member covered
13 by paragraph (2)(B)), the Secretary concerned shall
14 update the locator service to indicate the new ad-
15 dress of the member.

16 (4) AVAILABILITY OF INFORMATION.—The Sec-
17 retary of Defense shall make information regarding
18 the address of a member of the Armed Forces listed
19 in the locator service available, on request, to the
20 Federal Parent Locator Service.

21 (b) FACILITATING GRANTING OF LEAVE FOR AT-
22 TENDANCE AT HEARINGS.—

23 (1) REGULATIONS.—The Secretary of each
24 military department, and the Secretary of Transpor-
25 tation with respect to the Coast Guard when it is

1 not operating as a service in the Navy, shall pre-
2 scribe regulations to facilitate the granting of leave
3 to a member of the Armed Forces under the juris-
4 diction of that Secretary in a case in which—

5 (A) the leave is needed for the member to
6 attend a hearing described in paragraph (2);

7 (B) the member is not serving in or with
8 a unit deployed in a contingency operation (as
9 defined in section 101 of title 10, United States
10 Code); and

11 (C) the exigencies of military service (as
12 determined by the Secretary concerned) do not
13 otherwise require that such leave not be grant-
14 ed.

15 (2) COVERED HEARINGS.—Paragraph (1) ap-
16 plies to a hearing that is conducted by a court or
17 pursuant to an administrative process established
18 under State law, in connection with a civil action—

19 (A) to determine whether a member of the
20 Armed Forces is a natural parent of a child; or

21 (B) to determine an obligation of a mem-
22 ber of the Armed Forces to provide child sup-
23 port.

24 (3) DEFINITIONS.—For purposes of this sub-
25 section:

1 (A) The term “court” has the meaning
2 given that term in section 1408(a) of title 10,
3 United States Code.

4 (B) The term “child support” has the
5 meaning given such term in section 462 of the
6 Social Security Act (42 U.S.C. 662).

7 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
8 PLIANCE WITH CHILD SUPPORT ORDERS.—

9 (1) DATE OF CERTIFICATION OF COURT
10 ORDER.—Section 1408 of title 10, United States
11 Code, is amended—

12 (A) by redesignating subsection (i) as sub-
13 section (j); and

14 (B) by inserting after subsection (h) the
15 following new subsection (i):

16 “(i) CERTIFICATION DATE.—It is not necessary that
17 the date of a certification of the authenticity or complete-
18 ness of a copy of a court order or an order of an adminis-
19 trative process established under State law for child sup-
20 port received by the Secretary concerned for the purposes
21 of this section be recent in relation to the date of receipt
22 by the Secretary.”.

23 (2) PAYMENTS CONSISTENT WITH ASSIGN-
24 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
25 of such title is amended by inserting after the first

1 sentence the following: “In the case of a spouse or
2 former spouse who, pursuant to section 402(a)(26)
3 of the Social Security Act (42 U.S.C. 602(26)), as-
4 signs to a State the rights of the spouse or former
5 spouse to receive support, the Secretary concerned
6 may make the child support payments referred to in
7 the preceding sentence to that State in amounts con-
8 sistent with that assignment of rights.”.

9 (3) ARREARAGES OWED BY MEMBERS OF THE
10 UNIFORMED SERVICES.—Section 1408(d) of such
11 title is amended by adding at the end the following
12 new paragraph:

13 “(6) In the case of a court order or an order of an
14 administrative process established under State law for
15 which effective service is made on the Secretary concerned
16 on or after the date of the enactment of this paragraph
17 and which provides for payments from the disposable re-
18 tired pay of a member to satisfy the amount of child sup-
19 port set forth in the order, the authority provided in para-
20 graph (1) to make payments from the disposable retired
21 pay of a member to satisfy the amount of child support
22 set forth in a court order or an order of an administrative
23 process established under State law shall apply to payment
24 of any amount of child support arrearages set forth in that

1 order as well as to amounts of child support that currently
2 become due.”.

3 **SEC. 41705. MOTOR VEHICLE LIENS.**

4 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
5 ed—

6 (1) by striking “(4) Procedures” and inserting
7 the following:

8 “(4) LIENS.—

9 “(A) IN GENERAL.—Procedures”; and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) MOTOR VEHICLE LIENS.—Procedures
13 for placing liens for arrears of child support on
14 motor vehicle titles of individuals owing such
15 arrears equal to or exceeding two months of
16 support, under which—

17 “(i) any person owed such arrears
18 may place such a lien;

19 “(ii) the State agency administering
20 the program under this part shall system-
21 atically place such liens;

22 “(iii) expedited methods are provided
23 for—

24 “(I) ascertaining the amount of
25 arrears;

1 “(II) affording the person owing
2 the arrears or other titleholder to con-
3 test the amount of arrears or to ob-
4 tain a release upon fulfilling the sup-
5 port obligation;

6 “(iv) such a lien has precedence over
7 all other encumbrances on a vehicle title
8 other than a purchase money security in-
9 terest; and

10 “(v) the individual or State agency
11 owed the arrears may execute on, seize,
12 and sell the property in accordance with
13 State law.”.

14 **SEC. 41706. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466(a) (42 U.S.C. 666(a)), as amended by
16 sections 41101(a), 41306(a), and 41401 of this subtitle,
17 is amended by adding at the end the following new para-
18 graph:

19 “(15) FRAUDULENT TRANSFERS.—Procedures
20 under which—

21 “(A) the State has in effect—

22 “(i) the Uniform Fraudulent Convey-
23 ance Act of 1981,

24 “(ii) the Uniform Fraudulent Trans-
25 fer Act of 1984, or

1 “(iii) another law, specifying indicia of
2 fraud which create a prima facie case that
3 a debtor transferred income or property to
4 avoid payment to a child support creditor,
5 which the Secretary finds affords com-
6 parable rights to child support creditors;
7 and

8 “(B) in any case in which the State knows
9 of a transfer by a child support debtor with re-
10 spect to which such a prima facie case is estab-
11 lished, the State must—

12 “(i) seek to void such transfer; or

13 “(ii) obtain a settlement in the best
14 interests of the child support creditor.”.

15 **SEC. 41707. STATE LAW AUTHORIZING SUSPENSION OF LI-**
16 **CENSES.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by
18 sections 41101(a), 41306(a), 41401, and 41706 of this
19 subtitle, is amended by adding at the end the following
20 new paragraph:

21 “(16) **AUTHORITY TO WITHHOLD OR SUSPEND**
22 **LICENSES.**—Procedures under which the State has
23 (and uses in appropriate cases) authority (subject to
24 appropriate due process safeguards) to withhold or
25 suspend, or to restrict the use of driver’s licenses,

1 professional and occupational licenses, and rec-
2 reational licenses of individuals owing overdue child
3 support or failing, after receiving appropriate notice,
4 to comply with subpoenas or warrants relating to
5 paternity or child support proceedings.”.

6 **SEC. 41708. REPORTING ARREARAGES TO CREDIT BU-**
7 **REAUS.**

8 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
9 to read as follows:

10 “(7) REPORTING ARREARAGES TO CREDIT BU-
11 REAUS.—(A) Procedures (subject to safeguards pur-
12 suant to subparagraph (B)) requiring the State to
13 report periodically to consumer reporting agencies
14 (as defined in section 603(f) of the Fair Credit Re-
15 porting Act (15 U.S.C. 1681a(f)) the name of any
16 absent parent who is delinquent by 90 days or more
17 in the payment of support, and the amount of over-
18 due support owed by such parent.

19 “(B) Procedures ensuring that, in carrying out
20 subparagraph (A), information with respect to an
21 absent parent is reported—

22 “(i) only after such parent has been af-
23 farded all due process required under State law,
24 including notice and a reasonable opportunity

1 to contest the accuracy of such information;
2 and

3 “(ii) only to an entity that has furnished
4 evidence satisfactory to the State that the en-
5 tity is a consumer reporting agency.”.

6 **SEC. 41709. EXTENDED STATUTE OF LIMITATION FOR COL-**
7 **LECTION OF ARREARAGES.**

8 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.
9 666(a)(9)) is amended—

10 (1) by striking “(9) Procedures” and inserting
11 the following:

12 “(9) LEGAL TREATMENT OF ARREARS.—

13 “(A) FINALITY.—Procedures”;

14 (2) by redesignating subparagraphs (A), (B),
15 and (C) as clauses (i), (ii), and (iii), respectively,
16 and by indenting each of such clauses 2 additional
17 ems to the right; and

18 (3) by adding after and below subparagraph
19 (A), as redesignated, the following new subpara-
20 graph:

21 “(B) STATUTE OF LIMITATIONS.—Proce-
22 dures under which the statute of limitations on
23 any arrearages of child support extends at least
24 until the child owed such support is 30 years of
25 age.”.

1 (b) APPLICATION OF REQUIREMENT.—The amend-
2 ment made by this section shall not be read to require
3 any State law to revive any payment obligation which had
4 lapsed prior to the effective date of such State law.

5 **SEC. 41710. CHARGES FOR ARREARAGES.**

6 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
7 U.S.C. 666(a)), as amended by sections 41101(a),
8 41306(a), 41401, 41706, and 41707 of this subtitle, is
9 amended by adding at the end the following new para-
10 graph:

11 “(17) CHARGES FOR ARREARAGES.—Proce-
12 dures providing for the calculation and collection of
13 interest or penalties for arrearages of child support,
14 and for distribution of such interest or penalties col-
15 lected for the benefit of the child (except where the
16 right to support has been assigned to the State).”.

17 (b) REGULATIONS.—The Secretary of Health and
18 Human Services shall establish by regulation a rule to re-
19 solve choice of law conflicts arising in the implementation
20 of the amendment made by subsection (a).

21 (c) CONFORMING AMENDMENT.—Section 454(21)
22 (42 U.S.C. 654(21)) is repealed.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall be effective with respect to arrearages
25 accruing on or after October 1, 1998.

1 **SEC. 41711. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
2 **CHILD SUPPORT.**

3 (a) HHS CERTIFICATION PROCEDURE.—

4 (1) SECRETARIAL RESPONSIBILITY.—Section
5 452 (42 U.S.C. 652), as amended by sections
6 41205(a)(3) and 41207 of this subtitle, is amended
7 by adding at the end the following new subsection:

8 “(1) CERTIFICATIONS FOR PURPOSES OF PASSPORT
9 RESTRICTIONS.—

10 “(1) IN GENERAL.—Where the Secretary re-
11 ceives a certification by a State agency in accord-
12 ance with the requirements of section 454(28) that
13 an individual owes arrearages of child support in an
14 amount exceeding \$5,000 or in an amount exceeding
15 24 months’ worth of child support, the Secretary
16 shall transmit such certification to the Secretary of
17 State for action (with respect to denial, revocation,
18 or limitation of passports) pursuant to section
19 41711(b) of the Economic Equity Act of 1996.

20 “(2) LIMIT ON LIABILITY.—The Secretary shall
21 not be liable to an individual for any action with re-
22 spect to a certification by a State agency under this
23 section.”.

24 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
25 tion 454 (42 U.S.C. 654), as amended by sections

1 41104(a), 41204(b), and 41302(a) of this subtitle, is
2 amended—

3 (A) by striking “and” at the end of para-
4 graph (26);

5 (B) by striking the period at the end of
6 paragraph (27) and inserting “; and”; and

7 (C) by adding after paragraph (27) the fol-
8 lowing new paragraph:

9 “(28) provide that the State agency will have in
10 effect a procedure (which may be combined with the
11 procedure for tax refund offset under section 464)
12 for certifying to the Secretary, for purposes of the
13 procedure under section 452(l) (concerning denial of
14 passports) determinations that individuals owe ar-
15 rearages of child support in an amount exceeding
16 \$5,000 or in an amount exceeding 24 months’ worth
17 of child support, under which procedure—

18 “(A) each individual concerned is afforded
19 notice of such determination and the con-
20 sequences thereof, and an opportunity to con-
21 test the determination; and

22 “(B) the certification by the State agency
23 is furnished to the Secretary in such format,
24 and accompanied by such supporting docu-
25 mentation, as the Secretary may require.”.

1 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
2 OF PASSPORTS.—

3 (1) IN GENERAL.—The Secretary of State,
4 upon certification by the Secretary of Health and
5 Human Services, in accordance with section 452(l)
6 of the Social Security Act, that an individual owes
7 arrearages of child support in excess of \$5,000, shall
8 refuse to issue a passport to such individual, and
9 may revoke, restrict, or limit a passport issued pre-
10 viously to such individual.

11 (2) LIMIT ON LIABILITY.—The Secretary of
12 State shall not be liable to an individual for any ac-
13 tion with respect to a certification by a State agency
14 under this section.

15 (c) EFFECTIVE DATE.—This section and the amend-
16 ments made by this section shall become effective October
17 1, 1996.

18 **SEC. 41712. INTERNATIONAL CHILD SUPPORT ENFORCE-**
19 **MENT.**

20 (a) SENSE OF THE CONGRESS THAT THE UNITED
21 STATES SHOULD RATIFY THE UNITED NATIONS CON-
22 VENTION OF 1956.—It is the sense of the Congress that
23 the United States should ratify the United Nations Con-
24 vention of 1956.

1 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
2 PORT CASES AS INTERSTATE CASES.—Section 454 (42
3 U.S.C. 654), as amended by sections 41104(a), 41204(b),
4 41302(a), and 41711(a)(2) of this subtitle, is amended—

5 (1) by striking “and” at the end of paragraph
6 (27);

7 (2) by striking the period at the end of para-
8 graph (28) and inserting “; and”; and

9 (3) by inserting after paragraph (28) the fol-
10 lowing:

11 “(29) provide that the State must treat inter-
12 national child support cases in the same manner as
13 the State treats interstate child support cases.”.

14 **CHAPTER 8—MEDICAL SUPPORT**

15 **SEC. 41801. TECHNICAL CORRECTION TO ERISA DEFINI-** 16 **TION OF MEDICAL CHILD SUPPORT ORDER.**

17 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
18 ployee Retirement Income Security Act of 1974 (29
19 U.S.C. 1169(a)(2)(B)) is amended—

20 (1) by striking “issued by a court of competent
21 jurisdiction”;

22 (2) by striking the period at the end of clause
23 (ii) and inserting a comma; and

24 (3) by adding, after and below clause (ii), the
25 following:

1 “if such judgment, decree, or order (I) is issued
2 by a court of competent jurisdiction or (II) is
3 issued by an administrative adjudicator and has
4 the force and effect of law under applicable
5 State law.”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall take effect on the date of the en-
9 actment of this subtitle.

10 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
11 JANUARY 1, 1996.—Any amendment to a plan re-
12 quired to be made by an amendment made by this
13 section shall not be required to be made before the
14 first plan year beginning on or after January 1,
15 1996, if—

16 (A) during the period after the date before
17 the date of the enactment of this subtitle and
18 before such first plan year, the plan is operated
19 in accordance with the requirements of the
20 amendments made by this section, and

21 (B) such plan amendment applies retro-
22 actively to the period after the date before the
23 date of the enactment of this subtitle and be-
24 fore such first plan year.

1 A plan shall not be treated as failing to be operated
2 in accordance with the provisions of the plan merely
3 because it operates in accordance with this para-
4 graph.

5 **CHAPTER 9—EFFECT OF ENACTMENT**

6 **SEC. 41901. EFFECTIVE DATES.**

7 (a) IN GENERAL.—Except as otherwise specifically
8 provided (but subject to subsections (b) and (c))—

9 (1) provisions of this title requiring enactment
10 or amendment of State laws under section 466 of
11 the Social Security Act, or revision of State plans
12 under section 454 of such Act, shall be effective with
13 respect to periods beginning on and after October 1,
14 1996; and

15 (2) all other provisions of this title shall become
16 effective upon enactment.

17 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
18 provisions of this title shall become effective with respect
19 to a State on the later of—

20 (1) the date specified in this title, or

21 (2) the effective date of laws enacted by the leg-
22 islature of such State implementing such provisions,
23 but in no event later than the first day of the first cal-
24 endar quarter beginning after the close of the first regular
25 session of the State legislature that begins after the date

1 of enactment of this subtitle. For purposes of the previous
2 sentence, in the case of a State that has a 2-year legisla-
3 tive session, each year of such session shall be deemed to
4 be a separate regular session of the State legislature.

5 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
6 AMENDMENT.—A State shall not be found out of compli-
7 ance with any requirement enacted by this title if it is
8 unable to comply without amending the State constitution
9 until the earlier of—

10 (1) the date one year after the effective date of
11 the necessary State constitutional amendment, or

12 (2) the date five years after enactment of this
13 title.

14 **SEC. 41902. SEVERABILITY.**

15 If any provision of this title or the application thereof
16 to any person or circumstance is held invalid, the invalid-
17 ity shall not affect other provisions or applications of this
18 title which can be given effect without regard to the invalid
19 provision or application, and to this end the provisions of
20 this title shall be severable.

21 **Subtitle B—Interstate Child**
22 **Support**

23 **SEC. 42001. REFERENCE.**

24 Except as otherwise specifically provided, wherever in
25 this subtitle an amendment is expressed in terms of an

1 amendment to or repeal of a section or other provision,
2 the reference shall be considered to be made to that sec-
3 tion or other provision of the Social Security Act.

4 **SEC. 42002. FINDINGS, DECLARATIONS, AND PURPOSES.**

5 (a) FINDINGS.—The Congress finds that—

6 (1) there is a large and growing number of
7 child support and parentage cases annually involving
8 disputes between parents or presumed parents who
9 reside in different States;

10 (2) the laws by which the courts of the various
11 States determine their authority to establish, en-
12 force, or modify a child support order, or to deter-
13 mine parentage are not uniform;

14 (3) those laws, along with the limits imposed by
15 a Federal system, on the authority of each State to
16 take certain actions outside its own boundaries, con-
17 tribute to—

18 (A) the pressing problem of parties moving
19 to avoid jurisdiction;

20 (B) inequities based solely on choice of
21 domicile;

22 (C) disregard of court orders resulting in
23 massive arrearages nationwide;

24 (D) excessive relitigation of cases;

1 (E) the establishment of conflicting orders
2 by the courts of various States; and

3 (F) interjurisdiction travel and commu-
4 nication that is so expensive and time consum-
5 ing as to disrupt parties' occupations and com-
6 mercial activities; and

7 (4) among the results of these conditions are—

8 (A) the failure of the courts of such juris-
9 dictions to give full faith and credit to the judi-
10 cial proceedings of the other States;

11 (B) the deprivation of rights of liberty and
12 property without due process of law;

13 (C) burdens on commerce among the
14 States; and

15 (D) harm to the welfare of children and
16 their parents and other custodians.

17 (b) DECLARATION.—Based on the findings stated in
18 subsection (a), it is necessary to establish national stand-
19 ards under which the courts of each State will determine
20 their jurisdiction to establish, enforce, or modify a child
21 support order, or to determine parentage and the effect
22 to be given by each State to such determinations by the
23 courts of other States.

24 (c) PURPOSES.—The purposes of this subtitle are
25 to—

1 (1) expand the forums available to establish,
2 enforce, or modify a child support order, or to deter-
3 mine parentage so that such actions may be heard
4 in the State that has the strongest interest in the
5 child’s financial security;

6 (2) promote and expand the exchange of infor-
7 mation and other forms of mutual assistance be-
8 tween States that are concerned with the same child;

9 (3) facilitate the enforcement of support decrees
10 among the States;

11 (4) discourage continuing interstate controver-
12 sies over child support in the interest of greater fi-
13 nancial stability and secure family relationships for
14 the child; and

15 (5) avoid jurisdictional competition and conflict
16 between courts in matters relating to the establish-
17 ment, enforcement, and modification of child support
18 orders, and to the determination of parentage, which
19 have resulted in the movement of parties among
20 States and a low percentage of interstate cases with
21 support orders, thereby adversely affecting children’s
22 well-being.

23 (d) STATE.—For purposes of this section, the term
24 “State” means the several States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, the territories and

1 possessions of the United States, and Indian country (as
2 defined in section 1151 of title 18, United States Code).

3 **CHAPTER 1—LOCATE AND CASE**

4 **TRACKING**

5 **SEC. 42101. EXPANSION OF FUNCTIONS OF FEDERAL PAR-** 6 **ENT LOCATOR SERVICE.**

7 (a) IN GENERAL.—Section 453 (42 U.S.C. 653) is
8 amended—

9 (1) in subsection (a), by striking “enforcing
10 support obligations against such parent” and insert-
11 ing “establishing parentage, establishing, modifying,
12 and enforcing child support obligations, and enforce-
13 ing child visitation rights and responsibilities, and
14 which shall use safeguards to prevent the disclosure
15 of information in cases that would jeopardize the
16 safety of the custodial parent or any child of the
17 custodial parent”;

18 (2) in subsection (b), by inserting after the 2nd
19 sentence the following: “Information with respect to
20 an absent parent shall not be disclosed to any person
21 if the disclosure would jeopardize the safety of the
22 custodial parent or any child of the custodial parent.
23 Information with respect to an absent parent shall
24 not be disclosed to any person (other than the custo-

1 dial parent) unless the custodial parent has been no-
2 tified in advance of the disclosure.”; and

3 (3) in subsection (d), by inserting “and such
4 reasonable fees” after “such documents”.

5 (b) SENSE OF THE CONGRESS.—It is the sense of
6 the Congress that—

7 (1) the denial of visitation rights under a child
8 support order should be treated as irrelevant in any
9 action brought to enforce the support provisions of
10 the order; and

11 (2) the failure to pay child support pursuant to
12 a child support order should be treated as irrelevant
13 in any action brought to enforce visitation rights
14 under the order.

15 **SEC. 42102. EXPANSION OF DATA BASES ACCESSED BY PAR-**
16 **ENT LOCATOR SYSTEMS.**

17 (a) ADDITIONAL INFORMATION FOR FEDERAL PAR-
18 ENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653) is
19 amended—

20 (1) in subsection (b), by striking “the most re-
21 cent address and place of employment” and insert-
22 ing “the most recent residential address, employer
23 name and address, and amounts and nature of in-
24 come and assets”;

1 (2) in subsection (c)(3), by striking “the resi-
2 dent parent” and inserting “either parent”; and

3 (3) in subsection (e), by adding at the end the
4 following:

5 “(4) The Secretary of the Treasury shall enter into
6 an agreement with the Secretary to provide prompt access
7 by the Secretary (in accordance with this subsection and
8 section 6103(l)(6) of the Internal Revenue Code of 1986)
9 to the quarterly estimated Federal income tax returns
10 filed by individuals with the Internal Revenue Service.”.

11 (b) STATE INFORMATION.—Section 466(a) (42
12 U.S.C. 666(a)) is amended by inserting after paragraph
13 (10) the following:

14 “(11) Procedures under which the State child
15 support enforcement agency shall have automated
16 on-line or batch access (or, if necessary, nonauto-
17 mated access) to information regarding residential
18 addresses, employers and employer addresses, in-
19 come and assets, and medical insurance benefits
20 with respect to absent parents that is available
21 through any data base maintained by—

22 “(A) any agency of the State or any politi-
23 cal subdivision thereof, that contains informa-
24 tion on residential addresses, or on employers

1 and employer addresses, as the State deems ap-
2 propriate;

3 “(B) any publicly regulated utility com-
4 pany located in the State;

5 “(C) any credit reporting agency located in
6 the State; and

7 “(D) any trade or labor union located in
8 the State.

9 “(12) Procedures under which the State child
10 support enforcement agency shall—

11 “(A) maintain a child support order reg-
12 istry which shall include each child support
13 order (or an abstract thereof) issued or modi-
14 fied in the State on or after the effective date
15 of this paragraph; and

16 “(B) transmit electronically to the Office
17 of Child Support Enforcement an abstract of
18 each such order, containing such information
19 and in such form as the Secretary may pre-
20 scribe pursuant to section 452(a)(11).”.

21 (c) FEDERAL REGISTRY OF ABSTRACTS OF CHILD
22 SUPPORT ORDERS.—Section 452(a) (42 U.S.C 652(a)),
23 as amended by section 42211(a) of this subtitle, is amend-
24 ed—

1 “(A) locate any absent parent who owes
2 child support, for whom a child support obliga-
3 tion is being established, or for whom an order
4 for visitation is being enforced, by—

5 “(i) accessing the records of other
6 State agencies and sources of locate infor-
7 mation directly from one computer system
8 to another; and

9 “(ii) accessing Federal sources of lo-
10 cate information in the same fashion;

11 “(B) access the files of other States to de-
12 termine whether there are other child support
13 orders and obtain the details of those orders;

14 “(C) provide for both on-line and batch
15 processing of locate requests, with on-line ac-
16 cess restricted to cases in which the information
17 is needed immediately (for such reasons as
18 court appearances) and batch processing used
19 to ‘troll’ data bases to locate individuals or up-
20 date information periodically; and

21 “(D) direct locate requests to individual
22 States or Federal agencies, broadcast requests
23 to selected States, or broadcast cases to all
24 States when there is no indication of the source
25 of needed information;

1 “(2) provide for a maximum of 48-hour turn-
2 around time for information to be broadcast and re-
3 turned to a requesting State;

4 “(3) provide ready access to courts of the infor-
5 mation on the network by location of a computer
6 terminal in each court; and

7 “(4) access the registry of child support orders
8 for public and private cases maintained at the State
9 level by the State agencies as described in section
10 466(a)(12).”.

11 (b) EXPANDED STATE INTERACTION WITH NA-
12 TIONAL NETWORK.—Section 454(16) (42 U.S.C.
13 654(16)) is amended—

14 (1) by striking “and (E)” and inserting “(E)”;
15 and

16 (2) by striking “enforcement;” and inserting
17 “enforcement, and (F) to provide access to the na-
18 tional network developed pursuant to section
19 453(g);”.

20 (c) SENSE OF THE CONGRESS.—It is the sense of the
21 Congress that the national network established under sec-
22 tion 453(g) of the Social Security Act should be used to
23 access State records only through the agency that admin-
24 isters the State plan approved under part D of title IV
25 of such Act.

1 **SEC. 42104. PRIVATE ACCESS TO LOCATE AND ENFORCE-**
2 **MENT SERVICES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 section 42102(b) of this subtitle, is amended by inserting
5 after paragraph (12) the following:

6 “(13)(A) Procedures under which private attor-
7 neys and pro se obligees must be given access to
8 State locate resources and through enforcement
9 techniques of the State child support enforcement
10 agency, for the purpose of establishing, modifying,
11 and enforcing child support, visitation, and parent-
12 age orders, in accordance with safeguards estab-
13 lished—

14 “(i) to provide the custodial parent ad-
15 vance notice of any release of information with
16 respect to a noncustodial parent; and

17 “(ii) to prevent release of information with
18 respect to a noncustodial parent if the release
19 may jeopardize the safety of the noncustodial
20 parent, the custodial parent, or any child of ei-
21 ther parent; and

22 “(B) The procedures described in subparagraph
23 (A) must require the State—

24 “(i) to develop and publish guidelines im-
25 plementing the safeguards described in sub-
26 paragraph (A); and

1 “(ii) if the State provides for reasonable
2 fees for the access referred to in subparagraph
3 (A), to establish such fees in accordance with
4 guidelines developed and published by the State
5 that set schedules for such fees.”.

6 **SEC. 42105. NATIONAL REPORTING OF NEW HIRES AND**
7 **CHILD SUPPORT INFORMATION.**

8 (a) FEDERAL IMPLEMENTATION OF SYSTEM.—

9 (1) IN GENERAL.—The Secretary of the Treas-
10 ury, in consultation with the Secretary of Labor,
11 shall establish a system of reporting of new employ-
12 ees by requiring employers to provide a copy of every
13 new employee’s W-4 form to the employment secu-
14 rity agency of the State in which the employment is
15 located.

16 (2) EXPANDED USE OF FORM.—The Secretary
17 of the Treasury shall modify the W-4 form to be
18 completed by a new employee to enable the employee
19 to indicate on the form—

20 (A) whether the employee owes child sup-
21 port, and if so—

22 (i) to whom the support is payable
23 and the amount of the support payable;
24 and

1 (ii) whether the support is to be paid
2 through wage withholding; and

3 (B) whether health care insurance is avail-
4 able to the new employee, and, if so, whether
5 the new employee has obtained such insurance
6 for the dependent children of the new employee.

7 (3) EMPLOYER WITHHOLDING OBLIGATION.—

8 (A) IN GENERAL.—Subtitle C of the Inter-
9 nal Revenue Code of 1986 (relating to employ-
10 ment taxes) is amended by inserting after chap-
11 ter 24 the following new chapter:

12 **“CHAPTER 24A—COLLECTION OF CHILD**
13 **SUPPORT OBLIGATIONS AT SOURCE**
14 **ON WAGES**

“Sec. 3411. Child support obligations collected at source.

15 **“SEC. 3411. CHILD SUPPORT OBLIGATIONS COLLECTED AT**
16 **SOURCE.**

17 “(a) REQUIREMENT OF WITHHOLDING.—Every em-
18 ployer making payment of wages shall deduct and with-
19 hold upon such wages a specified child support obligation
20 amount.

21 “(b) SPECIFIED CHILD SUPPORT OBLIGATION
22 AMOUNT.—For purposes of this chapter, the specified
23 child support obligation amount with respect to any em-
24 ployee shall be determined based on—

1 “(1) information provided by the employee, or,
2 if an agency of the State in which the employer is
3 located notifies the employer that such information
4 is inaccurate, information provided by the agency;
5 and

6 “(2) information contained in any wage with-
7 holding order received by the employer from any
8 State.

9 “(c) LIABILITY FOR PAYMENT.—The employer shall
10 be liable for the payment of the specified child support
11 obligation amount to the individual entitled to such pay-
12 ment.

13 “(d) SPECIAL RULES.—For purposes of this chapter
14 (and so much of subtitle F as relates to this chapter), any
15 specified child support obligation amount shall be treated
16 as if it were a tax withheld under chapter 24 and rules
17 similar to the rules of such chapter shall apply.”

18 (B) CLERICAL AMENDMENT.—The table of
19 chapters of subtitle C of the Internal Revenue
20 Code of 1986 is amended by inserting after the
21 item relating to chapter 24 the following new
22 item:

 “CHAPTER 24A. Child support obligations collected at source.”

23 (4) WITHHELD CHILD SUPPORT OBLIGATIONS
24 REPORTED ON W-2 FORMS.—Subsection (a) of sec-
25 tion 6051 of the Internal Revenue Code of 1986 (re-

1 lating to receipts for employees) is amended by
2 striking “and” at the end of paragraph (8), by strik-
3 ing the period at the end of paragraph (9) and in-
4 serting “, and”, and by inserting after paragraph
5 (9) the following new paragraph:

6 “(10) the total amount of specified child sup-
7 port obligations withheld under section 3411.”

8 (b) STATE IMPLEMENTATION OF SYSTEM.—Section
9 466(a) (42 U.S.C. 666(a)), as amended by section 42104
10 of this subtitle, is amended by inserting after paragraph
11 (13) the following:

12 “(14) Procedures under which the State shall—

13 “(A) use the Parent Locator Service estab-
14 lished under section 453 to access information
15 in the national registry of child support orders
16 maintained pursuant to section 452(a)(12) with
17 respect to new employee, compare such infor-
18 mation with the information reported on W-4
19 forms of new employees, and identify child sup-
20 port obligations not reported on such forms;

21 “(B) if child support information from the
22 W-4 form of a new employee agrees with infor-
23 mation with respect to the new employee in the
24 national registry of child support orders main-
25 tained pursuant to section 452(a)(12), notify

1 the individual owed the support (or the individ-
2 ual's designee) of such information;

3 “(C) notify an employer of any new em-
4 ployee who has not reported on the W-4 form
5 a child support obligation of the new employee,
6 using the wage withholding order developed
7 under section 452(a)(14);

8 “(D) impose monetary penalties on—

9 “(i) any individual who owes child
10 support and fails to report the obligation
11 to provide the support on a Federal income
12 tax W-4 form at time of employment;

13 “(ii) any employer who fails to for-
14 ward a W-4 form for a new employee to
15 the State employment security agency
16 within 10 calendar days of the date of the
17 first payroll from which the new employee
18 is paid; and

19 “(iii) any employer who fails to with-
20 hold from the pay of any new employee
21 who reports a child support obligation on
22 a W-4 form an amount equal to the sup-
23 port owed, or fails to pay to the individual
24 owed the obligation the amount so with-
25 held, within 10 calendar days of the date

1 of the payroll, using electronic funds trans-
2 fer, if possible, unless otherwise notified by
3 a State agency;

4 “(E) provide the services described in this
5 paragraph to any individual owed child support
6 who applies for assistance under the State plan;
7 and

8 “(F) on request of another State, broad-
9 cast over the Parent Locator Service to such
10 other State child support information from W-
11 4 forms that have been sent to the State em-
12 ployment security agency.”.

13 **SEC. 42106. ACCESS TO LAW ENFORCEMENT RECORDS SYS-**
14 **TEMS.**

15 (a) **ACCESS BY CHILD SUPPORT ENFORCEMENT**
16 **AGENCIES.**—The head of the National Criminal Informa-
17 tion Center, the head of the National Law Enforcement
18 Telecommunications Network, and the head of any other
19 national or regional system for tracking individuals shall
20 each—

21 (1) allow Federal, State, and local child support
22 enforcement agencies access to the information of
23 the system for purposes of establishing paternity or
24 a child support obligation of an individual tracked

1 by the system, using appropriate safeguards to pre-
2 vent improper release of such information; and

3 (2) if an access code is required to gain such
4 access, provide the access code to each child support
5 enforcement agency that applies for the code.

6 (b) LOSS OF FEDERAL FUNDING.—A non-Federal
7 system for tracking individuals that fails to comply with
8 paragraphs (1) and (2) of subsection (a) shall not be eligi-
9 ble to receive Federal funding for the system.

10 **SEC. 42107. BROADCASTING OF WARRANTS ON STATE NET-**
11 **WORKS.**

12 Section 466(a) (42 U.S.C. 666(a)), as amended by
13 section 42105 of this subtitle, is amended by inserting
14 after paragraph (14) the following:

15 “(15) Procedures under which the State—

16 “(A) shall broadcast on any State or local
17 crime information system each failure-to-appear
18 warrant, capias, and bench warrant issued by a
19 State court in any proceeding related to child
20 support; and

21 “(B) shall, in a criminal case, remit to any
22 individual to whom the defendant owes child
23 support any security posted by or on behalf of
24 the defendant and forfeited, to the extent of
25 any arrearage in the payment of the support.”.

1 **SEC. 42108. CASE MONITORING.**

2 Section 454(16)(E) (42 U.S.C. 654(16)(E)) is
3 amended by inserting “, not less frequently that once
4 every 3 years” before the semicolon.

5 **SEC. 42109. ACCESS TO FINANCIAL RECORDS.**

6 Section 466(a) (42 U.S.C. 666(a)), as amended by
7 section 42107 of this subtitle, is amended by inserting
8 after paragraph (15) the following:

9 “(16) Procedures under which the State may
10 obtain access to financial records maintained with
11 respect to any person by any financial institution
12 doing business in the State, for the purpose of estab-
13 lishing or enforcing a child support obligation of the
14 person.”.

15 **CHAPTER 2—ESTABLISHMENT**

16 **SEC. 42201. SERVICE OF PROCESS ON FEDERAL EMPLOY-**
17 **EES AND MEMBERS OF THE ARMED SERV-**
18 **ICES IN CONNECTION WITH PROCEEDINGS**
19 **RELATING TO CHILD SUPPORT AND PARENT-**
20 **AGE OBLIGATIONS.**

21 Part D of title IV (42 U.S.C. 651–670) is amended
22 by inserting after section 460 the following:

1 **“SEC. 460A. SERVICE OF PROCESS ON FEDERAL EMPLOY-**
2 **EES AND MEMBERS OF THE ARMED SERV-**
3 **ICES IN CONNECTION WITH PROCEEDINGS**
4 **RELATING TO CHILD SUPPORT AND PARENT-**
5 **AGE OBLIGATIONS.**

6 “(a) IN GENERAL.—The head of each Government
7 agency shall, in accordance with applicable regulations
8 under subsection (b), designate an agent for receipt of
9 service of process, for any Federal employee or member
10 of the Armed Forces serving in or under such agency, in
11 connection with an action, brought in a court of competent
12 jurisdiction within any State, territory, or possession of
13 the United States, for obtaining a child support order or
14 for establishing parentage.

15 “(b) REGULATIONS.—Regulations governing the im-
16 plementation of this section with respect to the executive,
17 legislative, or judicial branch of the Government shall be
18 promulgated by the authority or authorities responsible
19 for promulgating regulations under section 461 with re-
20 spect to the branch of Government involved.

21 “(c) INTERPRETIVE RULE.—This section shall not be
22 construed to prevent any otherwise eligible individual from
23 requesting or being granted a stay or continuance in any
24 judicial proceeding, including a judicial proceeding under
25 the Soldiers’ and Sailors’ Civil Relief Act of 1940 (50
26 U.S.C. App. 501 et seq.).

1 “(d) GOVERNMENT AGENCY DEFINED.—For pur-
2 poses of this section, the term ‘Government agency’ means
3 each agency of the Federal Government, including—

4 “(1) an Executive agency (as defined by section
5 105 of title 5, United States Code);

6 “(2) the Department of Defense, to the extent
7 that any Federal employee serving in or under that
8 agency or any member of the Armed Services is in-
9 volved;

10 “(3) the United States Postal Service and the
11 Postal Rate Commission;

12 “(4) the government of the District of Colum-
13 bia;

14 “(5) an agency within the legislative or judicial
15 branch of the Government; and

16 “(6) an advisory committee to which the Fed-
17 eral Advisory Committee Act applies.”.

18 **SEC. 42202. PRESUMED ADDRESS OF OBLIGOR AND OBLI-**

19 **GEE.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 section 42107 of this subtitle, is amended by inserting
22 after paragraph (16) the following:

23 “(17) Procedures under which the State shall—

24 “(A) require the court or administrative
25 agency with authority to issue the final order in

1 a child support or parentage case to require
2 each party subject to the order to file with the
3 court or administrative agency, on or before the
4 date the order is issued—

5 “(i) the party’s residential address or
6 addresses;

7 “(ii) the party’s mailing address or
8 addresses;

9 “(iii) the party’s home telephone num-
10 ber or numbers;

11 “(iv) the party’s driver’s license num-
12 ber;

13 “(v) the party’s social security ac-
14 count number;

15 “(vi) the name of each employer of
16 the party;

17 “(vii) the addresses of each place of
18 employment of the party; and

19 “(viii) the party’s work telephone
20 number or numbers;

21 “(B) require the court or administrative
22 agency in any action related to child support to
23 presume, for the purpose of providing sufficient
24 notice (other than the initial notice in an action
25 to establish parentage or a child support order),

1 that the noncustodial parent resides at the last
2 residential address given by the noncustodial
3 parent to the court or agency, or a more recent
4 address provided in good faith by the parent
5 owed the support obligation; and

6 “(C) ensure that information concerning
7 the location of a custodial parent or a child of
8 the custodial parent is not released to a non-
9 custodial parent if a court order has been is-
10 sued against the noncustodial parent for the
11 physical protection of the custodial parent or
12 the child.”.

13 **SEC. 42203. NOTICE TO CUSTODIAL PARENTS.**

14 Section 454 (42 U.S.C. 654) is amended—

15 (1) by striking “and” at the end of paragraph
16 (23);

17 (2) by striking the period at the end of para-
18 graph (24) and inserting “; and”; and

19 (3) by inserting after paragraph (24) the fol-
20 lowing:

21 “(25) provide that the agency administering the
22 plan—

23 “(A) shall make reasonable attempts to
24 provide timely notice to any individual owed

1 child support of any proceeding to establish,
2 modify, or enforce the support obligation;

3 “(B) shall not delay any such proceeding
4 solely due to the failure of the custodial parent
5 to appear; and

6 “(C) shall, within 14 days after the date
7 an order that establishes, modifies, or enforces
8 a child support obligation is issued, provide the
9 custodial parent of the child with a copy of the
10 order.”.

11 **SEC. 42204. UNIFORM STATE RULES IN PARENTAGE AND**
12 **CHILD SUPPORT CASES.**

13 Section 466(a) (42 U.S.C. 666(a)), as amended by
14 section 42202 of this subtitle, is amended by inserting
15 after paragraph (17) the following:

16 “(18) Procedures under which, in the State—

17 “(A) a party may, in a single cause of ac-
18 tion, seek judicial determination of the parent-
19 age of a child and judicial establishment of a
20 child support order with respect to the child;

21 “(B) the venue for determination of par-
22 entage of a child shall be in the county of resi-
23 dence of the child;

24 “(C) a court or agency that issues a par-
25 entage or child support order shall have con-

1 continuing and exclusive jurisdiction over the order
2 until the court or agency transfers such juris-
3 diction to the appropriate court or agency in
4 the county of residence of the child, or the par-
5 ties consent to be bound by another court or
6 agency in the State that has subject matter ju-
7 risdiction;

8 “(D) proceedings to enforce or modify of a
9 child support order may be transferred to the
10 city, county, or district in which the child re-
11 sides without any requirement that the order be
12 filed or the defendant be served again;

13 “(E) a court or agency that hears a par-
14 entage or child support case shall have state-
15 wide jurisdiction over the parties to the case,
16 and the parentage and child support orders is-
17 sued by the court or agency shall have state-
18 wide effect for enforcement purposes; and

19 “(F) denial of visitation rights may not be
20 used as a defense in an action to enforce an ob-
21 ligation to provide child support and the failure
22 to provide child support may not be used as a
23 defense in an action to enforce visitation
24 rights.”.

1 **SEC. 42205. FAIR CREDIT REPORTING ACT AMENDMENT.**

2 Section 604 of the Consumer Credit Protection Act
3 (15 U.S.C. 1681b) is amended by adding at the end the
4 following:

5 “(4) To a State agency administering a State plan
6 under section 454 of the Social Security Act, for use to
7 establish or modify a child support award.”.

8 **SEC. 42206. NATIONAL CHILD SUPPORT GUIDELINES COM-**
9 **MISSION.**

10 (a) ESTABLISHMENT.—There is hereby established a
11 commission to be known as the “National Child Support
12 Guidelines Commission” (in this section referred to as the
13 “Commission”).

14 (b) GENERAL DUTIES.—The Commission shall con-
15 vene a conference to study the desirability of a national
16 child support guideline, and if such guideline is advisable,
17 the Commission shall develop for congressional consider-
18 ation a national child support guideline that is based on
19 the conference’s study of various guideline models, the de-
20 ficiencies of such models, and any needed improvements,
21 taking into consideration differences in the cost of living
22 in different areas of the United States. In developing such
23 guideline, the Commission shall consider indexing the
24 guideline to the cost of living, specifying minimum (rather
25 than maximum) amounts, or using other methodologies to
26 reflect such differences.

1 (c) MEMBERSHIP.—

2 (1) NUMBER; APPOINTMENT.—

3 (A) IN GENERAL.—The Commission shall
4 be composed of 9 individuals appointed jointly
5 by the Secretary of Health and Human Services
6 and the Congress, not later than March 15,
7 1997.

8 (B) QUALIFICATIONS OF MEMBERS.—

9 Members of the Commission shall be appointed
10 from among those who are able to provide ex-
11 pertise and experience in the evaluation and de-
12 velopment of child support guidelines.

13 (2) TERMS OF OFFICE.—Each member shall be
14 appointed for a term of 2 years. A vacancy in the
15 Commission shall be filled in the manner in which
16 the original appointment was made.

17 (d) COMMISSION POWERS, COMPENSATION, ACCESS
18 TO INFORMATION, AND SUPERVISION.—The first sentence
19 of subparagraph (C), the first and third sentences of sub-
20 paragraph (D), subparagraph (F) (except with respect to
21 the conduct of medical studies), clauses (ii) and (iii) of
22 subparagraph (G), and subparagraph (H) of section
23 1886(e)(6) of the Social Security Act shall apply to the
24 Commission in the same manner in which such provisions

1 apply to the Prospective Payment Assessment Commis-
2 sion.

3 (e) REPORT.—Not later than 2 years after the ap-
4 pointment of members, the Commission shall submit to
5 the President, the Committee on Ways and Means of the
6 House of Representatives, and the Committee on Finance
7 of the Senate, a report on the results of the study de-
8 scribed in subsection (b) and the final assessment by the
9 Commission of issues relating to a national child support
10 guideline.

11 (f) TERMINATION.—The Commission shall terminate
12 upon the submission of the report described in subsection
13 (e).

14 **SEC. 42207. GUIDELINE PRINCIPLES.**

15 Section 467 (42 U.S.C. 667) is amended by adding
16 at the end the following:

17 “(d) The guidelines established pursuant to sub-
18 section (a) shall be based on, and applied in accordance
19 with, the following principles:

20 “(1) A change in the child support amount re-
21 sulting from the application of the guidelines since
22 the entry of the last support order is sufficient rea-
23 son for modification of a child support obligation
24 without the necessity of showing any other change in
25 circumstance. The State may set a minimum time-

1 frame between reviews of modifications based on the
2 guidelines, absent other changes in circumstances.

3 “(2) Not later than January 1, 1997, each
4 State shall establish automatic child support order
5 review procedures based on the automated calcula-
6 tion of the amount of support to which a child is en-
7 titled, to ensure that the amount is sufficient to
8 meet the needs of the child, and takes into account
9 any changes in the income of the parents of the
10 child.

11 “(3) The State shall advise any custodial parent
12 who is not receiving aid under a State plan approved
13 under part A of the review of a child support award
14 made with respect to a child of the custodial parent,
15 of any proposed modification in the amount of the
16 award based on the review, and of the right of the
17 custodial parent to decline to seek the modification.

18 “(e) The guidelines established pursuant to sub-
19 section (a) may consider the treatment of the following:

20 “(1) Work-related or job-training-related child
21 care expenses of either parent for the care of chil-
22 dren of either parent.

23 “(2) Health insurance and related uninsured
24 health care expenses, and school expenses incurred

1 on behalf of the child for whom the child support
2 order is sought.

3 “(3) Multiple family child raising obligations
4 other than those for the child for whom the child
5 support order is sought.

6 “(f) Each State must publish the guidelines estab-
7 lished pursuant to subsection (a).”.

8 **SEC. 42208. DURATION OF SUPPORT.**

9 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
10 666(a)), as amended by section 42204 of this subtitle, is
11 amended by inserting after paragraph (18) the following:

12 “(19) Procedures under which the State—

13 “(A) imposes on 1 or both parents of a
14 child an obligation to continue to provide sup-
15 port for the child until not earlier than the later
16 of the date the child attains 18 years of age or
17 the date the child is graduated from or is no
18 longer enrolled in secondary school or its equiv-
19 alent, unless the child is married or is otherwise
20 emancipated by a court of competent jurisdic-
21 tion;

22 “(B) provides that courts with jurisdiction
23 over child support cases may, in accordance
24 with criteria established by the State, order—

1 “(i) child support, payable to an adult
2 child, at least up to the age of 22 years for
3 a child enrolled in an accredited post-
4 secondary or vocational school or college
5 who is a student in good standing; and

6 “(ii) either or both parents to pay for
7 postsecondary school support based on
8 each parent’s financial ability to pay;

9 “(C) provides for child support to continue
10 beyond the child’s minority if the child is dis-
11 abled, unable to be self-supportive, and the dis-
12 ability arose during the child’s minority; and

13 “(D) provides that courts should consider
14 the effect of child support received on means-
15 tested governmental benefits and whether to
16 credit governmental benefits against a support
17 award amount.”.

18 (b) SENSE OF THE CONGRESS.—It is the sense of
19 the Congress that, if children receive child support while
20 obtaining postsecondary education, they will attain higher
21 levels of education affording them a greater chance to
22 break the welfare cycle.

1 **SEC. 42209. EVIDENCE.**

2 (a) NATIONAL SUBPOENA DUCES TECUM.—Section
3 452(a) (42 U.S.C. 652(a)), as amended by sections
4 42210(a) and 42102(c) of this subtitle, is amended—

5 (1) by striking “and” at the end of paragraph
6 (11);

7 (2) by striking the period at the end of para-
8 graph (12) and inserting a semicolon; and

9 (3) by inserting after paragraph (12) the fol-
10 lowing:

11 “(13) develop and distribute a national sub-
12 poena duces tecum, which shall be designed to be
13 used by any State or local child support agency or
14 child support litigant to reach income information on
15 the prior 12 months of income or on accumulated in-
16 come to date of any recipient of income;

17 “(14) establish a simplified certification process
18 and admissibility procedure for out-of-State docu-
19 ments in child support or parentage cases.”.

20 (b) STATE LAWS.—Section 466(a) (42 U.S.C.
21 666(a)), as amended by section 42208 of this subtitle, is
22 amended by inserting after paragraph (19) the following:

23 “(20) Procedures under which—

24 “(A) in a child support case in the State—

25 “(i) the subpoena duces tecum devel-
26 oped pursuant to section 452(a)(13) shall

1 be used, if necessary, to reach income in-
2 formation on the prior 12 months of in-
3 come or on accumulated income to date of
4 any individual;

5 “(ii) an entity that is a source of in-
6 come for the individual may comply with
7 such a subpoena by timely mailing the in-
8 formation described in the subpoena to an
9 address supplied in the subpoena;

10 “(iii) the State shall permit such a
11 subpoena to be enforced against such an
12 entity in the State, with the entity bearing
13 the burden of justifying any failure to com-
14 ply with the subpoena; and

15 “(iv) information supplied by an en-
16 tity in response to such a subpoena shall
17 be admissible to prove the truth of the in-
18 formation;

19 “(B) a certified copy of an out-of-State
20 order, decree, or judgment related to child sup-
21 port or parentage shall be admitted once of-
22 fered in the courts of the State if the order, de-
23 cree, or judgment is regular on its face;

24 “(C) electronically transmitted information
25 and documents faxed to a court or administra-

1 tive agency that contain information related to
2 the amount of a child support obligation and
3 the terms of the order imposing the obligation
4 may be offered as evidence of the amount and
5 the terms, and electronically transmitted
6 records of payment of a child support agency
7 that are regular on their face shall be admissi-
8 ble as evidence in a child support or parentage
9 proceeding to prove the truth of the matter as-
10 serted in the records;

11 “(D) out-of-State depositions, interroga-
12 tories, admissions of fact, and other discovery
13 documents may be offered and shall be admit-
14 ted in a child support or parentage proceeding
15 to prove the truth of the matters asserted in
16 the documents if regular on their face and if
17 such documents comply with the appropriate
18 discovery rule or law of the State where the dis-
19 covery was conducted; and

20 “(E) written, videotaped, or audiotaped
21 evidence related to a child support or parentage
22 proceeding may be offered and shall be admit-
23 ted to prove the truth of the matter asserted
24 therein.”.

1 **SEC. 42210. TELEPHONIC APPEARANCE IN INTERSTATE**
2 **CASES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 section 42209(b) of this subtitle, is amended by inserting
5 after paragraph (20) the following:

6 “(21) Procedures under which the parties to an
7 interstate parentage or child support administrative
8 or judicial proceeding may appear and participate by
9 telephonic means in lieu of appearing personally.”.

10 **SEC. 42211. UNIFORM TERMS IN ORDERS.**

11 (a) IN GENERAL.—Section 452(a) (42 U.S.C.
12 652(a)) is amended—

13 (1) in paragraph (9), by striking “and” after
14 the semicolon;

15 (2) in paragraph (10), by striking the period at
16 the end of the 2nd sentence and inserting “; and”;
17 and

18 (3) by adding at the end the following:

19 “(11) not later than 12 months after the date
20 of the enactment of this paragraph, develop, in con-
21 junction with State executive and judicial organiza-
22 tions, a uniform abstract of a child support order,
23 for use by all State courts to record, with respect to
24 each child support order in the child support order
25 registry established under section 466(a)(12)—

1 “(A) the date support payments are to
2 begin under the order;

3 “(B) the circumstances upon which sup-
4 port payments are to end under the order;

5 “(C) the amount of child support payable
6 pursuant to the order expressed as a sum cer-
7 tain to be paid on a monthly basis, arrearages
8 expressed as a sum certain as of a certain date,
9 and any payback schedule for the arrearages;

10 “(D) whether the order awards support in
11 a lump sum (nonallocated) or per child;

12 “(E) if the award is in a lump sum, the
13 event causing a change in the support award
14 and the amount of any change;

15 “(F) other expenses covered by the order;

16 “(G) the names of the parents subject to
17 the order;

18 “(H) the social security account numbers
19 of the parents;

20 “(I) the name, date of birth, and social se-
21 curity account number (if any) of each child
22 covered by the order;

23 “(J) the identification (FIPS code, name,
24 and address) of the court that issued the order;

1 “(K) any information on health care sup-
2 port required by the order; and

3 “(L) the party to contact if additional in-
4 formation is obtained.”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
6 subsection (a) shall take effect on the date of the enact-
7 ment of this subtitle.

8 **SEC. 42212. SOCIAL SECURITY NUMBERS ON MARRIAGE LI-**
9 **CENSES, DIVORCE DECREES, PARENTAGE DE-**
10 **CREES, AND BIRTH CERTIFICATES.**

11 Section 466(a) (42 U.S.C. 666(a)), as amended by
12 section 42210 of this subtitle, is amended by inserting
13 after paragraph (21) the following:

14 “(22) Procedures under which the social secu-
15 rity account number (if any) of—

16 “(A) each individual applying for a mar-
17 riage license is to be listed by the individual’s
18 name on the license;

19 “(B) each party granted a divorce decree is
20 to be listed by the party’s name on the decree,
21 if any party to the decree is pregnant or a par-
22 ent; and

23 “(C) each individual determined to be a
24 parent of a child in an action to establish par-

1 entage is to be listed by the individual's name
2 on the decree containing the determination; and

3 “(D) each parent of a child is to be listed
4 by the parent's name on the child's birth certifi-
5 cate.”.

6 **SEC. 42213. ADMINISTRATIVE SUBPOENA POWER.**

7 Section 466(a) (42 U.S.C. 666(a)), as amended by
8 section 42212 of this subtitle, is amended by inserting
9 after paragraph (22) the following:

10 “(23) Procedures under which the State child
11 support enforcement agency may issue a subpoena
12 which—

13 “(A) requires the individual served to
14 produce and deliver documents to, or to appear
15 at, a court or administrative agency on a cer-
16 tain date; and

17 “(B) penalizes an individual for failing to
18 comply with the subpoena.”.

19 **SEC. 42214. LEGAL ASSISTANCE PROGRAMS.**

20 (a) **USE OF FUNDS FOR CHILD SUPPORT CASES.—**
21 The Legal Services Corporation shall ensure that at least
22 10 percent of the funds it provides to each recipient in
23 a fiscal year be used to assist eligible clients to obtain child
24 support to which they may be entitled.

25 (b) **DEFINITIONS.—**For purposes of this section—

1 (1) the term “child support” means a payment
2 of money or provision of a benefit for the support
3 of a child, and includes periodic and lump-sum pay-
4 ments for current and past due economic support,
5 payments of premiums for health insurance for chil-
6 dren, payments for or provision of child care, and
7 payments for educational expenses; and

8 (2) the terms “eligible client” and “recipient”
9 have the meanings given those terms in section 1002
10 of the Legal Services Corporation Act (42 U.S.C.
11 2996a).

12 **SEC. 42215. INDIAN CHILD SUPPORT.**

13 (a) SENSE OF THE CONGRESS.—It is the sense of the
14 Congress that—

15 (1) children residing on Indian reservations be
16 accorded the same right of support that is currently
17 afforded off-reservation children; and

18 (2) State and tribal governments should, to the
19 greatest extent possible, ensure that jurisdictional is-
20 sues do not prevent any Indian child, on- or off-res-
21 ervation, from receiving support to which the child
22 is entitled.

23 (b) FULL FAITH AND CREDIT OF SUPPORT OR-
24 DERS.—The Indian Child Welfare Act of 1978 (25 U.S.C.

1 1901 et seq.) is amended by adding at the end the follow-
2 ing:

3 **“TITLE IV—INDIAN CHILD**
4 **SUPPORT**

5 **“SEC. 401. FULL FAITH AND CREDIT.**

6 “(a) Every Indian tribe shall give full faith and credit
7 to the public acts, records, and judicial proceedings of the
8 United States, every State, and every territory or posses-
9 sion of the United States applicable to Indian child sup-
10 port proceedings to the same extent that the Indian tribe
11 gives full faith and credit to public acts, records, and judi-
12 cial proceedings of any other entity pursuant to section
13 101(d) of this Act.

14 “(b) The United States, every State, every territory
15 or possession of the United States, and every Indian tribe
16 shall give full faith and credit to the public acts, records,
17 and judicial proceedings of any Indian tribe applicable to
18 Indian child support proceedings to the same extent that
19 such entities give full faith and credit to public acts,
20 records, and judicial proceedings of any other entity.”.

21 **SEC. 42216. SUPPORT ORDERS OUTREACH AND DEM-**
22 **ONSTRATIONS.**

23 (a) SENSE OF THE CONGRESS.—It is the sense of the
24 Congress that States should work with community-based
25 organizations with ties to underserved populations to de-

1 velop better methods to reach and work with such popu-
 2 lations to encourage the filing of more support orders.

3 (b) STATES REQUIRED TO CONDUCT SURVEYS OF
 4 UNDERSERVED POPULATIONS.—

5 (1) IN GENERAL.—Part D of title IV (42
 6 U.S.C. 651–669) is amended by adding at the end
 7 the following:

8 **“SEC. 470. STATE SURVEYS OF UNDERSERVED POPU-**
 9 **LATIONS.**

10 “Each State, as a condition for having a State plan
 11 approved under this part, must conduct surveys to identify
 12 populations underserved by child support services, and de-
 13 velop outreach programs to serve such populations in
 14 places such as child care centers, parenting classes, pre-
 15 natal classes, and unemployment offices.”.

16 (2) FEDERAL FINANCIAL PARTICIPATION.—Sec-
 17 tion 455(a)(1) (42 U.S.C. 655(a)(1)) is amended—

18 (A) in subparagraph (B), by striking
 19 “and” at the end;

20 (B) in subparagraph (C) by adding “and”
 21 at the end; and

22 (C) by inserting after subparagraph (C)
 23 the following:

24 “(D) equal to 90 percent of so much of the
 25 sums expended during such quarter as are attrib-

1 utable to operating programs described in section
2 470,”.

3 (c) MATERIALS TO ASSIST PERSONS WITH LOW LIT-
4 ERACY LEVELS.—The Secretary of Health and Human
5 Services shall fund demonstration projects and technical
6 assistance grants to States to develop applications and in-
7 formational materials directed to individuals with low lit-
8 eracy levels or difficulties reading English.

9 (d) REVIEW OF WRITTEN MATERIALS.—The Sec-
10 retary of Health and Human Services shall review all writ-
11 ten materials provided to persons served by the Office of
12 Child Support Enforcement to ensure that any require-
13 ment contained in the materials is presented clearly and
14 in a manner that is easily understandable by such persons.

15 (e) DEMONSTRATION PROJECTS TO IMPROVE CO-
16 ORDINATION BETWEEN CERTAIN STATE PUBLIC ASSIST-
17 ANCE AGENCIES.—The Secretary of Health and Human
18 Services shall make grants to States to conduct dem-
19 onstration projects to test various methods for improving
20 the coordination of services and case processing between
21 the State agency referred to in section 402(a)(3) of the
22 Social Security Act and the State agency referred to in
23 section 454(3) of such Act.

24 (f) REFERRAL OF CUSTODIAL PARENTS TO COMMU-
25 NITY RESOURCES TO COMBAT DOMESTIC VIOLENCE.—

1 Section 454 (42 U.S.C. 654), as amended by section
2 42203 of this subtitle, is amended—

3 (1) by striking “and” at the end of paragraph
4 (24);

5 (2) by striking the period at the end of para-
6 graph (25) and inserting “; and”; and

7 (3) by inserting after paragraph (25) the fol-
8 lowing:

9 “(26) provide that the agency administering the
10 plan—

11 “(A) may represent custodial parents in
12 custody cases; and

13 “(B) must refer to appropriate community
14 resources custodial parents against whom or
15 whose children violence has been threatened as
16 a result of cooperation with a State agency in
17 establishing or enforcing a child support order,
18 in accordance with procedures developed by the
19 State to reduce the risk of violence, such as ex-
20 emption of the custodial parent from any require-
21 ment of face-to-face meetings with persons
22 other than from the agency.”.

23 **CHAPTER 3—PARENTAGE**

24 **SEC. 42301. PARENTAGE.**

25 (a) STATE PLAN.—

1 (1) IN GENERAL.—Section 454 (42 U.S.C.
2 654), as amended by section 42216(f) of this sub-
3 title, is amended—

4 (A) by striking “and” at the end of para-
5 graph (25);

6 (B) by striking the period at the end of
7 paragraph (26) and inserting “; and”; and

8 (C) by inserting after paragraph (26) the
9 following:

10 “(27) in order to encourage voluntary paternity
11 acknowledgement, provide for—

12 “(A) the development and distribution of
13 material at schools, hospitals (not later than 2
14 years after the effective date of this paragraph),
15 agencies administering the programs under part
16 A of this title and title XIX, prenatal health
17 care providers, WIC programs, health depart-
18 ments, clinics, and other appropriate locations
19 that describe the benefits and responsibilities of
20 paternity establishment and the process by
21 which paternity services may be obtained; and

22 “(B) the use of consent procedures.”.

23 (2) ENHANCED FEDERAL MATCH.—Section
24 455(a)(1) (42 U.S.C. 655(a)(1)) is amended—

1 (A) by striking “and” at the end of sub-
2 paragraph (B);

3 (B) by inserting “and” at the end of sub-
4 paragraph (C); and

5 (C) by inserting after subparagraph (C)
6 the following:

7 “(D) equal to 90 percent (rather than the
8 percentage specified in subparagraph (A)) of so
9 much of the sums expended during such quar-
10 ter as are attributable to costs incurred in car-
11 rying out section 454(27) and the 2nd sentence
12 of section 466(a)(5)(C);”.

13 (b) STATE LAW.—Section 466(a) (42 U.S.C. 666(a)),
14 as amended by section 42213 of this subtitle, is amended
15 by inserting after paragraph (23) the following:

16 “(24) Procedures under which—

17 “(A) in a parentage case, an individual
18 who signs the signature line provided for a fa-
19 ther on a State birth certificate is rebuttably
20 presumed to be a parent of the child, and a
21 birth certificate so signed is admissible as evi-
22 dence of such parentage;

23 “(B) a simple, civil consent procedure is
24 available for individuals who agree to acknowl-
25 edge parentage of a child;

1 “(C) an acknowledgment of parentage of a
2 child—

3 “(i) may be incorporated in a wit-
4 nessed, written statement which includes a
5 statement that the individual—

6 “(I) understands the con-
7 sequences of paternity acknowledg-
8 ment;

9 “(II) is signing the statement
10 voluntarily; and

11 “(III) does not object to a court
12 entering an order for parentage of the
13 child based on the acknowledgment,
14 without notice before the order is is-
15 sued and without the requirement of
16 pleadings, service, summons, testi-
17 mony, or a hearing;

18 “(ii) is registered as part of the proc-
19 ess of registering the birth certificate of
20 the child; and

21 “(iii) is admissible in court as evi-
22 dence of the individual’s parentage of the
23 child;

24 “(D) collection of information for purposes
25 of establishing a child support obligation may

1 be done during the parentage acknowledgment
2 process, to the maximum extent consistent with
3 the State constitution;

4 “(E) a civil procedure (and not a criminal
5 procedure) is used in parentage determination
6 cases;

7 “(F) parentage is determined by a prepon-
8 derance of the evidence;

9 “(G) a party may bring a parentage case
10 without joinder of the named child, and State
11 law regarding privity of the parties shall govern
12 the res judicata effect of nonjoinder;

13 “(H) the results of a parentage test are
14 rebuttably presumed to be accurate in a parent-
15 age case, if the test results are admitted as evi-
16 dence of the matter tested and are
17 uncontroverted, and the test has an accuracy
18 rate of at least 98 percent;

19 “(I) a determination of parentage may be
20 made against a noncooperative party who re-
21 fuses to submit to a court order to submit to
22 parentage testing;

23 “(J) an objection to parentage testing or
24 to the results of a parentage test must be made
25 in writing at least 21 days before trial, and if

1 no such objection is made, the test results are
2 admissible as evidence of the matter tested,
3 without any requirement for the attendance of
4 a representative of the hospital, clinic, or par-
5 entage laboratory that conducted the test;

6 “(K) prenatal and post-natal parentage-
7 testing bills are admissible as evidence of par-
8 entage, without any requirement of third-party
9 foundation testimony, and any such bill is
10 prima facie evidence of the expenses incurred
11 on behalf of the child for the procedures in-
12 cluded in the bill;

13 “(L) a default order is entered in a parent-
14 age case on a proper showing of evidence of
15 parentage and of service of process on the de-
16 fendant, without regard to the personal pres-
17 ence of the plaintiff;

18 “(M) a temporary child support order is
19 entered against an individual if—

20 “(i) the individual is presumed to be
21 the parent of the child by reason of the re-
22 sults of a parentage test;

23 “(ii) the individual has signed a state-
24 ment acknowledging parentage of the child;

25 or

1 “(iii) there is other clear and convince-
2 ing evidence that the individual is a parent
3 of the child;

4 “(N) an individual determined by law to be
5 the parent of a child is precluded from claiming
6 nonparentage of the child as a defense in a
7 child support case;

8 “(O) a single action may be brought to de-
9 termine the parentage of a child and to estab-
10 lish a child support obligation with respect to
11 the child; and

12 “(P)(i) an action to determine the parent-
13 age of a child may be brought only in the coun-
14 ty in which the child resides; and

15 “(ii) if the child who is the subject of a
16 parentage determination action moves to an-
17 other county, the action is to be transferred to
18 the other county, on request of the custodial
19 parent of the child.”.

20 (c) SENSE OF THE CONGRESS.—It is the sense of the
21 Congress that, in a proceeding to establish paternity, once
22 paternity is alleged, the burden of proof should shift to
23 the alleged father.

1 **CHAPTER 4—ENFORCEMENT**

2 **SEC. 42401. DIRECT WAGE WITHHOLDING.**

3 (a) STATE LAW.—Section 466(b) (42 U.S.C. 666(b))
4 is amended by adding at the end the following:

5 “(11) Upon the issuance or modification by a
6 State court or administrative agency of an order im-
7 posing a child support obligation on an individual,
8 the State shall transmit to any employer of the indi-
9 vidual a wage withholding order developed under
10 section 452(a)(14) directing the employer to with-
11 hold amounts from the wages of the individual pur-
12 suant to the order, subject to the Uniform Interstate
13 Family Support Act adopted by the National Con-
14 ference of Commissioners on Uniform State Laws in
15 August 1992.”.

16 (b) UNIFORM WITHHOLDING ORDER.—Section
17 452(a) (42 U.S.C. 652(a)), as amended by sections
18 42211(a), 42102(c), and 42209(a) of this subtitle, is
19 amended—

20 (1) by striking “and” at the end of paragraph
21 (12);

22 (2) by striking the period at the end of para-
23 graph (13) and inserting “; and”; and

24 (3) by inserting after paragraph (13) the fol-
25 lowing:

1 “(14) develop a uniform order to be used in all
2 cases in which income is to be withheld for the pay-
3 ment of child support, which shall contain the name
4 of the individual whose income is to be withheld, the
5 number of children covered by the order, and the in-
6 dividual or State to whom the withheld income is to
7 be paid, and be generic to allow for the service of
8 the order on all sources of income.”.

9 **SEC. 42402. PRIORITIES IN APPLICATION OF WITHHELD**
10 **WAGES.**

11 Section 466(b) (42 U.S.C. 666(a)), as amended by
12 section 42401(a) of this subtitle, is amended by inserting
13 after paragraph (11) the following:

14 “(12) Procedures under which the amounts
15 withheld pursuant to a child support or wage with-
16 holding order are to be applied in the following
17 order:

18 “(A) To payments of support due during
19 the month of withholding.

20 “(B) To payments of premiums for health
21 care insurance coverage for dependent children.

22 “(C) To payments of support due before
23 the month of withholding, and of unreimbursed
24 health care expenses.”.

1 **SEC. 42403. ADDITIONAL BENEFITS SUBJECT TO GARNISH-**
2 **MENT.**

3 (a) FEDERAL DEATH BENEFITS, BLACK LUNG BEN-
4 EFITS, AND VETERANS BENEFITS.—Section 462(f)(2) (42
5 U.S.C. 662(f)(2)) is amended by striking “(not including”
6 and all that follows through “compensation)”.

7 (b) WORKERS’ COMPENSATION.—Section 462(f) (42
8 U.S.C. 662(f)) is amended—

9 (1) by striking “or” at the end of paragraph
10 (1);

11 (2) by striking the period at the end of para-
12 graph (2) and inserting “, or”; and

13 (3) by adding at the end the following:

14 “(3) workers’ compensation benefits.”.

15 **SEC. 42404. CONSUMER CREDIT PROTECTION ACT AMEND-**
16 **MENTS.**

17 (a) PREEMPTION OF STATE LAWS.—Section 307 of
18 the Consumer Credit Protection Act (15 U.S.C. 1677) is
19 amended—

20 (1) by striking “This” and inserting “(a) IN
21 GENERAL.—Subject to subsection (b), this”;

22 (2) by striking “or” at the end of paragraph
23 (1);

24 (3) by striking the period at the end of para-
25 graph (2) and inserting “, or”; and

26 (4) by adding at the end the following:

1 “(3) providing a cause of action, either by the
2 State or a private individual, to enforce a Federal or
3 State law related to garnishment for the purpose of
4 securing child support.

5 “(b) EXCEPTION.—Subsection (a)(1) shall not apply
6 to the laws of any State that prohibit or restrict garnish-
7 ments for the purpose of securing support for any per-
8 son.”.

9 (b) OTHER FORMS OF INCOME.—Title III of such
10 Act (15 U.S.C. 1671 et seq.) is amended by adding at
11 the end the following:

12 **“SEC. 308. OTHER FORMS OF INCOME.**

13 “‘This title does not apply to forms of income that
14 are not earnings within the definition contained in section
15 302(a).’”.

16 (c) PRIORITY OF DEBTS.—Title III of such Act (15
17 U.S.C. 1671 et seq.), as amended by subsection (b) of this
18 section, is further amended by adding after section 308
19 the following:

20 **“SEC. 309. PRIORITY OF DEBTS.**

21 “‘If an individual’s disposable earnings are not suffi-
22 cient to pay—

23 “(1) a garnishment intended to satisfy a Fed-
24 eral debt; and

1 “(2) a garnishment intended to satisfy a debt
2 related to the support of any child,
3 the Federal debt shall be satisfied through garnishment
4 only after the debt related to child support has first been
5 satisfied.”.

6 (d) **ADDITIONAL INDEBTEDNESS IN ANTI-DIS-**
7 **CHARGE SECTION.**—Section 304 of such Act (16 U.S.C.
8 1674) is amended by adding at the end the following:

9 “(c) The prohibition contained in subsection (a) shall
10 apply to any employee whose earnings are subject to gar-
11 nishment for more than one indebtedness, if the additional
12 indebtedness arises from an order for the support of a
13 child.”.

14 **SEC. 42405. PROHIBITION AGAINST USE OF ELECTION OF**
15 **REMEDIES DOCTRINE TO PREVENT COLLEC-**
16 **TION OF CHILD SUPPORT.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by
18 section 42301(b) of this subtitle, is amended by inserting
19 after paragraph (24) the following:

20 “(25) Procedures which prohibit any State
21 court from applying the doctrine of election of rem-
22 edies to prevent a custodial parent from collecting or
23 seeking to collect child support from a noncustodial
24 parent.”.

1 **SEC. 42406. HOLD ON OCCUPATIONAL, PROFESSIONAL, AND**
2 **BUSINESS LICENSES.**

3 (a) STATE HOLD BASED ON WARRANT OR SUPPORT
4 DELINQUENCY.—Section 466(a) (42 U.S.C. 666(a)), as
5 amended by section 42405 of this subtitle, is amended by
6 inserting after paragraph (25) the following:

7 “(26) Procedures under which the State occu-
8 pational licensing and regulating departments and
9 agencies may not issue or renew any occupational,
10 professional, or business license of—

11 “(A) a noncustodial parent who is the sub-
12 ject of an outstanding failure to appear war-
13 rant, capias, or bench warrant related to a child
14 support proceeding that appears on the State’s
15 crime information system, until removed from
16 the system; and

17 “(B) an individual who is delinquent in the
18 payment of child support, until the obligee or a
19 State prosecutor responsible for child support
20 enforcement consents to, or a court that is re-
21 sponsible for the order’s enforcement orders,
22 the release of the hold on the license, or an ex-
23 pedited inquiry and review is completed while
24 the individual is granted a 60-day temporary li-
25 cense.”.

1 (b) FEDERAL HOLD BASED ON SUPPORT DELIN-
2 QUENCY.—A Federal agency may not issue or renew any
3 occupational, professional, or business license of an indi-
4 vidual who is delinquent in the payment of child support,
5 until the obligee, the obligee’s attorney or a State prosecu-
6 tor responsible for child support enforcement consents to,
7 or a court that is responsible for the order’s enforcement
8 orders, the release of the hold on the license, or an expe-
9 dited inquiry and review is completed while the individual
10 is granted a 60-day temporary license.

11 **SEC. 42407. DRIVER’S LICENSES AND VEHICLE REGISTRA-**
12 **TIONS DENIED TO PERSONS FAILING TO AP-**
13 **PEAR IN CHILD SUPPORT CASES.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by
15 section 42406(a) of this subtitle, is amended by inserting
16 after paragraph (26) the following:

17 “(27) Procedures under which the State motor
18 vehicle department—

19 “(A) may not issue or renew the driver’s li-
20 cense or any vehicle registration (other than
21 temporary) of any noncustodial parent who is
22 the subject of an outstanding failure to appear
23 warrant, capias, or bench warrant related to a
24 child support proceeding that appears on the

1 State's crime information system, until removed
2 from the system;

3 “(B) upon receiving notice that an individ-
4 ual to whom a State driver's license or vehicle
5 registration has been issued is the subject of a
6 warrant related to a child support proceeding,
7 shall issue a show cause order to the individual
8 requesting the individual to demonstrate why
9 the individual's driver's license or vehicle reg-
10 istration should not be suspended until the war-
11 rant is removed by the State responsible for is-
12 suing the warrant; and

13 “(C) in any case in which a show cause
14 order has been issued as described in subpara-
15 graph (B), may grant a temporary license or
16 vehicle registration to the individual pending
17 the show cause hearing or the removal of the
18 warrant, whichever occurs first.”.

19 **SEC. 42408. LIENS ON CERTIFICATES OF VEHICLE TITLE.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 section 42407 of this subtitle, is amended by inserting
22 after paragraph (27) the following:

23 “(28) Procedures under which the State shall
24 systematically place liens on vehicle titles for child
25 support arrearages determined under a court order

1 or an order of an administrative process established
2 under State law, using a method for updating the
3 value of the lien on a regular basis or allowing for
4 an expedited inquiry to and response from a govern-
5 mental payee for proof of the amount of arrears,
6 with an expedited method for the titleholder or the
7 individual owing the arrearage to contest the arrear-
8 age or to request a release upon fulfilling the sup-
9 port obligation, and under which such a lien has
10 precedence over all other encumbrances on a vehicle
11 title other than a purchase money security interest,
12 and that the individual owed the arrearage may exe-
13 cute on, seize, and sell the property in accordance
14 with State law.”.

15 **SEC. 42409. ATTACHMENT OF BANK ACCOUNTS.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 section 42408 of this subtitle, is amended by inserting
18 after paragraph (28) the following:

19 “(29) Procedures under which—

20 “(A) amounts on deposit in a bank account
21 may be seized to satisfy child support arrear-
22 ages determined under a court order or an
23 order of an administrative process established
24 under State law, solely through an administra-
25 tive process, pending notice to and an expedited

1 opportunity to be heard from the account hold-
2 er or holders; and

3 “(B) if the account holder or holders fail
4 to successfully challenge the seizure (as deter-
5 mined under State law), the bank may be re-
6 quired to pay from the account to the entity
7 with the right to collect the arrearage the lesser
8 of—

9 “(i) the amount of the arrearage; or

10 “(ii) the amount on deposit in the ac-
11 count.”.

12 **SEC. 42410. SEIZURE OF LOTTERY WINNINGS, SETTLE-**
13 **MENTS, PAYOUTS, AWARDS, AND BEQUESTS,**
14 **AND SALE OF FORFEITED PROPERTY, TO PAY**
15 **CHILD SUPPORT ARREARAGES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 section 42409 of this subtitle, is amended by inserting
18 after paragraph (29) the following:

19 “(30) Procedures, in addition to other income
20 withholding procedures, under which a lien is im-
21 posed against property with the following effect:

22 “(A) The distributor of the winnings from
23 a State lottery or State-sanctioned or tribal-
24 sanctioned gambling house or casino shall—

1 “(i) suspend payment of the winnings
2 from the person otherwise entitled to the
3 payment until an inquiry is made to and a
4 response is received from the State child
5 support enforcement agency as to whether
6 the person owes a child support arrearage;
7 and

8 “(ii) if there is such an arrearage,
9 withhold from the payment the lesser of
10 the amount of the payment or the amount
11 of the arrearage, and pay the amount with-
12 held to the agency for distribution.

13 “(B) The person required to make a pay-
14 ment under a policy of insurance or a settle-
15 ment of a claim made with respect to the policy
16 shall—

17 “(i) suspend the payment until an in-
18 quiry is made to and a response received
19 from the agency as to whether the person
20 otherwise entitled to the payment owes a
21 child support arrearage; and

22 “(ii) if there is such an arrearage,
23 withhold from the payment the lesser of
24 the amount of the payment or the amount

1 of the arrearage, and pay the amount with-
2 held to the agency for distribution.

3 “(C) The payor of any amount pursuant to
4 an award, judgment, or settlement in any ac-
5 tion brought in Federal or State court shall—

6 “(i) suspend the payment of the
7 amount until an inquiry is made to and a
8 response is received from the agency as to
9 whether the person otherwise entitled to
10 the payment owes a child support arrear-
11 age; and

12 “(ii) if there is such an arrearage,
13 withhold from the payment the lesser of
14 the amount of the payment or the amount
15 of the arrearage, and pay the amount with-
16 held to the agency for distribution.

17 “(D) If the State seizes property forfeited
18 to the State by an individual by reason of a
19 criminal conviction, the State shall—

20 “(i) hold the property until an inquiry
21 is made to and a response is received from
22 the agency as to whether the individual
23 owes a child support arrearage; and

24 “(ii) if there is such an arrearage, sell
25 the property and, after satisfying the

1 claims of all other private or public claim-
2 ants to the property and deducting from
3 the proceeds of the sale the attendant costs
4 (such as for towing, storage, and the sale),
5 pay the lesser of the remaining proceeds or
6 the amount of the arrearage directly to the
7 agency for distribution.

8 “(E) Any person required to make a pay-
9 ment in respect of a decedent shall—

10 “(i) suspend the payment until an in-
11 quiry is made to and a response received
12 from the agency as to whether the person
13 otherwise entitled to the payment owes a
14 child support arrearage; and

15 “(ii) if there is such an arrearage,
16 withhold from the payment the lesser of
17 the amount of the payment or the amount
18 of the arrearage, and pay the amount with-
19 held to the agency for distribution.”.

20 **SEC. 42411. FRAUDULENT TRANSFER PURSUIT.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 section 42410 of this subtitle, is amended by inserting
23 after paragraph (30) the following:

24 “(31) Procedures requiring that, in any case re-
25 lated to child support, any transfer of property by

1 an individual who owes a child support arrearage
2 shall be presumed to be made with the intent to
3 avoid payment of the arrearage, and may be rebut-
4 ted by evidence to the contrary.”.

5 **SEC. 42412. FULL IRS COLLECTION.**

6 (a) SENSE OF THE CONGRESS.—It is the sense of the
7 Congress that the Commissioner of the Internal Revenue
8 Service should instruct the field offices and agents of the
9 Internal Revenue Service to give a high priority to re-
10 quests for the use of full collection in delinquent child sup-
11 port cases, and to set uniform standards for full collection
12 to ensure its expeditious and effective implementation.

13 (b) SIMPLIFIED PROCEDURE.—The Secretary of the
14 Treasury, in consultation with the Secretary of Health and
15 Human Services, shall by regulation simplify the full col-
16 lection process under section 6305 of the Internal Revenue
17 Code of 1986 and reduce the amount of child support ar-
18 rearage needed before an individual may apply for collec-
19 tion under such section.

20 **SEC. 42413. TAX REFUND OFFSET PROGRAM EXPANDED TO**
21 **COVER NON-AFDC POST-MINOR CHILDREN.**

22 Section 464(c) (42 U.S.C. 664(c)) is amended—

23 (1) by striking “(1) Except as provided in para-
24 graph (2), as” and inserting “As”;

1 (2) by inserting “(whether or not a minor)”
2 after “a child” each place such term appears; and
3 (3) by striking paragraphs (2) and (3).

4 **SEC. 42414. ATTACHMENT OF PUBLIC AND PRIVATE RE-**
5 **TIREMENT FUNDS.**

6 Section 466(a) (42 U.S.C. 666(a)), as amended by
7 section 42411 of this subtitle, is amended by inserting
8 after paragraph (31) the following:

9 “(32) Procedures under which an individual
10 owed a child support arrearage (determined under a
11 court order or an order of an administrative process
12 established under State law) may, notwithstanding
13 section 401(a)(13) of the Internal Revenue Code of
14 1986, attach any interest in any public or private re-
15 tirement plan of the individual who owes the sup-
16 port, without the requirement of a separate court
17 order, and with notice and an expedited hearing pro-
18 vided if requested by the individual who owes the
19 support.”.

20 **SEC. 42415. STATUTES OF LIMITATION.**

21 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
22 666(a)), as amended by section 42414 of this subtitle, is
23 amended by inserting after paragraph (32) the following:

1 “(33) Procedures which permit the enforcement
2 of any child support order until the child attains at
3 least 30 years of age.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to orders entered before, on, and
6 after the date of the enactment of this subtitle.

7 **SEC. 42416. INTEREST.**

8 Section 466(a) (42 U.S.C. 666(a)), as amended by
9 section 42415(a) of this subtitle, is amended by inserting
10 after paragraph (33) the following:

11 “(34) Procedures under which the State child
12 support enforcement agency must assess and collect
13 interest on all child support judgments, at the rate
14 determined for interest on money judgments, in ad-
15 dition to any late payment fee imposed by the State
16 under section 454(21).”.

17 **SEC. 42417. ARMED FORCES COOPERATION IN ENFORCE-**
18 **MENT OF SUPPORT OBLIGATIONS OF MEM-**
19 **BERS AND FORMER MEMBERS OF THE**
20 **ARMED FORCES.**

21 (a) ENFORCEMENT OF SUPPORT OBLIGATIONS.—(1)
22 Chapter 40 of title 10, United States Code, is amended
23 by adding at the end the following new section:

1 **“§ 709. Leave for attendance at child support or relat-**
2 **ed hearings; availability of personnel lo-**
3 **cator service information**

4 “(a) DEFINITIONS.—For purposes of this section:

5 “(1) The term ‘authorized person’ has the
6 meaning given that term in section 453(c) of the So-
7 cial Security Act (42 U.S.C. 653(c)).

8 “(2) The term ‘child support’ has the meaning
9 given such term in section 462(b) of the Social Secu-
10 rity Act (42 U.S.C. 662).

11 “(3) The term ‘court’ has the meaning given
12 that term in section 1408(a)(1) of this title.

13 “(b) FACILITATING THE GRANTING OF LEAVE FOR
14 ATTENDANCE AT HEARINGS.—

15 “(1) REGULATIONS REQUIRED.—The Secretary
16 concerned shall prescribe regulations to facilitate the
17 granting of a leave of absence to a member of the
18 armed forces under the jurisdiction of that Secretary
19 when necessary for the member to attend a hearing
20 of a court that is conducted in connection with a
21 civil action—

22 “(A) to determine whether the member is
23 a natural parent of a child; or

24 “(B) to determine an obligation of the
25 member to provide child support.

1 “(2) WAIVER AUTHORITY.—The regulations
2 prescribed under paragraph (1) may authorize a
3 waiver of the applicability of the regulations to a
4 member of the armed forces when—

5 “(A) the member is serving in an area of
6 combat operations; or

7 “(B) such a waiver is otherwise necessary
8 in the national security interest of the United
9 States.

10 “(c) AVAILABILITY OF CURRENT LOCATOR INFORMA-
11 TION.—

12 “(1) MAINTENANCE OF ADDRESS INFORMA-
13 TION.—Each worldwide personnel locator service of
14 the armed forces and each personnel locator service
15 of the armed forces maintained for a military instal-
16 lation shall include the residential address of each
17 member of the armed forces listed in such service.
18 Within 30 days after a change of duty station or
19 residential address of a member listed in a locator
20 service, the Secretary concerned shall update the lo-
21 cator service to indicate the new residential address
22 of the member.

23 “(2) AVAILABILITY OF INFORMATION.—The
24 Secretary of Defense shall prescribe regulations to
25 make information regarding the residential address

1 of a member of the armed forces available, on re-
 2 quest, to any authorized person for the purposes of
 3 part D of title IV of the Social Security Act (42
 4 U.S.C. 651 et seq.).”.

5 (2) The table of sections at the beginning of such
 6 chapter is amended by adding at the end the following
 7 new item:

“709. Leave for attendance at child support or related hearings; availability of
 personnel locator service information.”.

8 (b) PAYMENT OF MILITARY RETIRED PAY IN COM-
 9 PLIANCE WITH COURT ORDERS.—

10 (1) DATE OF CERTIFICATION OF COURT
 11 ORDER.—Section 1408 of title 10, United States
 12 Code, is amended—

13 (A) by redesignating subsection (i) as sub-
 14 section (j); and

15 (B) by inserting after subsection (h) the
 16 following new subsection:

17 “(i) CERTIFICATION DATE.—It is not necessary that
 18 the date of a certification of the authenticity or complete-
 19 ness of a copy of a court order for child support received
 20 by the Secretary concerned for the purposes of this section
 21 be recent in relation to the date of receipt.”.

22 (2) PAYMENTS CONSISTENT WITH ASSIGN-
 23 MENTS OF RIGHTS TO STATES.—Subsection (d)(1)
 24 of such section is amended by inserting after the

1 first sentence the following: “In the case of a spouse
2 or former spouse who, pursuant to section
3 402(a)(26) of the Social Security Act (42 U.S.C.
4 602(26)), assigns to a State the rights of the spouse
5 or former spouse to receive support, the Secretary
6 concerned may make the child support payments re-
7 ferred to in the preceding sentence to that State in
8 amounts consistent with the assignment of rights.”.

9 (3) RULE OF CONSTRUCTION.—Subsection
10 (c)(2) of such section is amended—

11 (A) by inserting after the first sentence the
12 following: “The second sentence of subsection
13 (d)(1) shall not be construed to create any such
14 right, title, or interest.”;

15 (B) by inserting “(A)” after “(2)”; and

16 (C) by designating the last sentence as
17 subparagraph (B) and conforming the margins
18 accordingly.

19 (c) ARREARAGES OWED BY MEMBERS OF THE UNI-
20 FORMED SERVICES.—Part D of title IV (42 U.S.C. 651–
21 669) is amended by inserting after section 465 the follow-
22 ing:

1 **“SEC. 465A. PAYMENT OF CHILD SUPPORT ARREARAGES**
2 **OWED BY MEMBERS OF THE UNIFORMED**
3 **SERVICES.**

4 “Any authority, requirement, or procedure provided
5 in this part or section 1408 of title 10, United States
6 Code, that applies to the payment of child support owed
7 by a member of the uniformed services (as defined in sec-
8 tion 101 of title 37, United States Code) shall apply to
9 the payment of child support arrearages as well as to
10 amounts of child support that are currently due.”.

11 **SEC. 42418. STATES REQUIRED TO ENACT THE UNIFORM**
12 **INTERSTATE FAMILY SUPPORT ACT.**

13 (a) IN GENERAL.—Section 466 (42 U.S.C. 666) is
14 amended by adding at the end the following:

15 “(f) In order to satisfy section 454(20)(A), each
16 State must have in effect laws which—

17 “(1) adopt verbatim the officially approved ver-
18 sion of the Uniform Interstate Family Support Act
19 adopted by the National Conference of Commis-
20 sioners on Uniform State Laws in August 1992; and

21 “(2) require the courts of the State to recognize
22 according to its terms an order issued by a court of
23 any other State adjudicating parentage of an indi-
24 vidual over whom the court of such other State has
25 exercised personal jurisdiction.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to payments under part D of
3 title IV of the Social Security Act for calendar quarters
4 ending 2 or more years after the date of the enactment
5 of this subtitle.

6 **SEC. 42419. IRS RECONCILIATION PROCESS.**

7 (a) IN GENERAL.—The Comptroller General and the
8 Secretary of the Treasury shall jointly conduct a study
9 of the feasibility of a procedure under which—

10 (1) past-due child support is collected from the
11 taxpayer owing such support by increasing the tax-
12 payer's tax liability for a taxable year by the past-
13 due child support for such taxable year, and

14 (2) the Internal Revenue Service remits the col-
15 lected past-due child support to the individual or
16 governmental agency entitled to receive it.

17 (b) FORM.—As part of the study, the Secretary of
18 the Treasury shall develop an appropriate form which
19 could be filed with a taxpayer's income tax return and
20 which shows—

21 (1) the child support required to be paid by the
22 taxpayer during the taxable year,

23 (2) the unpaid amount of such support as of
24 the time of filing the taxpayer's income tax return
25 for such taxable year, and

1 (3) the name and address of the individual or
2 governmental agency entitled to receive any payment
3 of such unpaid amount.

4 (c) REPORT.—The report of such study shall be sub-
5 mitted to Congress not later than 1 year after the date
6 of the enactment of this subtitle.

7 **SEC. 42420. DENIAL OF PASSPORTS TO NONCUSTODIAL**
8 **PARENTS SUBJECT TO STATE ARREST WAR-**
9 **RANTS IN CASES OF NONPAYMENT OF CHILD**
10 **SUPPORT.**

11 The Secretary of State is authorized to refuse a pass-
12 port or revoke, restrict, or limit a passport in any case
13 in which the Secretary of State determines or is informed
14 by competent authority that the applicant or passport
15 holder is a noncustodial parent who is the subject of an
16 outstanding State warrant of arrest for nonpayment of
17 child support, where the amount in controversy is not less
18 than \$10,000.

19 **SEC. 42421. DENIAL OF FEDERAL BENEFITS, LOANS, GUAR-**
20 **ANTEES, AND EMPLOYMENT TO CERTAIN**
21 **PERSONS WITH LARGE CHILD SUPPORT AR-**
22 **REARAGES.**

23 (a) BENEFITS, LOANS, AND GUARANTEES.—Not-
24 withstanding any other provision of law, each agency or
25 instrumentality of the Federal Government may not,

1 under any program that the agency or instrumentality su-
2 pervises or administers, provide a benefit to, make a loan
3 to, or provide any guarantee for the benefit of, any per-
4 son—

5 (1) whose child support arrearages, determined
6 under a court order or an order of an administrative
7 process established under State law, exceed \$1,000;
8 and

9 (2) who is not in compliance with a plan or an
10 agreement to repay the arrearages.

11 (b) EMPLOYMENT.—

12 (1) IN GENERAL.—Notwithstanding any other
13 provision of law, an individual shall be considered in-
14 eligible to accept employment in a position in the
15 Federal Government if—

16 (A) such individual has child support ar-
17 rearages, determined under a court order or an
18 order of an administrative process established
19 under State law, exceeding \$1,000; and

20 (B) such individual is not in compliance
21 with a plan or agreement to repay the arrear-
22 ages.

23 (2) REGULATIONS.—Regulations to carry out
24 paragraph (1) shall—

1 (A) with respect to positions in the execu-
2 tive branch, be prescribed by the President (or
3 his designee);

4 (B) with respect to positions in the legisla-
5 tive branch, be prescribed jointly by the Presi-
6 dent pro tempore of the Senate and the Speak-
7 er of the House of Representatives (or their
8 designees); and

9 (C) with respect to positions in the judicial
10 branch, be prescribed by the Chief Justice of
11 the United States (or his designee).

12 (3) CHILD SUPPORT DEFINED.—For purposes
13 of this subsection, the term “child support” has the
14 meaning given such term in section 462(b) of the
15 Social Security Act.

16 **SEC. 42422. STATES REQUIRED TO ORDER COURTS TO**
17 **ALLOW ASSIGNMENT OF LIFE INSURANCE**
18 **BENEFITS TO SATISFY CHILD SUPPORT AR-**
19 **REARAGES.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 section 42416 of this subtitle, is amended by inserting
22 after paragraph (34) the following:

23 “(35) Procedures allowing State courts to—

24 “(A) order the issuer of a life insurance
25 policy to change the beneficiary provisions of

1 the policy to effect an assignment of the bene-
2 fits payable to a beneficiary under the policy, in
3 whole or in part, to a child to satisfy a child
4 support arrearage, determined under a court
5 order or an order of an administrative process
6 established under State law, owed by the bene-
7 ficiary with respect to the child; and

8 “(B) prohibit the sale, assignment, or
9 pledge as collateral of the policy, in whole or in
10 part, by the beneficiary of the policy.”.

11 **SEC. 42423. INTERESTS IN JOINTLY HELD PROPERTY SUB-**
12 **JECT TO ASSIGNMENT TO SATISFY CHILD**
13 **SUPPORT ARREARAGES.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by
15 section 42422 of this subtitle, is amended by inserting
16 after paragraph (35) the following:

17 “(36) Procedures allowing State courts to order
18 the assignment of an interest in jointly held property
19 to an individual owed a child support arrearage (de-
20 termined under a court order or an order of an ad-
21 ministrative process established under State law) by
22 a holder of an interest in the property, to the extent
23 of the arrearage.”.

1 **SEC. 42424. INTERNATIONAL CHILD SUPPORT ENFORCE-**
2 **MENT.**

3 (a) SENSE OF THE CONGRESS THAT THE UNITED
4 STATES SHOULD RATIFY THE UNITED NATIONS CON-
5 VENTION OF 1956.—It is the sense of the Congress that
6 the United States should ratify the United Nations Con-
7 vention of 1956.

8 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
9 PORT CASES AS INTERSTATE CASES.—Section 454 (42
10 U.S.C. 654), as amended by section 42301(a)(1) of this
11 subtitle, is amended—

12 (1) by striking “and” at the end of paragraph
13 (26);

14 (2) by striking the period at the end of para-
15 graph (27) and inserting “; and”; and

16 (3) by inserting after paragraph (27) the fol-
17 lowing:

18 “(28) provide that the State must treat inter-
19 national child support cases in the same manner as
20 the State treats interstate child support cases.”.

1 **CHAPTER 5—COLLECTION AND**
2 **DISTRIBUTION**

3 **SEC. 42501. PRIORITIES IN DISTRIBUTION OF COLLECTED**
4 **CHILD SUPPORT.**

5 (a) STATE DISTRIBUTION PLAN.—Section 457 (42
6 U.S.C. 657) is amended by adding at the end the follow-
7 ing:

8 “(e) The amounts that a State collects as child sup-
9 port (including interest) pursuant to a plan approved
10 under this part, other than amounts so collected through
11 a tax refund offset, shall (subject to subsection (d)) be
12 paid—

13 “(1) first to the individual owed the support or
14 (if the individual assigned to the State the payment
15 of the support) to the State, to the extent necessary
16 to satisfy the current month’s support obligation;

17 “(2) then to the individual owed the support, to
18 the extent necessary to satisfy any arrearage that
19 accrued after assistance with respect to the child
20 under this title ended;

21 “(3) then, at the option of the State—

22 “(A) to the individual owed the support, to
23 the extent necessary to satisfy any arrearage
24 that accrued before assistance was provided
25 with respect to the child under this title; or

1 “(B) to the State, to the extent necessary
2 to reimburse the State for assistance provided
3 with respect to the child under this title (with-
4 out interest); and

5 “(4) then to other States, to the extent nec-
6 essary to reimburse such other States for assistance
7 provided with respect to the child under this title
8 (without interest), in the order in which such assist-
9 ance was provided.”.

10 (b) STUDY AND PILOT PROJECTS.—

11 (1) IN GENERAL.—The Comptroller General of
12 the United States shall conduct studies and pilot
13 projects of systems under which States would be re-
14 quired to pay the child support collected pursuant to
15 a State plan approved under part D of title IV of
16 the Social Security Act to the individuals to whom
17 the support is owed before making any payment to
18 reimburse any State for assistance provided with re-
19 spect to the child under part A of such title.

20 (2) REPORT TO THE CONGRESS.—Within 3
21 years after the date of the enactment of this sub-
22 title, the Comptroller General shall submit to the
23 Committee on Ways and Means of the House of
24 Representatives and the Committee on Finance of
25 the Senate a report on each study and pilot project

1 conducted pursuant to paragraph (1), including a
2 cost-benefit analysis and an analysis of the costs
3 that would be avoided under the program of aid to
4 families with dependent children under part A of
5 title IV of the Social Security Act, the program of
6 medical assistance under title XIX of such Act, and
7 the food stamp program under the Food Stamp Act
8 of 1977, if the various systems studied were imple-
9 mented.

10 (3) SENSE OF THE CONGRESS.—It is the sense
11 of the Congress that, if the report submitted pursu-
12 ant to paragraph (2) demonstrates that there would
13 be a net benefit to society if a system described in
14 paragraph (1) were implemented, then Federal law
15 should provide that States implement the system.

16 (c) REVISION OF FEDERAL INCOME TAX REFUND
17 OFFSET.—Section 6402 of the Internal Revenue Code of
18 1986 (relating to authority to make credits or refunds)
19 is amended—

20 (1) in subsection (c), by striking “after any
21 other reductions allowed by law (but before” and in-
22 serting “before any other reductions allowed by law
23 (and before”;

24 (2) in subsection (d), by striking “with respect
25 to past-due support collected pursuant to an assign-

1 ment under section 402(a)(26) of the Social Security
2 Act”.

3 (d) \$50 DISREGARDED FOR ALL MEANS-TESTED
4 PROGRAMS.—Section 457(b)(1) (42 U.S.C. 657(b)(1)) is
5 amended by inserting “under this part or under any other
6 Federal program which determines eligibility for or the
7 amount of assistance based on the income or assets of the
8 applicant for or recipient of the assistance” after “during
9 such month”.

10 (e) FILL-THE-GAP POLICIES ALLOWED.—Section
11 402(a)(28) (42 U.S.C. 602(a)(28)) is amended by striking
12 the open parenthesis and all that follows through the close
13 parenthesis.

14 **SEC. 42502. STATE CLAIMS AGAINST NONCUSTODIAL PAR-**
15 **ENT LIMITED TO ASSISTANCE PROVIDED TO**
16 **THE CHILD.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by
18 section 42423 of this subtitle, is amended by inserting
19 after paragraph (36) the following:

20 “(37)(A) Procedures under which any claims
21 the State may have against a noncustodial parent
22 for a child’s portion of the assistance provided under
23 a State plan approved under part A shall not exceed
24 the amount specified as child support under a court
25 or administrative order.

1 “(B) As used in subparagraph (A), the term
2 ‘child’s portion’ means the assistance that would
3 have been provided with respect to the child if the
4 needs of the caretaker relative of the child had not
5 been taken into account in making the determination
6 with respect to the child’s family under section
7 402(a)(7).”.

8 **SEC. 42503. FEES FOR NON-AFDC CLIENTS.**

9 (a) IN GENERAL.—Section 454(6) (42 U.S.C.
10 654(6)) is amended—

11 (1) in subparagraph (B), by striking “or recov-
12 ered” and all that follows through “program”;

13 (2) in subparagraph (C), by inserting “on the
14 parent who owes the child or spousal support obliga-
15 tion involved” after “imposed”;

16 (3) in subparagraph (D), by striking “individ-
17 ual who” and inserting “the noncustodial parent if
18 the child whose parentage is to be determined
19 through the tests”; and

20 (4) in subparagraph (E), by striking all that
21 follows “may be collected” and inserting “from the
22 parent who owes the child or spousal support obliga-
23 tion involved, but only after all current and past-due
24 support and interest charges have been collected”.

1 (b) PUBLICATION OF FEE SCHEDULES.—Section
2 454(10) (42 U.S.C. 654(10)) is amended by inserting “,
3 and shall publish guidelines and schedules of fees which
4 may be imposed under paragraph (6), and which shall be
5 reasonable” before the semicolon.

6 **SEC. 42504. COLLECTION AND DISBURSEMENT POINTS FOR**
7 **CHILD SUPPORT.**

8 Section 454 (42 U.S.C. 654), as amended by section
9 42424(b) of this subtitle, is amended—

10 (1) by striking “and” at the end of paragraph
11 (27);

12 (2) by striking the period at the end of para-
13 graph (28) and inserting “; and”; and

14 (3) by inserting after paragraph (28) the fol-
15 lowing:

16 “(29) provide for only 1 location, or several
17 local or regional locations for the collection of, ac-
18 counting for, and disbursement of child support in
19 cases enforced under the State plan under this
20 part.”.

1 **SEC. 42505. SENSE OF THE CONGRESS THAT STATES**
2 **SHOULD ENCOURAGE PARENTS TO USE THE**
3 **STATE CHILD SUPPORT AGENCY TO COLLECT**
4 **AND PROCESS CHILD SUPPORT PAYMENTS.**

5 It is the sense of the Congress that States should en-
6 courage all parents to use the State child support agency
7 to process and distribute child support payments in order
8 to establish an official record of such payments.

9 **CHAPTER 6—FEDERAL ROLE**

10 **SEC. 42601. PLACEMENT AND ROLE OF THE OFFICE OF**
11 **CHILD SUPPORT ENFORCEMENT.**

12 Section 452(a) (42 U.S.C. 652(a)), as amended by
13 section 42401(b) of this subtitle, is amended—

14 (1) in the matter preceding paragraph (1), by
15 striking “, under the direction” and all that follows
16 through “and who” and inserting “which shall be
17 known as the Office of Child Support Enforcement,
18 shall be under the direction of an Assistant Sec-
19 retary appointed by the President with the advice
20 and consent of the Senate, and shall have its own
21 legal counsel. The Assistant Secretary shall report
22 directly to the Secretary and”;

23 (2) in paragraph (10)—

24 (A) in subparagraph (A), by inserting
25 “using a methodology that reflects cost-avoid-

1 ance as well as cost-recovery” after “the States
2 and the Federal Government”;

3 (B) by redesignating subparagraphs (H)
4 and (I) as subparagraphs (I) and (J), respec-
5 tively; and

6 (C) by inserting after subparagraph (G)
7 the following:

8 “(H) the budgetary allocation of the \$50
9 pass through equally between part A and this
10 part;”;

11 (3) by striking “and” at the end of paragraph
12 (13);

13 (4) by striking the period at the end of para-
14 graph (14) and inserting “; and”; and

15 (5) by inserting after paragraph (14) the fol-
16 lowing:

17 “(15) initiate and actively pursue with other
18 Federal agencies, such as the Department of De-
19 fense, coordinated efforts on Federal legislation.”.

20 **SEC. 42602. TRAINING.**

21 (a) **FEDERAL TRAINING ASSISTANCE.**—Section
22 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting
23 “and training” after “technical assistance”.

1 (b) STATE TRAINING PROGRAM.—Section 454 (42
2 U.S.C. 654), as amended by section 42504 of this subtitle,
3 is amended—

4 (1) by striking “and” at the end of paragraph
5 (28);

6 (2) by striking the period at the end of para-
7 graph (29) and inserting “; and”; and

8 (3) by inserting after paragraph (29) the fol-
9 lowing:

10 “(30) provide that the State will develop and
11 implement a training program under which training
12 is to be provided not less frequently than annually
13 to all personnel performing functions under the
14 State plan.”.

15 (c) REPORT.—Section 452(a)(10) (42 U.S.C.
16 652(a)(10)), as amended by section 42601(2) of this sub-
17 title, is amended by redesignating subparagraphs (I) and
18 (J) as subparagraphs (J) and (K), respectively, and by
19 inserting after subparagraph (H) the following:

20 “(I) the training activities at the Federal
21 and State levels, the training audit, and the
22 amounts expended on training;”.

23 **SEC. 42603. STAFFING.**

24 (a) STUDIES.—The Secretary of Health and Human
25 Services shall conduct and, not later than 1 year after the

1 date of the enactment of this subtitle, complete staffing
2 studies for each State child support enforcement program,
3 including each agency and court involved in the child sup-
4 port process.

5 (b) REPORT TO THE CONGRESS.—Within 90 days
6 after the end of the 1-year period described in subsection
7 (a), the Secretary shall report to the Committee on Ways
8 and Means of the House of Representatives and the Com-
9 mittee on Finance of the Senate, and to each State, the
10 results of the studies required by subsection (a).

11 (c) IMPLEMENTATION.—The Secretary of Health and
12 Human Services shall reduce by 2 percent the amount oth-
13 erwise payable to a State pursuant to section 455(a)(1)(A)
14 of the Social Security Act for any calendar quarter ending
15 2 or more years after the State receives a report transmit-
16 ted pursuant to subsection (b), if the Secretary determines
17 that, during the quarter, the State has not implemented
18 the staffing levels recommended in the report.

19 **SEC. 42604. DEMONSTRATION PROJECTS TO TEST ALTER-**
20 **NATIVE APPROACHES TO INCENTIVE FUND-**
21 **ING FOR STATE CHILD SUPPORT PROGRAMS.**

22 (a) IN GENERAL.—The Secretary of Health and
23 Human Services shall authorize 3 States to carry out dem-
24 onstration projects under which—

1 (1) the State is to implement the State plan ap-
2 proved under part D of title IV of the Social Secu-
3 rity Act so as to promote quality control and provide
4 incentives for enforcement of health care support;

5 (2) in lieu of applying subsections (b) and (c)
6 of section 458 of such Act to the States, the incen-
7 tive payment to a State for a fiscal year shall be—

8 (A) not less than 65 percent of the total
9 amount expended to carry out the plan during
10 the fiscal year if the performance of the State
11 in implementing the plan meets such minimum
12 performance standards as the Secretary shall
13 prescribe by regulation; and

14 (B) not more than 90 percent of such total
15 amount if the performance significantly exceeds
16 the standards; and

17 (3) a payment to a State under this subsection
18 is deemed a payment to the State under such section
19 458.

20 (b) REPORT.—The Secretary of Health and Human
21 Services and the Comptroller General of the United States
22 shall evaluate each demonstration project carried out
23 under subsection (a) and report to the Committee on Ways
24 and Means of the House of Representatives and the Com-

1 mittee on Finance of the Senate the results and their rec-
2 ommendations.

3 (c) HEALTH CARE SUPPORT INCLUDED IN INCEN-
4 TIVE PAYMENT FORMULA.—Section 458 (42 U.S.C. 658)
5 is amended by adding at the end the following:

6 “(f) For purposes of this section, the term ‘support’
7 includes premiums paid for health insurance coverage pur-
8 suant to a support order.”.

9 (d) MINIMUM STATE FUNDING OF CHILD SUPPORT
10 ACTIVITIES.—The Secretary of Health and Human Serv-
11 ices shall reduce by 2 percent the amount otherwise pay-
12 able to a State pursuant to section 455(a)(1)(A) of the
13 Social Security Act for any of the 5 fiscal years that begin
14 after the date of the enactment of this subtitle (in this
15 subsection referred to as “investment years”), if the Sec-
16 retary determines that, during the investment year, the
17 State has not expended on the program under the State
18 plan approved under part D of title IV of such an amount
19 equal to the sum of—

20 (1) the amount the State expends on the pro-
21 gram during the fiscal year in which this subtitle be-
22 comes law (in this subsection referred to as the
23 “base year”); plus

1 (2)(A) in the case of the 1st investment year,
2 60 percent of the amount paid to the State under
3 section 458 of such Act for the base year;

4 (B) in the case of the 2nd investment year, 70
5 percent of the amount so paid to the State;

6 (C) in the case of the 3rd investment year, 80
7 percent of the amount so paid to the State;

8 (D) in the case of the 4th investment year, 90
9 percent of the amount so paid to the State; and

10 (E) in the case of the 5th investment year, 100
11 percent of the amount so paid to the State.

12 (e) SENSE OF THE CONGRESS.—It is the sense of the
13 Congress that States should not use amounts paid to the
14 States pursuant to part D of title IV of the Social Security
15 Act, which are reinvested in child support activities, to
16 supplant State funding of such activities.

17 **SEC. 42605. CHILD SUPPORT DEFINITION.**

18 (a) IN GENERAL.—Section 452 (42 U.S.C. 652) is
19 amended by adding at the end the following:

20 “(j) For purposes of this part, the term ‘child sup-
21 port’ shall have the meaning given such term in section
22 462(b).”.

23 (b) CONFORMING AMENDMENTS.—Section 462(b)
24 (42 U.S.C. 662(b)) is amended—

1 (1) by inserting “and lump sum” after “peri-
2 odic”, and

3 (2) by inserting “child care,” after “clothing,”.

4 **SEC. 42606. AUDITS.**

5 (a) STUDY.—

6 (1) CONTRACT AUTHORITY.—The Secretary of
7 Health and Human Services shall enter into a con-
8 tract for a study of the audit process of the Office
9 of Child Support Enforcement to develop criteria
10 and methodology for auditing the activities of State
11 child support enforcement agencies pursuant to part
12 D of title IV of the Social Security Act.

13 (2) DESIGN OF STUDY.—The study shall be de-
14 signed to—

15 (A) identify ways to improve the auditing
16 process, including by—

17 (i) reducing the resources required to
18 perform the audit;

19 (ii) simplifying procedures for States
20 to follow in obtaining samples;

21 (iii) studying the feasibility of sam-
22 pling cases for needed action rather than
23 requiring sampling plans for each audit
24 criterion; and

1 (iv) a more timely audit period of re-
2 view; and

3 (B) develop a penalty process which—

4 (i) focuses on improving the delivery
5 of child support services and not harming
6 families;

7 (ii) uses a penalty not tied to any re-
8 duction of funds payable to States under
9 part A of title IV of the Social Security
10 Act; and

11 (iii) should include the escrowing of
12 funds withheld as penalties for use by
13 States to improve their child support pro-
14 grams in a manner approved by the Sec-
15 retary of Health and Human Services.

16 (b) REPORT.—Not later than 90 days after comple-
17 tion of the study required by subsection (a), the Secretary
18 of Health and Human Services shall submit to the Com-
19 mittee on Ways and Means of the House of Representa-
20 tives and the Committee on Finance of the Senate a report
21 on the results of the study.

22 (c) LIMITATION ON CASES INCLUDED IN AUDITS.—
23 Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended—

24 (1) by inserting “(A)” after “(4)”;

25 (2) by adding “and” at the end; and

1 (3) by adding after and below the end the
2 following:

3 “(B) notwithstanding subparagraph (A), each
4 audit under subparagraph (A) shall be limited to
5 cases open on the date the audit begins and cases
6 closed within 180 days before such date, unless the
7 Secretary has determined, in accordance with regula-
8 tions, that there is a need for a longitudinal review
9 of case handling that includes cases that have been
10 closed for more than 180 days;”.

11 **SEC. 42607. CHILD SUPPORT ASSURANCE DEMONSTRATION**
12 **PROJECTS.**

13 (a) SENSE OF THE CONGRESS.—It is the sense of the
14 Congress that children should have a consistent source of
15 income to meet their education and medical needs.

16 (b) SENSE OF THE CONGRESS.—It is the sense of
17 the Congress that the provision of public assistance to a
18 custodial parent for the support of a child with respect
19 to whom a noncustodial parent owes child support does
20 not absolve the noncustodial parent of the obligation to
21 provide such support.

22 (c) SENSE OF THE CONGRESS.—It is the sense of the
23 Congress that the States must continue to vigorously pur-
24 sue efforts to establish parentage, and establish and en-
25 force child support obligations.

1 (d) CHILD SUPPORT ASSURANCE DEMONSTRATION
2 PROJECTS.—

3 (1) PURPOSE.—The purpose of this subsection
4 is to test the feasibility and utility of ensuring that
5 custodial parents owed child support have a consist-
6 ent source of income for the support of their chil-
7 dren, by authorizing States to conduct projects dem-
8 onstrating various methods for doing so.

9 (2) CONSIDERATION OF APPLICATIONS.—

10 (A) IN GENERAL.—The Secretary of
11 Health and Human Services (in this section re-
12 ferred to as the “Secretary”) shall consider ap-
13 plications to conduct demonstration projects
14 under this subsection received only from eligible
15 States.

16 (B) ELIGIBLE STATE DEFINED.—For pur-
17 poses of subparagraph (A), a State is an eligi-
18 ble State if—

19 (i) the child support collection ratio
20 for the State for the most recent fiscal
21 year for which such information is avail-
22 able exceeds the child support collection
23 ratio for the United States for the fiscal
24 year; or

1 (ii) AFDC support collection ratio for
2 the State for the most recent fiscal year
3 for which such information is available ex-
4 ceeds the AFDC support collection ratio
5 for the United States for the fiscal year.

6 (C) CHILD SUPPORT COLLECTION
7 RATIO.—As used in subparagraph (B), the term
8 “child support collection ratio” means, with re-
9 spect to a fiscal year—

10 (i) for a State—

11 (I) the total amount expended by
12 the State during the fiscal year for
13 the operation of the plan approved
14 under section 454 of the Social Secu-
15 rity Act; divided by

16 (II) the total amount of support
17 collected by the State during the fiscal
18 year in all cases under part D of title
19 IV of such Act; and

20 (ii) for the United States—

21 (I) the total amount expended by
22 the States during the fiscal year for
23 the operation of the plans approved
24 under such section; divided by

1 (II) the total amount of support
2 collected by the States during the fis-
3 cal year in all cases under such part.

4 (D) AFDC SUPPORT COLLECTION
5 RATIO.—As used in subparagraph (B), the term
6 “AFDC support collection ratio” means, with
7 respect to a fiscal year—

8 (i) for a State—

9 (I) the total amount expended by
10 the State during the fiscal year for
11 the operation of the plan approved
12 under section 454 of the Social Secu-
13 rity Act; divided by

14 (II) the total amount of support
15 collected by the State under the plan
16 during the fiscal year in cases in
17 which the support obligation involved
18 is assigned to the State pursuant to
19 section 402(a)(26) or section
20 471(a)(17) of such Act; and

21 (ii) for the United States—

22 (I) the total amount expended by
23 the States during the fiscal year for
24 the operation of the plans approved
25 under such section 454; divided by

1 (II) the total amount of support
2 collected by the States under the
3 plans during the fiscal year in cases in
4 which the support obligation involved
5 is assigned to a State pursuant to sec-
6 tion 402(a)(26) or section 471(a)(17)
7 of such Act.

8 (3) APPLICATION REQUIREMENTS.—Each appli-
9 cation of a State to conduct a demonstration project
10 under this subsection must describe a demonstration
11 project that meets the following requirements:

12 (A) PROJECT BENEFICIARIES.—A child
13 support assurance benefit is payable under the
14 project to the caretaker of a child if—

15 (i) the child is an eligible child; and
16 (ii) the caretaker has applied for serv-
17 ices under the State plan approved under
18 part D of title IV of the Social Security
19 Act.

20 (B) ELIGIBLE CHILDREN.—A child is an
21 eligible child if—

22 (i) the child resides in the State;
23 (ii) the child has a living noncustodial
24 parent;

1 (iii) a good faith effort has been made
2 to seek or enforce an order for such parent
3 to provide support for the child, or there is
4 good cause for not seeking or enforcing
5 such an order; and

6 (iv) any rights to support owed the
7 child have been assigned to the State, to
8 the extent of the child support assurance
9 benefits received with respect to the child
10 under the project.

11 (C) AMOUNT OF CHILD SUPPORT ASSUR-
12 ANCE BENEFIT.—The amount of the child sup-
13 port assurance benefit payable under the
14 project to the caretaker of 1 or more eligible
15 children is the amount by which—

16 (i) the child support assurance thresh-
17 old; exceeds

18 (ii) the dollar value of the child sup-
19 port (if any) received during the month by
20 the caretaker from the noncustodial parent
21 for the support of any eligible child.

22 (D) CHILD SUPPORT ASSURANCE THRESH-
23 OLD.—The child support assurance threshold is
24 $\frac{1}{12}$ of—

- 1 (i) \$2,000 for the 1st eligible child;
2 plus
3 (ii) \$1,000 for the 2nd eligible child
4 (if any); plus
5 (iii) \$500 for each subsequent eligible
6 child (if any).

7 (4) METHODS TO BE TESTED.—In approving
8 applications to conduct demonstration projects under
9 this subsection, the Secretary shall ensure that the
10 applications approved under this subsection describe
11 projects which, in the aggregate, are designed to test
12 the following:

13 (A) ADMINISTRATIVE VERSUS OTHER
14 PROCESSING.—The feasibility of implementing
15 a statewide child support assurance benefit in a
16 State which processes child support and parent-
17 age cases administratively, as opposed to the
18 feasibility of implementing such a benefit in a
19 State which processes such cases only judicially
20 or quasi-judicially.

21 (B) ALLOWANCE OF GOOD CAUSE EXCEP-
22 TIONS.—The effects of prohibiting the provision
23 of a child support assurance benefit with re-
24 spect to a child unless an order for the support
25 of the child has been established and the care-

1 taker of the child has made a good faith effort
2 to enforce the order, as opposed to allowing
3 good cause exceptions to the prohibition.

4 (C) TIMING OF BENEFITS.—The effects of
5 providing child support assurance benefits im-
6 mediately upon the establishment of a child
7 support order, as opposed to providing such
8 benefits only after a period (determined by the
9 Secretary) of nonreceipt of child support. The
10 Secretary may select 1 or more such periods to
11 be tested in different demonstration projects.

12 (D) RELATIONSHIP OF BENEFITS TO
13 OTHER INCOME AND BENEFITS.—The effects of
14 reducing the amount payable with respect to a
15 child under the State plan approved under part
16 A of title IV of the Social Security Act by a
17 portion (determined by the Secretary) of the
18 child support assurance benefit provided by the
19 State with respect to the child, as opposed to
20 reducing the child support assurance benefit
21 provided by the State with respect to the child
22 by a portion (determined by the Secretary) of
23 the earned income of the family of the child.
24 The Secretary may select 1 or more such por-

1 tions of benefits or of earned income to be test-
2 ed in different demonstration projects.

3 (5) PRIORITY TO BE GIVEN TO PROJECTS THAT
4 INCLUDE WORK INCENTIVES.—In approving applica-
5 tions to conduct demonstration projects under this
6 subsection, the Secretary shall give priority among
7 otherwise equivalent applications to applications that
8 describe projects that include work incentives for
9 participants.

10 (6) APPROVAL OF CERTAIN APPLICATIONS.—
11 The Secretary shall approve not more than 5 appli-
12 cations to conduct demonstration projects under this
13 subsection which appear likely to contribute signifi-
14 cantly to the achievement of the purpose of this sub-
15 section.

16 (7) OTHER REQUIREMENTS.—Each State whose
17 application to conduct a demonstration project under
18 this subsection has been approved by the Secretary
19 shall conduct the project in accordance with such
20 regulations as the Secretary may prescribe.

21 (8) FUNDING.—From the sums appropriated to
22 carry out this subsection, the Secretary shall pay to
23 each State whose application to conduct a dem-
24 onstration project under this subsection has been ap-

1 proved by the Secretary, for each month, an amount
2 equal to—

3 (A) 90 percent of the aggregate amount of
4 the child support assurance benefits paid by the
5 State during the month if, during the month,
6 the project has met such performance goals as
7 the Secretary has established for the project; or

8 (B) 80 percent of such aggregate amount,
9 otherwise.

10 (9) MODIFIED PRIORITY OF DISTRIBUTION OF
11 CHILD SUPPORT COLLECTED FOR CHILDREN WITH
12 RESPECT TO WHOM CHILD SUPPORT ASSURANCE
13 BENEFIT IS PAID.—In lieu of paragraph (1) of sec-
14 tion 457(e) of the Social Security Act, child support
15 collected from a noncustodial parent of a child with
16 respect to whom a child support assurance benefit is
17 paid under a demonstration project conducted under
18 this subsection shall (subject to section 457(d) of
19 such Act) be paid—

20 (A) first to the State, to the extent nec-
21 essary to reimburse the State for the portion of
22 the benefit not paid from funds provided under
23 paragraph (8) of this subsection; and

24 (B) then to the Federal Government, to
25 the extent necessary to reimburse the Federal

1 Government for the portion of the benefit paid
2 from funds provided under paragraph (8) of
3 this subsection.

4 (10) DURATION OF PROJECTS.—

5 (A) IN GENERAL.—Each State whose ap-
6 plication to conduct a demonstration project
7 under this subsection has been approved by the
8 Secretary shall conduct the project for not less
9 than 3 years and not more than 5 years.

10 (B) AUTHORITY TO TERMINATE
11 PROJECTS.—The Secretary may terminate a
12 demonstration project conducted under this
13 subsection if the Secretary determines that the
14 project is not being conducted consistent with
15 or satisfactorily under this subsection.

16 (11) EVALUATIONS.—Each State which con-
17 ducts a demonstration project under this subsection
18 shall prepare and submit to the Secretary an interim
19 and a final evaluation of the project with respect to
20 the impact of the project on—

21 (A) the economic and noneconomic well-
22 being of the participants in the project and of
23 the work force generally; and

24 (B) participation in and expenditures
25 under the program of the State under the State

1 plan approved under part A of title IV of the
2 Social Security Act.

3 (12) REPORT TO THE CONGRESS.—Within 1
4 year after the completion of all demonstration
5 projects conducted under this subsection, the Sec-
6 retary shall submit to the Committee on Ways and
7 Means of the House of Representatives and the
8 Committee on Finance of the Senate a report that
9 contains a consolidated evaluation of the projects.

10 **SEC. 42608. CHILDREN'S TRUST FUND.**

11 (a) DESIGNATION OF CONTRIBUTIONS.—

12 (1) IN GENERAL.—Subchapter A of chapter 61
13 of the Internal Revenue Code of 1986 (relating to
14 returns and records) is amended by adding at the
15 end thereof the following new part:

16 **“PART IX—CONTRIBUTIONS TO CHILDREN'S**
17 **TRUST FUND**

“Sec. 6097. Amounts for Children's Trust Fund.

18 **“SEC. 6097. AMOUNTS FOR CHILDREN'S TRUST FUND.**

19 “Each taxpayer may include with such taxpayer's re-
20 turn of tax imposed by chapter 1 for any taxable year a
21 contribution by the taxpayer to the Children's Trust
22 Fund.”.

23 (2) CLERICAL AMENDMENT.—The table of
24 parts for subchapter A of chapter 61 of the Internal

1 Revenue Code of 1986 is amended by adding at the
2 end thereof the following new item:

“Part IX—Contributions for Children’s Trust Fund.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to taxable years begin-
5 ning after December 31, 1994.

6 (b) ESTABLISHMENT OF CHILDREN’S TRUST
7 FUND.—

8 (1) IN GENERAL.—Subchapter A of chapter 98
9 of the Internal Revenue Code of 1986 (relating to
10 the trust fund code) is amended by adding at the
11 end thereof the following new section:

12 **“SEC. 9512. CHILDREN’S TRUST FUND.**

13 “(a) CREATION OF TRUST FUND.—There is estab-
14 lished in the Treasury of the United States a trust fund
15 to be known as the ‘Children’s Trust Fund’, consisting
16 of such amounts as may be appropriated or credited to
17 the Trust Fund as provided in this section or section
18 9602(b).

19 “(b) TRANSFER TO CHILDREN’S TRUST FUND OF
20 AMOUNTS DESIGNATED.—There is hereby appropriated to
21 the Children’s Trust Fund amounts equivalent to the
22 amounts contributed to such Trust Fund under section
23 6097.

24 “(c) EXPENDITURES FROM TRUST FUND.—

1 “(1) IN GENERAL.—Amounts in the Children’s
2 Trust Fund shall be available for making expendi-
3 tures for programs regarding child support and the
4 specific mandates described in part D of title IV of
5 the Social Security Act, especially such mandates es-
6 tablished by the amendments made by the Economic
7 Equity Act of 1996.

8 “(2) ADMINISTRATIVE EXPENSES.—Amounts in
9 the Children’s Trust Fund shall be available to pay
10 the administrative expenses of the Department of
11 the Treasury directly allocable to—

12 “(A) modifying the individual income tax
13 return forms to carry out section 6097,

14 “(B) carrying out this chapter with respect
15 to such Trust Fund, and

16 “(C) processing amounts received under
17 section 6097 and transferring such amounts to
18 such Trust Fund.”.

19 (2) CLERICAL AMENDMENT.—The table of sec-
20 tions for subchapter A of chapter 98 of the Internal
21 Revenue Code of 1986 is amended by adding at the
22 end thereof the following new item:

“Sec. 9512. Children’s Trust Fund.”.

1 **SEC. 42609. STUDY OF REASONS FOR NONPAYMENT OF**
2 **CHILD SUPPORT; REPORT.**

3 (a) STUDY.—The Comptroller General of the United
4 States shall—

5 (1) conduct a study of the causes of delin-
6 quency in the payment of child support, including
7 the nonpayment of child support by noncustodial
8 parents and failure of custodial parents to cooperate
9 in the collection of child support; and

10 (2) if a sufficient number of studies of this
11 matter are available, review the studies.

12 (b) REPORT TO THE CONGRESS.—Within 1 year after
13 the date of the enactment of this subtitle, the Comptroller
14 General shall submit to the Committee on Ways and
15 Means of the House of Representatives and the Committee
16 on Finance of the Senate, and to the Office of Child Sup-
17 port Enforcement, a report that contains the results of
18 the study required by subsection (a), and a consolidated
19 summary of the studies described in subsection (a)(2).

20 **SEC. 42610. STUDY OF EFFECTIVENESS OF ADMINISTRA-**
21 **TIVE PROCESSES; REPORT.**

22 (a) STUDY.—The Comptroller General of the United
23 States shall conduct a study of the effectiveness of the
24 processing of child support and parentage cases in States
25 that use administrative processes as compared with States
26 that use judicial or quasi-judicial processes.

1 (b) REPORT TO THE CONGRESS.—Within 1 year after
2 the date of the enactment of this subtitle, the Comptroller
3 General shall submit to the Committee on Ways and
4 Means of the House of Representatives and the Committee
5 on Finance of the Senate a report that contains the results
6 of the study required by subsection (a).

7 **SEC. 42611. PUBLICATION OF BEST CHILD SUPPORT PRAC-**
8 **TICES.**

9 (a) SENSE OF THE CONGRESS.—It is the sense of the
10 Congress that the Office of Child Support Enforcement
11 should develop a mechanism to publicize the best practices
12 of States in the area of child support.

13 (b) COMPENDIUM OF STATE CHILD SUPPORT STAT-
14 UTES.—The Office of Child Support Enforcement shall
15 produce and update the compendium entitled “A Guide
16 To State Child Support And Paternity Laws”, published
17 by the National Conference of State Legislatures.

18 **SEC. 42612. ESTABLISHMENT OF PERMANENT CHILD SUP-**
19 **PORT ADVISORY COMMITTEE.**

20 (a) IN GENERAL.—The Office of Child Support En-
21 forcement shall establish an advisory committee on child
22 support matters composed of Federal and State legisla-
23 tors, State child support officials, and representatives of
24 custodial and noncustodial parents.

1 (b) FUNCTIONS.—The advisory committee estab-
2 lished pursuant to subsection (a) shall—

3 (1) provide oversight of the implementation of
4 Federal laws and regulations affecting child support,
5 and the operation of Federal, State, and local child
6 support programs; and

7 (2) provide a forum through which child sup-
8 port problems experienced by parents, State agen-
9 cies, the courts, and the private bar may be identi-
10 fied, and from which recommendations on how to
11 solve such problems may be reported to the Sec-
12 retary of Health and Human Services and to the
13 Congress.

14 (c) PERMANENCY.—Section 14 of the Federal Advi-
15 sory Committee Act (5 U.S.C. App.) shall not apply to
16 the advisory committee established pursuant to subsection
17 (a) of this section.

18 **CHAPTER 7—STATE ROLE**

19 **SEC. 42701. ADVOCATION OF CHILDREN’S ECONOMIC SECU- 20 **RITY.****

21 Section 454 (42 U.S.C. 654), as amended by section
22 42602(b) of this subtitle, is amended—

23 (1) by striking “and” at the end of paragraph
24 (29);

1 (2) by striking the period at the end of para-
2 graph (30) and inserting “; and”; and

3 (3) by inserting after paragraph (30) the fol-
4 lowing:

5 “(31) provide that the agency administering the
6 plan shall advocate to promote the greatest economic
7 security possible for children, consistent with the
8 ability of any individual who owes child support with
9 respect to the child to provide the support.”.

10 **SEC. 42702. DUTIES OF STATE CHILD SUPPORT AGENCIES.**

11 Section 454 (42 U.S.C. 654), as amended by section
12 42701 of this subtitle, is amended—

13 (1) by striking “and” at the end of paragraph
14 (30);

15 (2) by striking the period at the end of para-
16 graph (31) and inserting “; and”; and

17 (3) by inserting after paragraph (31) the fol-
18 lowing:

19 “(32) provide that the agency administering the
20 plan shall provide to each custodial parent—

21 “(A) a written description of the services
22 available under the plan, and a statement de-
23 scribing the priorities applied in distributing
24 collected child support and the rules governing

1 confidentiality of information in child support
2 matters;

3 “(B) a statement that at least 30 days be-
4 fore the agency consents to the dismissal of a
5 child support case with prejudice or a reduction
6 of arrearages, the agency must provide notice to
7 the custodial parent at the last known address
8 of the custodial parent;

9 “(C) written quarterly reports on the sta-
10 tus of any case involving the custodial parent;

11 “(D) a statement that the State is re-
12 quired to provide services under the plan to any
13 custodial parent who is eligible for aid under
14 the State plan approved under part A; and

15 “(E) a statement that any custodial parent
16 who applies for services under the plan is eligi-
17 ble for such services, and that any application
18 fee for such services is deferred pending deter-
19 mination of the eligibility of the custodial par-
20 ent for aid under the State plan approved under
21 part A.”.

22 **SEC. 42703. SENSE OF THE CONGRESS REGARDING QUAL-**
23 **ITY OF AND ACCESSIBILITY TO CHILD SUP-**
24 **PORT SERVICES.**

25 It is the sense of the Congress that—

1 (1) States should work closely with parents to
2 improve the quality of child support services; and

3 (2) State and local child support enforcement
4 agencies should have—

5 (A) offices in easily accessible locations
6 near public transportation;

7 (B) office hours that allow parents to meet
8 with attorneys and caseworkers without having
9 to take time off from work; and

10 (C) office environments conducive to pri-
11 vate discussion of legal and personal matters,
12 such as in individual interview rooms and child
13 care facilities.

14 **SEC. 42704. ADMINISTRATIVE PROCESS FOR CHANGE OF**
15 **PAYEE IN IV-D CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 section 42502 of this subtitle, is amended by inserting
18 after paragraph (37) the following:

19 “(38) Procedures under which only administra-
20 tive procedures are required to change the payee
21 under a child support order in a case under this
22 part, if a statement by an official of the State child
23 support enforcement agency is included in the court
24 or administrative file documenting the change.”.

1 **SEC. 42705. SENSE OF THE CONGRESS SUPPORTING USE OF**
2 **ADMINISTRATIVE PROCEDURES IN CHILD**
3 **SUPPORT CASES.**

4 It is the sense of the Congress that each State should
5 establish administrative procedures to process child sup-
6 port cases.

7 **SEC. 42706. SENSE OF THE CONGRESS SUPPORTING ESTAB-**
8 **LISHMENT OF STATE CHILD SUPPORT COUN-**
9 **CILS.**

10 It is the sense of the Congress that each State should
11 establish a child support council, composed of members
12 from all over the State, to—

13 (1) review State laws on child support and pa-
14 ternity;

15 (2) recommend improvements in child support
16 and paternity programs and in such laws; and

17 (3) serve as a public forum for custodial and
18 noncustodial parents on matters related to child sup-
19 port and paternity.

20 **CHAPTER 8—JOBS FOR UNEMPLOYED**
21 **NONCUSTODIAL PARENTS**

22 **SEC. 42801. PARENTS FAIR SHARE DEMONSTRATION**
23 **PROJECTS.**

24 (a) SENSE OF THE CONGRESS.—It is the sense of the
25 Congress that any program established by the Federal
26 Government to provide jobs for noncustodial parents

1 should be administered so as not to adversely affect any
2 Federal program for custodial parents, either directly or
3 through competition for available funds.

4 (b) EVALUATION OF PROJECTS; REPORT TO THE
5 CONGRESS; CONDITIONAL AUTHORITY TO CONDUCT AD-
6 DITIONAL AND MORE EXTENSIVE PROJECTS.—Upon re-
7 ceiving the evaluations required to be provided pursuant
8 to section 482(d)(3) of the Social Security Act, the Sec-
9 retary of Health and Human Services shall transmit the
10 evaluations to the Secretary of Labor who shall—

11 (1) study the evaluations;

12 (2) within 12 months after receipt of the eval-
13 uations, submit to the Committee on Ways and
14 Means of the House of Representatives and the
15 Committee on Finance of the Senate a consolidated
16 report on the activities evaluated; and

17 (3)(A) if the evaluations are sufficient to permit
18 the Secretary to make recommendations with respect
19 to the activities evaluated, include such rec-
20 ommendations in the report required by paragraph
21 (2) of this subsection; or

22 (B) if the evaluations are inconclusive, author-
23 ize States to provide services, under programs estab-
24 lished under section 402(a)(19) and part F of title
25 IV of such Act, on a voluntary or mandatory basis,

1 to noncustodial parents who are unemployed and un-
 2 able to meet their child support obligations, of great-
 3 er scope and for a greater duration than the services
 4 provided under section 482(d)(3) of such Act, in ac-
 5 cordance with regulations prescribed by the Sec-
 6 retary of Labor.

7 **CHAPTER 9—EFFECTIVE DATE**

8 **SEC. 42901. EFFECTIVE DATE.**

9 Except as otherwise provided in this subtitle, this
 10 subtitle and the amendments made by this subtitle shall
 11 take effect on January 1, 1997.

12 **Subtitle C—Child Support**
 13 **Enforcement Improvements**

14 **SEC. 43001. NONLIABILITY FOR DEPOSITORY INSTITUTIONS**

15 **PROVIDING FINANCIAL RECORDS TO STATE**

16 **CHILD SUPPORT ENFORCEMENT AGENCIES**

17 **IN CHILD SUPPORT CASES.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
 19 sion of Federal or State law, a depository institution shall
 20 not be liable under any Federal or State law to any person
 21 for disclosing any financial record of an individual to a
 22 State child support enforcement agency attempting to es-
 23 tablish, modify, or enforce a child support obligation of
 24 such individual.

1 (b) PROHIBITION OF DISCLOSURE OF FINANCIAL
2 RECORD OBTAINED BY STATE CHILD SUPPORT EN-
3 FORCEMENT AGENCY.—A State child support enforcement
4 agency which obtains a financial record of an individual
5 from a depository institution pursuant to subsection (a)
6 may disclose such financial record only for the purpose
7 of, and to the extent necessary in, establishing, modifying,
8 or enforcing a child support obligation of such individual.

9 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
10 SURE.—

11 (1) DISCLOSURE BY STATE OFFICER OR EM-
12 PLOYEE.—If any officer or employee of a State
13 knowingly, or by reason of negligence, discloses a fi-
14 nancial record of an individual in violation of sub-
15 section (b), such individual may bring a civil action
16 for damages against such State in a district court of
17 the United States.

18 (2) NO LIABILITY FOR GOOD FAITH BUT ERRO-
19 NEOUS INTERPRETATION.—No liability shall arise
20 under this subsection with respect to any disclosure
21 which results from a good faith, but erroneous, in-
22 terpretation of subsection (b).

23 (3) DAMAGES.—In any action brought under
24 paragraph (1), upon a finding of liability on the part

1 of the defendant, the defendant shall be liable to the
2 plaintiff in an amount equal to the sum of—

3 (A) the greater of—

4 (i) \$1,000 for each act of unauthor-
5 ized disclosure of a financial record with
6 respect to which such defendant is found
7 liable; or

8 (ii) the sum of—

9 (I) the actual damages sustained
10 by the plaintiff as a result of such un-
11 authorized disclosure; plus

12 (II) in the case of a willful diselo-
13 sure or a disclosure which is the re-
14 sult of gross negligence, punitive dam-
15 ages; plus

16 (B) the costs of the action.

17 (d) DEFINITIONS.—For purposes of this section:

18 (1) The term “depository institution” means—

19 (A) a depository institution, as defined by
20 section 3(e) of the Federal Deposit Insurance
21 Act;

22 (B) an institution-affiliated party, as de-
23 fined by section 3(u) of such Act; and

24 (C) any Federal credit union or State cred-
25 it union, as defined by section 101 of the Fed-

1 eral Credit Union Act, including an institution-
2 affiliated party of such a credit union, as de-
3 fined by section 206(r) of such Act.

4 (2) The term “financial record” has the mean-
5 ing given such term by section 1101(2) of the Right
6 to Financial Privacy Act of 1978.

7 (3) The term “State child support enforcement
8 agency” means a State agency which administers a
9 State program for establishing and enforcing child
10 support obligations.

11 **SEC. 43002. ACCESS TO AND USE OF CONSUMER REPORTS**
12 **BY STATE CHILD SUPPORT ENFORCEMENT**
13 **AGENCIES IN CHILD SUPPORT CASES.**

14 (a) IN GENERAL.—Section 604 of the Fair Credit
15 Reporting Act (15 U.S.C. 1681b) is amended by adding
16 at the end the following:

17 “(4) To a State child support enforcement agency
18 that is seeking to establish, modify, or enforce a child sup-
19 port obligation against the consumer, if—

20 “(A) the paternity of the consumer for the child
21 to which the obligation relates has been established
22 or acknowledged by the consumer in accordance with
23 State laws under which the obligation arises (if re-
24 quired by those laws); and

1 “(B) the State child support enforcement agen-
2 cy—

3 “(i) before obtaining the consumer report,
4 provides written notice to the consumer that the
5 State agency intends to obtain a consumer re-
6 port on the consumer; and

7 “(ii) certifies to the consumer reporting
8 agency that—

9 “(I) the requirement in subparagraph
10 (A) has been fulfilled (if applicable); and

11 “(II) the notice required by clause (i)
12 has been provided.”.

13 (b) STATE CHILD SUPPORT ENFORCEMENT AGENCY
14 DEFINED.—Section 603 of such Act (15 U.S.C. 1681a)
15 is amended by adding at the end the following new sub-
16 section:

17 “(k) The term ‘State child support enforcement agen-
18 cy’ means a State agency which administers a State pro-
19 gram for establishing and enforcing child support obliga-
20 tions.”.

21 **SEC. 43003. HEALTH CARE SUPPORT.**

22 (a) INCLUSION IN CHILD SUPPORT ORDERS.—

23 (1) IN GENERAL.—Section 466(a) of the Social
24 Security Act (42 U.S.C. 666(a)) is amended by in-
25 serting after paragraph (11) the following:

1 “(12) Not later than the beginning of the 9th
2 calendar month that begins after the date the Sec-
3 retary prescribes final regulations as provided for in
4 section 467(d)(2):

5 “(A) Procedures which require any child
6 support order, issued or modified by a court or
7 administrative agency of the State on or after
8 the effective date of guidelines established by
9 the State under section 467(d), to provide for
10 coverage of the health care costs of the child in
11 accordance with such guidelines.

12 “(B) Procedures which require the expe-
13 dited consideration and disposition of any alle-
14 gation of noncompliance with an obligation to
15 cover the health care costs of a child imposed
16 under a child support order issued or modified
17 in the State.”.

18 (2) STATE GUIDELINES.—Section 467 of such
19 Act (42 U.S.C. 667) is amended by adding at the
20 end the following:

21 “(d)(1) Not later than the beginning of the 9th cal-
22 endar month that begins after the date the Secretary pre-
23 scribes final regulations in accordance with paragraph (2),
24 each State, as a condition for having its State plan ap-
25 proved under this part, must establish guidelines for the

1 coverage of the health care costs of children pursuant to
2 child support orders issued or modified in the State, which
3 guidelines shall create a streamlined process that meets
4 the minimum standards established by the Secretary in
5 such regulations.

6 “(2)(A) The Secretary shall promulgate regulations
7 which set forth minimum standards that any set of guide-
8 lines established pursuant to paragraph (1) must meet in
9 providing for the coverage of the health care costs of chil-
10 dren pursuant to child support orders issued or modified
11 in the State, including—

12 “(i) the contents of such an order with respect
13 to the coverage of such costs;

14 “(ii) the distribution of responsibility for such
15 costs;

16 “(iii) to the extent that such costs are to be
17 covered through health insurance—

18 “(I) the provision of such insurance;

19 “(II) the payment of insurance claims; and

20 “(III) the rights of the noncustodial parent
21 and the custodial parent to insurance informa-
22 tion;

23 “(iv) the circumstances under which a provider
24 of health insurance may or may not deny coverage
25 to a child who is the subject of such an order;

1 “(v) penalties to be imposed on providers of
2 health insurance who fail to comply with the guide-
3 lines; and

4 “(vi) how changes in the circumstances of the
5 noncustodial parent and the custodial parent are to
6 be taken into account with respect to the coverage
7 of such costs.

8 “(B) In developing such standards, the Secretary
9 shall ensure that, in establishing guidelines pursuant to
10 paragraph (1), the State considers the following matters
11 in the following order of importance:

12 “(i) The best interests of the child.

13 “(ii) The financial and other circumstances of
14 the parents of the child.

15 “(iii) Cost-effectiveness.

16 “(3) The preceding subsections of this section shall
17 apply in like manner to the guidelines established pursu-
18 ant to this subsection.”.

19 (3) REGULATIONS.—

20 (A) PROPOSED REGULATIONS.—Within 9
21 months after the date of the enactment of this
22 subtitle, the Secretary of Health and Human
23 Services shall issue proposed regulations to im-
24 plement the amendments made by this sub-
25 section.

1 (B) FINAL REGULATIONS.—Within 14
2 months after the date of the enactment of this
3 subtitle, the Secretary of Health and Human
4 Services shall issue final regulations to imple-
5 ment the amendments made by this subsection.

6 (b) INCLUSION IN INCENTIVE PAYMENTS PROGRAM
7 OF DEPENDENT HEALTH INSURANCE PROVIDED DUE TO
8 SUCCESSFUL ENFORCEMENT.—

9 (1) IN GENERAL.—Section 458(b) of the Social
10 Security Act (42 U.S.C. 658(b)) is amended by add-
11 ing at the end the following:

12 “(5)(A) For purposes of this section, the successful
13 enforcement by the State of a provision of a support order
14 requiring an absent parent to obtain health insurance for
15 1 or more children shall be considered the collection of
16 support from the absent parent, without regard to the
17 means by which such support is provided.

18 “(B) The amount of support collected in any case in
19 which the State successfully enforces a provision of a sup-
20 port order requiring an absent parent to obtain health in-
21 surance for 1 or more children shall be the savings to the
22 State from the provision of such health insurance to such
23 children, as determined in accordance with a health insur-
24 ance savings methodology adopted by the State in accord-
25 ance with regulations prescribed by the Secretary.”.

1 (2) REGULATIONS.—Within 6 months after the
2 date of the enactment of this subtitle, the Secretary
3 of Health and Human Services shall prescribe such
4 regulations as may be necessary to implement the
5 amendment made by paragraph (1).

6 (3) STUDY; REPORT.—

7 (A) STUDY.—The Secretary of Health and
8 Human Services shall conduct a study to deter-
9 mine the incentives that should be provided to
10 encourage States to enforce obligations of non-
11 custodial parents to pay (and obtain medical in-
12 surance coverage with respect to) the reason-
13 able and necessary health and dental expenses
14 of the children to whom the noncustodial par-
15 ents owe such obligations.

16 (B) REPORT.—Not later than 12 months
17 after the date of the enactment of this subtitle,
18 the Secretary of Health and Human Services
19 shall submit to the Committee on Ways and
20 Means of the House of Representatives and the
21 Committee on Finance of the Senate the results
22 of the study required by subparagraph (A).

1 **SEC. 43004. ANNUAL REPORTS ON STATE COMPLIANCE**
2 **WITH TIME LIMITS WITHIN WHICH STATE**
3 **MUST PROVIDE CERTAIN CHILD SUPPORT AS-**
4 **SISTANCE.**

5 Section 452(a)(10) of the Social Security Act (42
6 U.S.C. 652(a)(10)) is amended—

- 7 (1) in subparagraph (H), by striking “and”;
- 8 (2) in subparagraph (I), by striking the period
9 and inserting “; and”; and
- 10 (3) by inserting after subparagraph (I) the fol-
11 lowing:

12 “(J) compliance, by State, with the stand-
13 ards established pursuant to subsections (h)
14 and (i).”.

15 **SEC. 43005. WAGES WITHHELD BY EMPLOYERS TO PAY**
16 **CHILD SUPPORT OBLIGATIONS REQUIRED TO**
17 **BE PAID TO STATE WITHIN 10 DAYS; LATE**
18 **PAYMENT PENALTY IMPOSED ON EMPLOY-**
19 **ERS.**

20 (a) IN GENERAL.—Section 466(b)(6)(A) of the Social
21 Security Act (42 U.S.C. 666(b)(6)(A)) is amended—

- 22 (1) in clause (i), by inserting “within 10 days
23 after the payment of such wages” before “to the ap-
24 propriate agency”; and
- 25 (2) by adding at the end the following:

1 “(iii) The State must require any employer who
2 fails to make any payment required in accordance
3 with clause (i) within the 10-day period described
4 therein to pay the State a \$1,000 penalty. The State
5 must expend all penalties collected in accordance
6 with this clause for the operation of the State plan
7 approved under section 454, not later than the end
8 of the calendar quarter following the calendar quar-
9 ter in which collected.”.

10 (b) EFFECTIVE DATE.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2) of this subsection, the amendments made
13 by subsection (a) of this section shall take effect on
14 the date of the enactment of this subtitle and apply
15 to wages paid on or after such date and payments
16 under part D of title IV of the Social Security Act
17 for calendar quarters beginning on or after such
18 date.

19 (2) DELAY PERMITTED IF STATE LEGISLATION
20 REQUIRED.—In the case of a State plan approved
21 under section 454 of the Social Security Act which
22 the Secretary of Health and Human Services deter-
23 mines requires State legislation (other than legisla-
24 tion appropriating funds) in order for the plan to
25 meet the additional requirements imposed by the

1 amendments made by subsection (a) of this section,
2 the State plan shall not be regarded as failing to
3 comply with the requirements of such section 454
4 solely on the basis of the failure of the plan to meet
5 such additional requirements before the 1st day of
6 the 1st calendar quarter beginning after the close of
7 the 1st regular session of the State legislature that
8 begins after the date of the enactment of this sub-
9 title. For purposes of the previous sentence, in the
10 case of a State that has a 2-year legislative session,
11 each year of such session shall be deemed to be a
12 separate regular session of the State legislature.

13 **SEC. 43006. NATIONAL PARENT LOCATOR NETWORK.**

14 Section 453 of the Social Security Act (42 U.S.C.
15 653) is amended by adding at the end the following:

16 “(g) The Secretary shall expand the Parent Locator
17 Service to establish a national network based on the com-
18 prehensive statewide child support enforcement systems
19 developed by the States, to—

20 “(1) allow each State to—

21 “(A) locate any absent parent who owes
22 child support, for whom a child support obliga-
23 tion is being established, or for whom an order
24 for visitation is being enforced, by—

1 “(i) accessing the records of other
2 State agencies and sources of locate infor-
3 mation directly from one computer system
4 to another; and

5 “(ii) accessing Federal sources of lo-
6 cate information in the same fashion;

7 “(B) access the files of other States to de-
8 termine whether there are other child support
9 orders involving the same absent parent, and
10 obtain the details of any such order;

11 “(C) provide for both on-line and batch
12 processing of locate requests, with on-line ac-
13 cess restricted to cases in which the information
14 is needed immediately (for such reasons as
15 court appearances) and batch processing used
16 to ‘troll’ data bases to locate individuals or up-
17 date information periodically; and

18 “(D) direct locate requests to individual
19 States or Federal agencies, broadcast requests
20 to selected States, or broadcast cases to all
21 States when there is no indication of the source
22 of needed information;

23 “(2) provide for a maximum of 48-hour turn-
24 around time for information to be broadcast and re-
25 turned to a requesting State; and

1 “(3) provide ready access to courts of the infor-
2 mation on the network by location of a computer
3 terminal in each court.”.

4 **Subtitle D—Single Parent**
5 **Protection**

6 **SEC. 44001. TREATMENT OF UNPAID CHILD SUPPORT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to refundable credits) is amended by redес-
10 ignating section 35 as section 36 and by inserting after
11 section 34 the following new section:

12 **“SEC. 35. UNPAID CHILD SUPPORT.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
14 gible individual, there shall be allowed as a credit against
15 the tax imposed by this subtitle for the taxable year an
16 amount equal to the unpaid child support of such individ-
17 ual for such year.

18 “(b) DEFINITIONS.—For purposes of this section—

19 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
20 individual’ means any individual—

21 “(A) who is entitled to receive child sup-
22 port payments during the taxable year, and

23 “(B) who, as of the close of such taxable
24 year, has not received all of the child support

1 payments to which such individual is entitled
2 for such year.

3 “(2) UNPAID CHILD SUPPORT.—The term ‘un-
4 paid child support’ means, with respect to an indi-
5 vidual for any taxable year, the excess of—

6 “(A) the aggregate child support payments
7 such individual is entitled to receive during
8 such year, over

9 “(B) the child support payments such indi-
10 vidual received during such year.

11 “(3) CHILD SUPPORT PAYMENT.—

12 “(A) IN GENERAL.—The term ‘child sup-
13 port payment’ means, with respect to any tax-
14 able year—

15 “(i) any periodic payment of a fixed
16 amount, or

17 “(ii) any payment of a medical or
18 educational expense, insurance premium,
19 or other similar item,

20 which is required to be paid to the taxpayer
21 during such taxable year by an individual under
22 a support instrument for the support of any
23 child of such individual.

24 “(B) COORDINATION WITH AFDC.—The
25 term ‘child support payment’ shall not include

1 any payment the right to which has been as-
2 signed to a State under section 402(a)(26) of
3 the Social Security Act.

4 “(c) TAXPAYER REQUIRED TO IDENTIFY INDIVID-
5 UAL REQUIRED TO PAY SUPPORT.—No credit shall be al-
6 lowed under this section for a taxable year unless the tax-
7 payer includes on the return for such year the name and
8 TIN on each individual required to make support pay-
9 ments to the taxpayer during such taxable year.

10 “(d) INCREASE IN TAX OF INDIVIDUAL FAILING TO
11 MAKE REQUIRED SUPPORT PAYMENTS.—

12 “(1) IN GENERAL.—If credit is allowed under
13 this section for any taxable year with respect to un-
14 paid support payments, the tax imposed by this
15 chapter of the individual failing to make such pay-
16 ment (for such individual’s taxable year which be-
17 gins in the calendar year in which the taxable year
18 of the taxpayer begins) shall be increased by the
19 amount of such credit.

20 “(2) NO CREDITS AGAINST TAX, ETC.—Any in-
21 crease in tax under this subsection shall not be
22 treated as a tax imposed by this chapter for pur-
23 poses of determining—

24 “(A) the amount of any other credit under
25 this part, or

1 “(B) the minimum tax under section 55.”

2 (b) CONFORMING AMENDMENTS.—

3 (1) Paragraph (2) of section 1324(b) of title
4 31, United States Code, is amended by inserting be-
5 fore the period “or from section 35 of such Code”.

6 (2) The table of sections for subpart C of part
7 IV of subchapter A of chapter 1 is amended by
8 striking the item relating to section 35 and inserting
9 the following new items:

“Sec. 35. Unpaid child support.
“Sec. 36. Overpayments of tax.”

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 1996.

13 **Subtitle E—Women’s Pension**
14 **Equity**

15 **SEC. 45001. MODEL SPOUSAL CONSENT FORM AND QUALI-**
16 **FIED DOMESTIC RELATIONS ORDER.**

17 (a) MODEL SPOUSAL CONSENT FORM.—

18 (1) AMENDMENT TO INTERNAL REVENUE
19 CODE.—Section 417(a) of the Internal Revenue
20 Code of 1986 is amended by adding at the end the
21 following new paragraph:

22 “(7) CONSENT FORM.—The Secretary shall de-
23 velop a form not later than January 1, 1997, for the

1 spousal consent required under paragraph (2)
2 which—

3 “(A) is written in a manner calculated to
4 be understood by the average person, and

5 “(B) discloses in plain form whether—

6 “(i) the waiver is irrevocable, and

7 “(ii) the waiver may be revoked by a
8 qualified domestic relations order.”.

9 (2) AMENDMENT TO ERISA.—Section 205(c) of
10 the Employee Retirement Income Security Act of
11 1974 (29 U.S.C. 1055(c)) is amended by adding at
12 the end the following new paragraph:

13 “(8) The Secretary of the Treasury shall de-
14 velop a form not later than January 1, 1997, for the
15 spousal consent required under paragraph (2)
16 which—

17 “(A) is written in a manner calculated to
18 be understood by the average person, and

19 “(B) discloses in plain form whether—

20 “(i) the waiver is irrevocable, and

21 “(ii) the waiver may be revoked by a
22 qualified domestic relations order.”.

23 (b) MODEL QUALIFIED DOMESTIC RELATIONS
24 ORDER.—

1 (1) AMENDMENT TO ERISA.—Section 206(d)(3)
2 of the Employee Retirement Income Security Act of
3 1974 (29 U.S.C. 1056(d)(3)) is amended by adding
4 at the end the following new subparagraph:

5 “(O) The Secretary shall develop a form not later
6 than January 1, 1997, for a qualified domestic relations
7 order—

8 “(i) which meets all the requirements of sub-
9 paragraph (B)(i), and

10 “(ii) the provisions of which focus attention on
11 the need to consider the treatment of any lump sum
12 payment, qualified joint and survivor annuity, or
13 qualified preretirement survivor annuity.”.

14 (2) AMENDMENT TO INTERNAL REVENUE
15 CODE.—Section 414(p) of the Internal Revenue
16 Code of 1986 is amended by adding at the end the
17 following new paragraph:

18 “(13) The Secretary of Labor shall develop a
19 form not later than January 1, 1997, for a qualified
20 domestic relations order which—

21 “(A) which meets all the requirements of
22 paragraph (1)(A), and

23 “(B) the provisions of which focus atten-
24 tion on the need to consider the treatment of
25 any lump sum payment, qualified joint and sur-

1 vivor annuity, or qualified preretirement survi-
2 vor annuity.”.

3 (c) PUBLICITY.—The Secretary of the Treasury and
4 the Secretary of Labor shall include publicity for the
5 model forms required by the amendments made by this
6 section in the pension outreach efforts undertaken by each
7 Secretary.

8 **SEC. 45002. EXTENSION OF TIER II RAILROAD RETIREMENT**
9 **BENEFITS TO SURVIVING FORMER SPOUSES**
10 **PURSUANT TO DIVORCE AGREEMENTS.**

11 (a) IN GENERAL.—Section 5 of the Railroad Retire-
12 ment Act of 1974 (45 U.S.C. 231d) is amended by adding
13 at the end the following new subsection:

14 “(d) Notwithstanding any other provision of law, the
15 payment of any portion of an annuity computed under sec-
16 tion 3(b) to a surviving former spouse in accordance with
17 a court decree of divorce, annulment, or legal separation
18 or the terms of any court-approved property settlement
19 incident to any such court decree shall not be terminated
20 upon the death of the individual who performed the service
21 with respect to which such annuity is so computed unless
22 such termination is otherwise required by the terms of
23 such court decree.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall take effect on the date of the enactment
3 of this subtitle.

4 **SEC. 45003. SURVIVOR ANNUITIES FOR WIDOWS, WIDOW-**
5 **ERS, AND FORMER SPOUSES OF FEDERAL**
6 **EMPLOYEES WHO DIE BEFORE ATTAINING**
7 **AGE FOR DEFERRED ANNUITY UNDER CIVIL**
8 **SERVICE RETIREMENT SYSTEM.**

9 (a) BENEFITS FOR WIDOW OR WIDOWER.—Section
10 8341(f) of title 5, United States Code, is amended—

11 (1) in the matter preceding paragraph (1) by—

12 (A) by inserting “a former employee sepa-
13 rated from the service with title to deferred an-
14 nuity from the Fund dies before having estab-
15 lished a valid claim for annuity and is survived
16 by a spouse, or if” before “a Member”; and

17 (B) by inserting “of such former employee
18 or Member” after “the surviving spouse”;

19 (2) in paragraph (1)—

20 (A) by inserting “former employee or”
21 before “Member commencing”; and

22 (B) by inserting “former employee or”
23 before “Member dies”; and

24 (3) in the undesignated sentence following para-
25 graph (2)—

1 (A) in the matter preceding subparagraph
2 (A) by inserting “former employee or” before
3 “Member”; and

4 (B) in subparagraph (B) by inserting
5 “former employee or” before “Member”.

6 (b) BENEFITS FOR FORMER SPOUSE.—Section
7 8341(h) of title 5, United States Code, is amended—

8 (1) in paragraph (1) by adding after the first
9 sentence “Subject to paragraphs (2) through (5) of
10 this subsection, a former spouse of a former em-
11 ployee who dies after having separated from the
12 service with title to a deferred annuity under section
13 8338(a) but before having established a valid claim
14 for annuity is entitled to a survivor annuity under
15 this subsection, if and to the extent expressly pro-
16 vided for in an election under section 8339(j)(3) of
17 this title, or in the terms of any decree of divorce
18 or annulment or any court order or court-approved
19 property settlement agreement incident to such de-
20 cree.”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)(ii) by striking “or
23 annuitant,” and inserting “annuitant, or former
24 employee”; and

1 (B) in subparagraph (B)(iii) by inserting
2 “former employee or” before “Member”.

3 (c) PROTECTION OF SURVIVOR BENEFIT RIGHTS.—
4 Section 8339(j)(3) of title 5, United States Code, is
5 amended by inserting at the end the following:

6 “The Office shall provide by regulation for the appli-
7 cation of this subsection to the widow, widower, or surviv-
8 ing former spouse of a former employee who dies after
9 having separated from the service with title to a deferred
10 annuity under section 8338(a) but before having estab-
11 lished a valid claim for annuity.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this subtitle and shall apply only in the case of a former
15 employee who dies on or after such date.

16 **SEC. 45004. COURT ORDERS RELATING TO FEDERAL RE-**
17 **TIREMENT BENEFITS FOR FORMER SPOUSES**
18 **OF FEDERAL EMPLOYEES.**

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

20 (1) IN GENERAL.—Section 8345(j) of title 5,
21 United States Code, is amended—

22 (A) by redesignating paragraph (3) as
23 paragraph (4); and

24 (B) by inserting after paragraph (2) the
25 following new paragraph:

1 “(3) Payment to a person under a court decree, court
2 order, property settlement, or similar process referred to
3 under paragraph (1) shall include payment to a former
4 spouse of the employee, Member, or annuitant.”.

5 (2) LUMP-SUM BENEFITS.—Section 8342 of
6 title 5, United States Code, is amended—

7 (A) in subsection (e) by striking “Lump-
8 sum benefits” and inserting “Subject to sub-
9 section (j), lump-sum benefits”; and

10 (B) in subsection (j)(1) by striking “the
11 lump-sum credit under subsection (a) of this
12 section” and inserting “any lump-sum credit or
13 lump-sum benefit under this section”.

14 (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
15 Section 8467 of title 5, United States Code, is amended—

16 (1) by redesignating subsection (c) as sub-
17 section (d); and

18 (2) by inserting after subsection (b) the follow-
19 ing new subsection:

20 “(c) Payment to a person under a court decree, court
21 order, property settlement, or similar process referred to
22 under subsection (a) shall include payment to a former
23 spouse of the employee, Member, or annuitant.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this subtitle.

4 **SEC. 45005. PREVENTION OF CIRCUMVENTION OF COURT**
5 **ORDER BY WAIVER OF RETIRED PAY TO EN-**
6 **HANCE CIVIL SERVICE RETIREMENT ANNU-**
7 **ITY.**

8 (a) CIVIL SERVICE RETIREMENT AND DISABILITY
9 SYSTEM.—(1) Subsection (c) of section 8332 of title 5,
10 United States Code, is amended by adding at the end the
11 following:

12 “(4) If an employee or Member waives retired pay
13 that is subject to a court order for which there has been
14 effective service on the Secretary concerned for purposes
15 of section 1408 of title 10, the military service on which
16 the retired pay is based may be credited as service for
17 purposes of this subchapter only if, in accordance with
18 regulations prescribed by the Director of the Office of Per-
19 sonnel Management, the employee or Member authorizes
20 the Director to deduct and withhold from the annuity pay-
21 able to the employee or Member under this subchapter,
22 and to pay to the former spouse covered by the court
23 order, the same amount that would have been deducted
24 and withheld from the employee’s or Member’s retired pay
25 and paid to that former spouse under such section 1408.”.

1 (2) Paragraph (1) of such subsection is amended by
2 striking out “Except as provided in paragraph (2)” and
3 inserting “Except as provided in paragraphs (2) and (4)”.

4 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—
5 (1) Subsection (c) of section 8411 of title 5, United States
6 Code, is amended by adding at the end the following:

7 “(5) If an employee or Member waives retired pay
8 that is subject to a court order for which there has been
9 effective service on the Secretary concerned for purposes
10 of section 1408 of title 10, the military service on which
11 the retired pay is based may be credited as service for
12 purposes of this chapter only if, in accordance with regula-
13 tions prescribed by the Director of the Office of Personnel
14 Management, the employee or Member authorizes the Di-
15 rector to deduct and withhold from the annuity payable
16 to the employee or Member under this subchapter, and
17 to pay to the former spouse covered by the court order,
18 the same amount that would have been deducted and with-
19 held from the employee’s or Member’s retired pay and
20 paid to that former spouse under such section 1408.”.

21 (2) Paragraph (1) of such subsection is amended by
22 striking out “Except as provided in paragraph (2) or (3)”
23 and inserting “Except as provided in paragraphs (2), (3),
24 and (5)”.

1 (c) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on January 1, 1997.

3 **Subtitle F—Pension Reform**

4 **SEC. 46001. PENSION INTEGRATION RULES.**

5 (a) APPLICABILITY OF NEW INTEGRATION RULES
6 EXTENDED TO ALL EXISTING ACCRUED BENEFITS.—
7 Notwithstanding subsection (c)(1) of section 1111 of the
8 Tax Reform Act of 1986 (relating to effective date of ap-
9 plication of nondiscrimination rules to integrated plans)
10 (100 Stat. 2440), effective for plan years beginning after
11 the date of the enactment of this subtitle, the amendments
12 made by subsection (a) of such section 1111 shall also
13 apply to benefits attributable to plan years beginning on
14 or before December 31, 1988.

15 (b) INTEGRATION DISALLOWED FOR SIMPLIFIED
16 EMPLOYEE PENSIONS.—

17 (1) IN GENERAL.—Subparagraph (D) of section
18 408(k)(3) of the Internal Revenue Code of 1986 (re-
19 lating to permitted disparity under rules limiting
20 discrimination under simplified employee pensions)
21 is repealed.

22 (2) CONFORMING AMENDMENT.—Subparagraph
23 (C) of such section 408(k)(3) is amended by striking
24 “and except as provided in subparagraph (D),”.

1 a trust”, and by inserting “for such plan year” after
2 “requirements”; and

3 (2) by redesignating paragraphs (3) through
4 (6) as paragraphs (4) through (7), respectively and
5 by inserting after paragraph (2) the following new
6 paragraph:

7 “(3) SPECIAL RULE WHERE EMPLOYER OPER-
8 ATES SINGLE LINE OF BUSINESS.—In any case in
9 which the employer with respect to a plan is not
10 treated, under section 414(r), as operating separate
11 lines of business for a plan year, a trust shall not
12 constitute a qualified trust under section 401(a) un-
13 less such trust is designated by the employer as part
14 of a plan which benefits all employees of the
15 employer.”.

16 (b) LIMITATION ON LINE OF BUSINESS EXCEP-
17 TION.—Paragraph (6) of section 410(b) of such Code (as
18 redesignated by subsection (a)(2) of this section) is
19 amended by inserting “other than paragraph (1)(A)” after
20 “this subsection”.

21 **SEC. 46003. ELIMINATION OF SPECIAL VESTING RULE FOR**
22 **MULTIEMPLOYER PLANS.**

23 (a) INTERNAL REVENUE CODE AMENDMENT.—Para-
24 graph (2) of section 411(a) of the Internal Revenue Code

1 of 1986 (relating to minimum vesting standards) is
2 amended—

3 (1) by striking “subparagraph (A), (B), or (C)”
4 and inserting “subparagraph (A) or (B)”; and
5 (2) by striking subparagraph (C).

6 (b) ERISA AMENDMENT.—Paragraph (2) of section
7 203(a)(2) of the Employee Retirement Income Security
8 Act of 1974 (29 U.S.C. 1053(a)(2)) is amended—

9 (1) by striking “subparagraph (A), (B), or (C)”
10 and inserting “subparagraph (A) or (B)”; and
11 (2) by striking subparagraph (C).

12 **SEC. 46004. DIVISION OF PENSION BENEFITS UPON DI-**
13 **VORCE.**

14 (a) AMENDMENTS TO THE INTERNAL REVENUE
15 CODE OF 1986.—

16 (1) IN GENERAL.—Subsection (a) of section
17 401 of the Internal Revenue Code of 1986 (relating
18 to requirements for qualification) is amended—

19 (A) by inserting after paragraph (31) the
20 following new paragraph:

21 “(32) DIVISION OF PENSION BENEFITS UPON
22 DIVORCE.—

23 “(A) IN GENERAL.—In the case of a di-
24 vorce of a participant in a pension plan from a
25 spouse who is, immediately before the divorce,

1 a beneficiary under the plan, a trust forming
2 a part of such plan shall not constitute a quali-
3 fied trust under this section unless the plan
4 provides that at least 50 percent of the marital
5 share of the accrued benefit of the participant
6 under the plan ceases to be an accrued benefit
7 of such participant and becomes an accrued
8 benefit of such divorced spouse, determined and
9 payable upon the earlier of the retirement of
10 the participant, the participant's death, or the
11 termination of the plan, except to the extent
12 that a qualified domestic relations order in con-
13 nection with such divorce provides otherwise.

14 “(B) LIMITATION.—Subparagraph (A)
15 shall not be construed—

16 “(i) to require a plan to provide any
17 type or form of benefit, or any option, not
18 otherwise provided under the plan,

19 “(ii) to require the plan to provide in-
20 creased benefits (determined on the basis
21 of actuarial value),

22 “(iii) to require the payment of bene-
23 fits to the divorced spouse which are re-
24 quired to be paid to another individual in
25 accordance with this paragraph or pursu-

1 ant to a domestic relations order previously
2 determined to be a qualified domestic rela-
3 tions order, or

4 “(iv) to require payment of benefits to
5 the divorced spouse in the form of a quali-
6 fied joint and survivor annuity to the di-
7 vorced spouse and his or her subsequent
8 spouse.

9 “(C) DEFINITIONS.—For purposes of this
10 paragraph—

11 “(i) DOMESTIC RELATIONS ORDER;
12 QUALIFIED DOMESTIC RELATIONS
13 ORDER.—The terms ‘domestic relations
14 order’ and ‘qualified domestic relations
15 order’ shall have the meanings provided in
16 section 414(p).

17 “(ii) MARITAL SHARE.—The term
18 ‘marital share’ means, in connection with
19 an accrued benefit under a pension plan,
20 the product derived by multiplying—

21 “(I) the actuarial present value
22 of the accrued benefit, by

23 “(II) a fraction, the numerator of
24 which is the period of time, during the
25 marriage between the spouse and the

1 participant in the plan, which con-
2 stitutes creditable service by the par-
3 ticipant under the plan, and the de-
4 nominator of which is the total period
5 of time which constitutes creditable
6 service by the participant under the
7 plan.

8 “(iii) QUALIFIED JOINT AND SURVI-
9 VOR ANNUITY.—The term ‘qualified joint
10 and survivor annuity’ has the meaning pro-
11 vided in section 417(b).

12 “(D) REGULATIONS.—In prescribing regu-
13 lations under this paragraph, the Secretary
14 shall consult with the Secretary of Labor.”; and

15 (B) in the last sentence, by striking “and
16 (20)” and inserting “(20), and (32)”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Subparagraph (B) of section
19 401(a)(13) of such Code (relating to special
20 rules for domestic relations orders) is amended
21 by inserting “or if such creation, assignment, or
22 recognition pursuant to such order is necessary
23 for compliance with the requirements of para-
24 graph (32)” before the period.

1 (B) Subsection (p) of section 414 of such
2 Code (defining qualified domestic relations or-
3 ders) is amended—

4 (i) in paragraph (3)(C), by inserting
5 “or to a divorced spouse of the participant
6 in connection with a previously occurring
7 divorce as required under section
8 401(a)(32)” before the period; and

9 (ii) in paragraph (7)(C), by striking
10 “if there had been no order” and inserting
11 “in accordance with section 401(a)(32) as
12 if there had been no qualified domestic re-
13 lations order”.

14 (b) AMENDMENTS TO THE EMPLOYEE RETIREMENT
15 INCOME SECURITY ACT OF 1974.—

16 (1) IN GENERAL.—Section 206 of Employee
17 Retirement Income Security Act of 1974 (29 U.S.C.
18 1056) is amended by adding at the end the following
19 new subsection:

20 “(e)(1) In the case of a divorce of a participant in
21 a pension plan from a spouse who is, immediately before
22 the divorce, a beneficiary under the plan, the plan shall
23 provide that at least 50 percent of the marital share of
24 the accrued benefit of the participant under the plan
25 ceases to be an accrued benefit of such participant and

1 becomes an accrued benefit of such divorced spouse, deter-
2 mined and payable upon the earlier of the retirement of
3 the participant, the participant's death, or the termination
4 of the plan, except to the extent that a qualified domestic
5 relations order in connection with such divorce provides
6 otherwise.

7 “(2) Paragraph (1) shall not be construed—

8 “(A) to require a plan to provide any type or
9 form of benefit, or any option, not otherwise pro-
10 vided under the plan,

11 “(B) to require the plan to provide increased
12 benefits (determined on the basis of actuarial value),

13 “(C) to require the payment of benefits to the
14 divorced spouse which are required to be paid to an-
15 other individual in accordance with this subsection
16 or pursuant to a domestic relation order previously
17 determined to be a qualified domestic relations
18 order, or

19 “(D) to require payment of benefits to the di-
20 vorced spouse in the form of a joint and survivor an-
21 nuity to the divorced spouse and his or her subse-
22 quent spouse.

23 “(3) For purposes of this subsection—

1 “(A) The terms ‘domestic relations order’ and
2 ‘qualified domestic relations order’ shall have the
3 meanings provided in subsection (d)(3)(B).

4 “(B) The term ‘marital share’ means, in con-
5 nection with an accrued benefit under a pension
6 plan, the product derived by multiplying—

7 “(i) the actuarial present value of the ac-
8 crued benefit, by

9 “(ii) a fraction—

10 “(I) the numerator of which is the pe-
11 riod of time, during the marriage between
12 the spouse and the participant in the plan,
13 which constitutes creditable service by the
14 participant under the plan, and

15 “(II) the denominator of which is the
16 total period of time which constitutes cred-
17 itable service by the participant under the
18 plan.

19 “(C) The term ‘qualified joint and survivor an-
20 nuity’ shall have the meaning provided in section
21 205(d).

22 “(4) In prescribing regulations under this subsection,
23 the Secretary shall consult with the Secretary of the
24 Treasury.”.

1 (2) CONFORMING AMENDMENTS.—Section
2 206(d) of such Act (29 U.S.C. 1056(d)) is amend-
3 ed—

4 (A) in the first sentence of paragraph
5 (3)(A), by inserting “or if such creation, assign-
6 ment, or recognition pursuant to such order is
7 necessary for compliance with the requirements
8 of subsection (e)” before the period;

9 (B) in paragraph (3)(D)(iii), by inserting
10 “or to a divorced spouse of the participant in
11 connection with a previously occurring divorce
12 as required under subsection (e)” before the pe-
13 riod; and

14 (C) in paragraph (3)(H)(iii), by striking
15 “if there had been no order” and inserting “in
16 accordance with subsection (e) as if there had
17 been no qualified domestic relations order”.

18 **SEC. 46005. EFFECTIVE DATES.**

19 (a) IN GENERAL.—Except as provided in subsection
20 (b), the amendments made by this subtitle, other than sec-
21 tion 46001, shall apply with respect to plan years begin-
22 ning on or after January 1, 1996, and the amendments
23 made by section 46004 shall apply only with respect to
24 divorces becoming final in such plan years.

1 (b) SPECIAL RULE FOR COLLECTIVELY BARGAINED
2 PLANS.—In the case of a plan maintained pursuant to 1
3 or more collective bargaining agreements between em-
4 ployee representatives and 1 or more employers ratified
5 on or before the date of the enactment of this subtitle,
6 subsection (a) shall be applied to benefits pursuant to, and
7 individuals covered by, any such agreement by substituting
8 for “January 1, 1996” the date of the commencement of
9 the first plan year beginning on or after the earlier of—

10 (1) the later of—

11 (A) January 1, 1996, or

12 (B) the date on which the last of such col-
13 lective bargaining agreements terminates (de-
14 termined without regard to any extension there-
15 of after the date of the enactment of this sub-
16 title), or

17 (2) January 1, 1999.

18 (c) PLAN AMENDMENTS.—If any amendment made
19 by this subtitle requires an amendment to any plan, such
20 plan amendment shall not be required to be made before
21 the first plan year beginning on or after January 1, 1996,
22 if—

23 (1) during the period after such amendment
24 made by this subtitle takes effect and before such
25 first plan year, the plan is operated in accordance

1 with the requirements of such amendment made by
2 this subtitle, and

3 (2) such plan amendment applies retroactively
4 to the period after such amendment made by this
5 subtitle takes effect and such first plan year.

6 A plan shall not be treated as failing to provide definitely
7 determinable benefits or contributions, or to be operated
8 in accordance with the provisions of the plan, merely be-
9 cause it operates in accordance with this subsection.

10 **SEC. 46006. CLARIFICATION OF CONTINUED AVAILABILITY**
11 **OF REMEDIES RELATING TO MATTERS**
12 **TREATED IN DOMESTIC RELATIONS ORDERS**
13 **ENTERED BEFORE 1985.**

14 (a) IN GENERAL.—In any case in which—

15 (1) under a prior domestic relations order en-
16 tered before January 1, 1985, in an action for di-
17 vorce—

18 (A) the right of a spouse under a pension
19 plan to an accrued benefit under such plan was
20 not divided between spouses,

21 (B) any right of a spouse with respect to
22 such an accrued benefit was waived without the
23 informed consent of such spouse, or

24 (C) the right of a spouse as a participant
25 under a pension plan to an accrued benefit

1 under such plan was divided so that the other
2 spouse received less than such other spouse's
3 pro rata share of the accrued benefit under the
4 plan, or

5 (2) a court of competent jurisdiction determines
6 that any further action is appropriate with respect
7 to any matter to which a prior domestic relations
8 order entered before such date applies,
9 nothing in the provisions of section 104, 204, or 303 of
10 the Retirement Equity Act of 1984 (Public Law 98-397)
11 or the amendments made thereby shall be construed to
12 require or permit the treatment, for purposes of such pro-
13 visions, of a domestic relations order, which is entered on
14 or after the date of the enactment of this subtitle and
15 which supercedes, amends the terms of, or otherwise af-
16 fects such prior domestic relations order, as other than
17 a qualified domestic relations order solely because such
18 prior domestic relations order was entered before January
19 1, 1985.

20 (b) DEFINITIONS.—For purposes of this section—

21 (1) IN GENERAL.—Terms used in this section
22 which are defined in section 3 of the Employee Re-
23 tirement Income Security Act of 1974 (29 U.S.C.
24 1002) shall have the meanings provided such terms
25 by such section.

1 (2) PRO RATA SHARE.—The term “pro rata
2 share” of a spouse means, in connection with an ac-
3 crued benefit under a pension plan, 50 percent of
4 the product derived by multiplying—

5 (A) the actuarial present value of the ac-
6 crued benefit, by

7 (B) a fraction—

8 (i) the numerator of which is the pe-
9 riod of time, during the marriage between
10 the spouse and the participant in the plan,
11 which constitutes creditable service by the
12 participant under the plan, and

13 (ii) the denominator of which is the
14 total period of time which constitutes cred-
15 itable service by the participant under the
16 plan.

17 (3) PLAN.—All pension plans in which a person
18 has been a participant shall be treated as one plan
19 with respect to such person.

20 **SEC. 46007. ENTITLEMENT OF DIVORCED SPOUSES TO**
21 **RAILROAD RETIREMENT ANNUITIES INDE-**
22 **PENDENT OF ACTUAL ENTITLEMENT OF EM-**
23 **PLOYEE.**

24 Section 2 of the Railroad Retirement Act of 1974 (45
25 U.S.C. 231a) is amended—

1 (1) in subsection (c)(4)(i), by striking “(A) is
2 entitled to an annuity under subsection (a)(1) and
3 (B)”;

4 (2) in subsection (e)(5), by striking “or di-
5 vorced wife” the second place it appears.

6 **Subtitle G—Social Security** 7 **Caregiver**

8 **SEC. 47001. INCREASE IN NUMBER OF YEARS DIS-** 9 **REGARDED.**

10 (a) IN GENERAL.—Section 215(b)(2) of the Social
11 Security Act (42 U.S.C. 415(b)(2)) is amended—

12 (1) by striking the period at the end of clause
13 (ii) of subparagraph (A) and inserting a comma;

14 (2) by striking “Clause (ii), once” after and
15 below clause (ii) of subparagraph (A) and inserting
16 the following:

17 “and reduced further to the extent provided in subpara-
18 graph (B). Clause (ii), once”;

19 (3) by striking “If an individual” in the matter
20 following clause (ii) of subparagraph (A) and all that
21 follows through the end of subparagraph (A);

22 (4) by redesignating subparagraph (B) as sub-
23 paragraph (F); and

24 (5) by inserting after subparagraph (A) the fol-
25 lowing new subparagraphs:

1 “(B) Subject to subparagraph (C), in any case in
2 which—

3 “(i) in any calendar year which is included in
4 an individual’s computation base years—

5 “(I) such individual is living with a child
6 (of such individual or his or her spouse) under
7 the age of 12, or

8 “(II) such individual is living with a child
9 (of such individual or his or her spouse), a par-
10 ent (of such individual or his or her spouse), or
11 such individual’s spouse while such child, par-
12 ent, or spouse is a chronically dependent indi-
13 vidual,

14 “(ii) such calendar year is not disregarded pur-
15 suant to subparagraphs (A) and (E) (in determining
16 such individual’s benefit computation years) by rea-
17 son of the reduction in the number of such individ-
18 ual’s elapsed years under subparagraph (A), and

19 “(iii) at any time during or after such calendar
20 year and on or before the date of the application by
21 such individual for benefits based on such individ-
22 ual’s wages and self-employment income, such indi-
23 vidual submits to the Commissioner of Social Secu-
24 rity, in such form as the Commissioner shall pre-
25 scribe by regulations, a written statement that the

1 requirements of clause (i) are met with respect to
2 such calendar year,
3 then the number by which such elapsed years are reduced
4 under this paragraph pursuant to subparagraph (A) shall
5 be increased by one (up to a combined total not exceeding
6 5) for each such calendar year.

7 “(C)(i)(I) No calendar year shall be disregarded by
8 reason of subparagraph (B) (in determining such individ-
9 ual’s benefit computation years) unless the individual had
10 less than the applicable dollar amount (in effect for such
11 calendar year under this clause) of earnings as described
12 in section 203(f)(5) for such year.

13 “(II) Except as otherwise provided in subclause (III),
14 the applicable dollar amount in effect under this clause
15 for any calendar year is \$2,000.

16 “(III) In each calendar year after 1996, the Commis-
17 sioner of Social Security shall determine and publish in
18 the Federal Register, on or before November 1 of such
19 calendar year, the applicable dollar amount which shall be
20 effective under this clause for the next calendar year. Such
21 dollar amount shall be equal to the larger of the applicable
22 dollar amount which is effective under this clause for the
23 calendar year in which such determination is made or,
24 subject to subclause (VII), the product described in sub-
25 clause (IV).

1 “(IV) The product described in this subclause is the
2 product derived by multiplying the applicable dollar
3 amount which is effective under this clause for the cal-
4 endar year in which the determination under subclause
5 (III) is made, by the ratio of the amount described in sub-
6 clause (V) to the amount described in subclause (VI).

7 “(V) The amount described in this subclause is the
8 national average wage index (as defined in section
9 209(k)(1)) for the calendar year before the calendar year
10 in which the determination under subclause (III) is made.

11 “(VI) The amount described in this subclause is the
12 national average wage index (as defined in section
13 209(k)(1)) for 1995 or, if later, the calendar year before
14 the most recent calendar year in which a determination
15 resulting in an increase in the applicable dollar amount
16 was made under subclause (III).

17 “(VII) If the product described in subclause (IV) is
18 not a multiple of \$1.00, such product shall be rounded
19 to the next higher multiple of \$1.00 in any case in which
20 such product is a multiple of \$0.50 but not of \$1.00, and
21 to the nearest multiple of \$1.00 in any other case.

22 “(ii) No calendar year shall be disregarded by reason
23 of subparagraph (B) (in determining such individual’s
24 benefit computation years) in connection with a child re-
25 ferred to in subparagraph (B)(i)(I) (and not referred to

1 in subparagraph (B)(i)(II)) unless the individual was liv-
2 ing with the child substantially throughout the period in
3 such year in which the child was alive and under the age
4 of 12 in such year.

5 “(iii) No calendar year shall be disregarded by reason
6 of subparagraph (B) (in determining such individual’s
7 benefit computation years) in connection with a child, par-
8 ent, or spouse referred to in subparagraph (B)(i)(II) un-
9 less the individual was living with such child, parent, or
10 spouse substantially throughout a period of 180 consecu-
11 tive days in such year throughout which such child, par-
12 ent, or spouse was a chronically dependent individual.

13 “(iv) The particular calendar years to be disregarded
14 under this subparagraph (in determining such benefit
15 computation years) shall be those years (not otherwise dis-
16 regarded under subparagraph (A)) which, before the appli-
17 cation of subsection (f), meet the conditions of the preced-
18 ing provisions of this subparagraph.

19 “(v) This subparagraph shall apply only to the extent
20 that its application would not result in a lower primary
21 insurance amount.

22 “(D)(i) For purposes of this paragraph, the term
23 ‘chronically dependent individual’ means an individual
24 who—

1 “(I) is dependent on a daily basis on another
2 person who is living with the individual and is assist-
3 ing the individual without monetary compensation in
4 the performance of at least 2 of the activities of
5 daily living (described in clause (ii)), and

6 “(II) without such assistance could not perform
7 such activities of daily living.

8 “(ii) The ‘activities of daily living’, referred to in
9 clause (i), are the following:

10 “(I) Eating.

11 “(II) Bathing.

12 “(III) Dressing.

13 “(IV) Toileting.

14 “(V) Transferring in and out of a bed or in and
15 out of a chair.

16 “(E) The number of an individual’s benefit computa-
17 tion years as determined under this paragraph shall in no
18 case be less than 2.”.

19 **SEC. 47002. EFFECTIVE DATE AND RELATED PROVISIONS.**

20 (a) IN GENERAL.—The amendments made by section
21 47001 shall apply only with respect to computation base
22 years after 1985, and only with respect to benefits payable
23 for months after December 1996.

24 (b) NOTICE AND PROCEDURES.—

1 (1) 60-DAY GRACE PERIOD AFTER INITIAL ISSU-
2 ANCE OF FINAL REGULATIONS FOR CURRENT BENE-
3 FICIARIES AND APPLICANTS.—The requirements of
4 clause (iii) of section 215(b)(2)(B) of the Social Se-
5 curity Act (as amended by section 47001) shall be
6 treated as satisfied, in the case of a statement—

7 (A) which is filed by an individual who is,
8 as of the date of the first issuance in final form
9 of the regulations required under such clause, a
10 recipient of monthly benefits under section
11 202(a) or 223 of the Social Security Act, or an
12 applicant for such benefits, and

13 (B) with respect to which the requirements
14 of such clause would be met but for the date of
15 the filing of such statement,

16 if such statement is submitted to the Commissioner
17 of Social Security not later than 60 days after the
18 date of the first issuance in final form of such regu-
19 lations.

20 (2) NOTICE REQUIREMENTS.—

21 (A) NOTICE TO CURRENT BENEFICIARIES
22 AND APPLICANTS.—The Commissioner of Social
23 Security shall issue, not later than the date of
24 the first issuance in final form of the regula-
25 tions required under clause (iii) of section

1 215(b)(2)(B) of the Social Security Act (as
2 amended by section 47001), regulations estab-
3 lishing procedures to ensure that—

4 (i) persons who are, as of such date,
5 recipients of monthly benefits under sec-
6 tion 202(a) or 223 of the Social Security
7 Act, or applicants for such benefits, are
8 fully informed of the amendments made by
9 section 47001; and

10 (ii) such persons are invited to com-
11 ply, and given a reasonable opportunity to
12 comply, with the requirements of section
13 215(b)(2)(B)(iii) of the Social Security Act
14 (as amended by section 47001), as pro-
15 vided in paragraph (1).

16 Upon receiving from a recipient described in
17 clauses (i) and (ii) a written statement referred
18 to in clause (iii) of section 215(b)(2)(B) of the
19 Social Security Act (as amended by section
20 47001) with respect to which the requirements
21 of such clause are treated as satisfied, the Com-
22 missioner shall redetermine the amount of such
23 benefits to the extent necessary to take into ac-
24 count the amendments made by section 47001
25 (and if such redetermination results in an in-

1 crease in such amount the increase shall be ef-
2 fective as provided in subsection (a)).

3 (B) NOTICE TO FUTURE APPLICANTS.—

4 Such regulations required under subparagraph
5 (A) shall also provide procedures to ensure that
6 applicants for benefits under section 202(a) or
7 223 of the Social Security Act are given the op-
8 portunity, at the time of their application, to in-
9 dicate and verify any additional years which
10 may be disregarded under section 215(b)(2)(B)
11 of the Social Security Act (as amended by sec-
12 tion 47001).

13 **SEC. 47003. REPEAL OF 7-YEAR RESTRICTION ON ELIGI-**
14 **BILITY FOR WIDOW'S AND WIDOWER'S INSUR-**
15 **ANCE BENEFITS BASED ON DISABILITY.**

16 (a) WIDOW'S INSURANCE BENEFITS.—

17 (1) IN GENERAL.—Section 202(e) of the Social
18 Security Act (42 U.S.C. 402(e)) is amended—

19 (A) in paragraph (1)(B)(ii), by striking
20 “which began before the end of the period spec-
21 ified in paragraph (4)”;

22 (B) in paragraph (1)(F)(ii), by striking
23 “(I) in the period specified in paragraph (4)
24 and (II)”;

1 (C) by striking paragraph (4) and by re-
2 designating paragraphs (5) through (9) as
3 paragraphs (4) through (8), respectively; and

4 (D) in paragraph (4)(A)(ii) (as redesign-
5 dated), by striking “whichever” and all that fol-
6 lows through “begins” and inserting “the first
7 day of the seventeenth month before the month
8 in which her application is filed”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Section 202(e)(1)(F)(i) of such Act
11 (42 U.S.C. 402(e)(1)(F)(i)) is amended by
12 striking “paragraph (5)” and inserting “para-
13 graph (4)”.

14 (B) Section 202(e)(1)(C)(ii)(III) of such
15 Act (42 U.S.C. 402(e)(2)(C)(ii)(III)) is amend-
16 ed by striking “paragraph (8)” and inserting
17 “paragraph (7)”.

18 (C) Section 202(e)(2)(A) of such Act (42
19 U.S.C. 402(e)(2)(A)) is amended by striking
20 “paragraph (7)” and inserting “paragraph
21 (6)”.

22 (D) Section 226(e)(1)(A)(i) of such Act
23 (42 U.S.C. 426(e)(1)(A)(i)) is amended by
24 striking “202(e)(4)”.

25 (b) WIDOWER’S INSURANCE BENEFITS.—

1 (1) IN GENERAL.—Section 202(f) of such Act
2 (42 U.S.C. 402(f)) is amended—

3 (A) in paragraph (1)(B)(ii), by striking
4 “which began before the end of the period spec-
5 ified in paragraph (5)”;

6 (B) in paragraph (1)(F)(ii), by striking
7 “(I) in the period specified in paragraph (5)
8 and (II)”;

9 (C) by striking paragraph (5) and by re-
10 designating paragraphs (6) through (9) as
11 paragraphs (5) through (8), respectively; and

12 (D) in paragraph (5)(A)(ii) (as redesign-
13 ated), by striking “whichever” and all that fol-
14 lows through “begins” and inserting “the first
15 day of the seventeenth month before the month
16 in which his application is filed”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 202(f)(1)(F)(i) of such Act (42
19 U.S.C. 402(f)(1)(F)(i)) is amended by striking
20 “paragraph (6)” and inserting “paragraph
21 (5)”.

22 (B) Section 202(f)(1)(C)(ii)(III) of such
23 Act (42 U.S.C. 402(f)(2)(C)(ii)(III)) is amend-
24 ed by striking “paragraph (8)” and inserting
25 “paragraph (7)”.

1 (C) Section 226(e)(1)(A)(i) of such Act (as
 2 amended by subsection (a)(2)) is further
 3 amended by striking “, 202(f)(1)(B)(ii), and
 4 202(f)(5)” and inserting “and
 5 202(f)(1)(B)(ii)”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply with respect to benefits for months
 8 after December 1996 for which applications are filed or
 9 pending on or after January 1, 1997.

10 **SEC. 47004. INCREASE IN WIDOW’S AND WIDOWER’S INSUR-**
 11 **ANCE BENEFITS BY REASON OF DELAYED RE-**
 12 **TIREMENT.**

13 (a) DELAYED RETIREMENT CREDIT FOR WIDOW’S
 14 AND WIDOWER’S BENEFITS.—

15 (1) IN GENERAL.—Section 202(w)(1) of the So-
 16 cial Security Act (42 U.S.C. 402(w)(1)) is amend-
 17 ed—

18 (A) in paragraph (1) by striking “old-age
 19 insurance benefit” and inserting “old-age, wid-
 20 ow’s, or widower’s insurance benefit”;

21 (B) in paragraph (2), by striking “the
 22 number of increment months for any individ-
 23 ual” in the matter preceding subparagraph (A)
 24 and inserting “the number of increment months
 25 for any individual to whom an old-age, widow’s,

1 or widower's insurance benefit is payable as de-
2 scribed in paragraph (1)"; and

3 (C) by striking paragraph (2)(B) and in-
4 serting the following:

5 "(B) with respect to which—

6 "(i) in the case of an individual to
7 whom an old-age insurance benefit is pay-
8 able, such individual was a fully insured
9 individual (as defined in section 214(a))
10 and either was not entitled to such a bene-
11 fit or suffered deductions under section
12 203(b) or 203(c) in amounts equal to the
13 amount of such benefit, and

14 "(ii) in the case of an individual to
15 whom a widow's or widower's insurance
16 benefit is payable, such individual satisfied
17 subparagraphs (A), (B), and (D) of sub-
18 section (e)(1) or (f)(1) and either was not
19 entitled to such a benefit or suffered de-
20 ductions under section 203(b) or 203(c) in
21 amounts equal to the amount of such bene-
22 fit.".

23 (2) CONFORMING AMENDMENTS TO SECTION

24 202(w).—

1 (A) Section 202(w)(3) of such Act (42
2 U.S.C. 402(w)(3)) is amended by striking “old-
3 age” each place it appears and inserting “old-
4 age, widow’s, or widower’s”.

5 (B) Section 202(w)(5) of such Act (42
6 U.S.C. 402(w)(5)) is amended—

7 (i) by striking “If an individual’s pri-
8 mary insurance amount” and inserting “If
9 the primary insurance amount on which an
10 individual’s old-age, widow’s, or widower’s
11 insurance benefit is based”;

12 (ii) by striking “old-age” each place it
13 appears and inserting “old-age, widow’s, or
14 widower’s”; and

15 (iii) by striking “his primary insur-
16 ance amount” each place it appears and
17 inserting “the primary insurance amount”.

18 (C) Section 202(w)(6) of such Act (42
19 U.S.C. 402(w)(6)) is amended—

20 (i) by striking “old-age” each place it
21 appears and inserting “old-age, widow’s, or
22 widower’s”; and

23 (ii) by adding at the end (after and
24 below subparagraph (D)) the following new
25 sentence:

1 “For purposes of this paragraph, an individual is deemed
2 to become eligible for an old-age insurance benefit on the
3 first day of the month in which such individual attains
4 age 62, and for a widow’s or widower’s insurance benefit
5 on the first day of the month in which such individual
6 attains age 60.”.

7 (3) OTHER CONFORMING AMENDMENTS.—

8 (A) Section 202(e)(2)(A) of such Act (42
9 U.S.C. 402(e)(2)(A)) is amended by inserting
10 “and subsection (w)” after “subsection (q)”.

11 (B) Section 202(f)(3)(A) of such Act (42
12 U.S.C. 402(f)(3)(A)) is amended by inserting
13 “and subsection (w)” after “subsection (q)”.

14 (b) TREATMENT OF DELAYED RETIREMENT IN
15 CASES OF SIMULTANEOUS ENTITLEMENT TO OLD-AGE
16 INSURANCE BENEFITS AND WIDOW’S OR WIDOWER’S IN-
17 SURANCE BENEFITS.—Section 202(w) of the Social Secu-
18 rity Act (42 U.S.C. 402(w)) is amended—

19 (1) by striking “The amount” in paragraph (1)
20 and inserting “Subject to paragraph (7), the
21 amount”; and

22 (2) by adding at the end the following new
23 paragraph:

24 “(7) If for any month an individual is entitled (prior
25 to the application of this subsection) both to an old-age

1 insurance benefit and to a widow's or widower's insurance
2 benefit, the resulting increase (if any) in the amount of
3 the widow's or widower's insurance benefit under para-
4 graph (1) shall be made (prior to the application of sub-
5 section (k)(3)(A)) in lieu of any increase in the amount
6 of the old-age insurance benefit under such paragraph, un-
7 less—

8 “(A) the amount of such old-age insurance ben-
9 efit would be greater than the amount of such wid-
10 ow's or widower's insurance benefit after the appli-
11 cation of paragraph (1) to each such benefit, or

12 “(B) the increase which would otherwise be
13 made under such paragraph in the amount of such
14 old-age insurance benefit would result (under the
15 language following subparagraph (F) in the first
16 sentence of subsection (e)(1) or (f)(1)) in the termi-
17 nation of the individual's entitlement to widow's or
18 widower's insurance benefits.”.

19 **SEC. 47005. EFFECTIVE DATE.**

20 The amendments made by section 47004 shall apply
21 with respect to widow's and widower's insurance benefits
22 (under section 202(e) and (f) of the Social Security Act)
23 for months after the month in which this subtitle is en-
24 acted.

1 **SEC. 47006. EXEMPTION FROM TWO-YEAR WAITING PERIOD**
2 **FOR DIVORCED SPOUSE'S BENEFITS FOLLOW-**
3 **ING THE DIVORCE IN CASES OF PRIOR RE-**
4 **CEIPT OF SPOUSE'S BENEFITS.**

5 (a) WIFE'S INSURANCE BENEFITS.—Section
6 202(b)(5)(A) of the Social Security Act (42 U.S.C.
7 402(b)(5)(A)) is amended by striking “divorced wife—”
8 and all that follows through “shall be entitled” and insert-
9 ing “divorced wife meets the requirements of subpara-
10 graphs (A) through (D) of paragraph (1), shall be enti-
11 tled”.

12 (b) HUSBAND'S INSURANCE BENEFITS.—Section
13 202(c)(5)(A) of such Act (42 U.S.C. 402(c)(5)(A)) is
14 amended by striking “divorced husband—” and all that
15 follows through “shall be entitled” and inserting “divorced
16 husband meets the requirements of subparagraphs (A)
17 through (D) of paragraph (1), shall be entitled”.

18 (c) EXEMPTION FROM DEDUCTIONS ON ACCOUNT OF
19 WORK.—Section 203(b)(2) of such Act (42 U.S.C.
20 403(b)(2)) is amended—

21 (1) by striking “(2)(A) Except as” and all that
22 follows through “the benefit to which” and inserting
23 the following: “(2) In any case in which any of the
24 other persons referred to in paragraph (1)(B) is en-
25 titled to monthly benefits as a divorced spouse under

1 subsection (b) or (c) of section 202 for any month,
2 the benefit to which”; and

3 (2) by striking subparagraph (B).

4 **SEC. 47007. EFFECTIVE DATE.**

5 The amendments made by section 47006 shall apply
6 with respect to benefits for months after the date of the
7 enactment of this subtitle.

8 **SEC. 47008. FULL BENEFITS FOR DISABLED WIDOWS AND**
9 **WIDOWERS WITHOUT REGARD TO AGE.**

10 (a) **ELIGIBILITY FOR WIDOW’S INSURANCE BENE-**
11 **FITS.**—Section 202(e) of the Social Security Act (42
12 U.S.C. 402(e)) is amended—

13 (1) in paragraph (1)(B), by striking “has at-
14 tained age 50 but has not attained age 60 and”;

15 (2) in paragraph (3)(A), by striking “after at-
16 taining age 50 if she was entitled before such mar-
17 riage occurred” and inserting “after having been en-
18 titled”; and

19 (3) in paragraph (3)(B), by striking “after at-
20 taining age 50”.

21 (b) **ELIGIBILITY OF WIDOWER’S INSURANCE BENE-**
22 **FITS.**—Section 202(f) of such Act (42 U.S.C. 402(f)) is
23 amended—

24 (1) in paragraph (1)(B), by striking “has at-
25 tained age 50 but has not attained age 60 and”;

1 (2) in paragraph (4)(A), by striking “after at-
2 taining age 50 if he was entitled before such mar-
3 riage occurred” and inserting “after having been en-
4 titled”; and

5 (3) in paragraph (4)(B), by striking “after at-
6 taining age 50”.

7 **SEC. 47009. EXEMPTION FROM REDUCTIONS IN BENEFITS.**

8 Section 202(q) of the Social Security Act (42 U.S.C.
9 402(q)) is amended—

10 (1) in paragraph (3)(A), by striking “age 50”
11 and inserting “age 60”; and

12 (2) by adding at the end the following new
13 paragraph:

14 “(12) Notwithstanding any other provision of this
15 section, there shall be no reduction under this subsection
16 in the widow’s or widower’s insurance benefit of an indi-
17 vidual for any month in which such individual is under
18 a disability (as defined in section 223(d)); and none of
19 the provisions of this subsection shall apply with respect
20 to such benefit even though such benefit may have been
21 so reduced prior to the onset of such disability.”.

22 **SEC. 47010. EFFECTIVE DATE AND REDETERMINATION OF**
23 **BENEFITS.**

24 The amendments made by sections 47008 and 47009
25 shall apply with respect to monthly insurance benefits pay-

1 able under title II of the Social Security Act for months
2 after the month in which this subtitle is enacted. The
3 Commissioner of Social Security (without the necessity of
4 any application therefor) shall redetermine the amount of
5 any widow's or widower's insurance benefit which is pay-
6 able for the month in which this subtitle is enacted in
7 order to reflect such amendments as provided in the pre-
8 ceding sentence.

9 **TITLE V—ECONOMIC IMPACT OF**
10 **DOMESTIC VIOLENCE**
11 **Subtitle A—Workplace Violence**
12 **Prevention Tax Credit**

13 **SEC. 51001. CONGRESSIONAL FINDINGS.**

14 The Congress finds that—

15 (1) there is an increasing awareness by the
16 business community and the country as a whole re-
17 garding the serious problem of workplace violence
18 against women;

19 (2) there is an increased recognition that work-
20 place violence against women has severe implications
21 for the health, safety, and economic well-being of
22 women, as well as the efficiency and profitability of
23 American companies;

24 (3) recent crime statistics clearly show the seri-
25 ous threat of workplace violence against women;

1 (4) homicide is the leading cause of death for
2 women on the job, and husbands, boyfriends, and
3 ex-partners commit 15 percent of all workplace
4 homicides against women;

5 (5) an estimated 8 percent of all rapes occur
6 while victims are working or on duty, at an average
7 annual number of 13,000 workplace rapes each year;

8 (6) husbands and boyfriends commit 13,000
9 acts of violence against women in the workplace
10 every year;

11 (7) women are more likely than men to be at-
12 tacked at work by someone known to them, and 5
13 percent of women victimized at work are attacked by
14 a husband, boyfriend, or ex-partner;

15 (8) surveys of business executives and corporate
16 security directors also underscore the heavy toll that
17 workplace violence takes on American women and
18 American businesses;

19 (9) 49 percent of senior executives recently sur-
20 veyed said domestic violence has a harmful effect on
21 their company's productivity, 47 percent said spous-
22 al abuse negatively impacts attendance, and 44 per-
23 cent said domestic violence increases health care
24 costs;

1 (10) 94 percent of corporate security and safety
2 directors at companies nationwide rank domestic vio-
3 lence as a high-risk security problem;

4 (11) the public and private sectors—including
5 the legal, medical, social services, business, and reli-
6 gious communities—must come together to combat
7 violence against women in the workplace; and

8 (12) the Congress, too, must play a role in en-
9 couraging companies to promulgate workplace edu-
10 cation and safety programs to combat violence
11 against women.

12 **SEC. 51002. CREDIT FOR COSTS TO EMPLOYERS OF IMPLE-**
13 **MENTING WORKPLACE SAFETY PROGRAMS**
14 **TO COMBAT VIOLENCE AGAINST WOMEN.**

15 (a) IN GENERAL.—Subpart D of part IV of sub-
16 chapter A of chapter 1 of the Internal Revenue Code of
17 1986 is amended by adding at the end the following new
18 section:

19 **“SEC. 45C. WORKPLACE SAFETY PROGRAM CREDIT.**

20 “(a) IN GENERAL.—For purposes of section 38, the
21 workplace safety program credit determined under this
22 section for the taxable year is, for any employer, an
23 amount equal to 40 percent of the violence against women
24 safety and education costs paid or incurred by such em-
25 ployer during the taxable year.

1 “(b) DEFINITIONS.—For purposes of this section—

2 “(1) VIOLENCE AGAINST WOMEN SAFETY AND
3 EDUCATION COST.—

4 “(A) IN GENERAL.—The term ‘violence
5 against women safety and education cost’
6 means any cost certified by the Attorney Gen-
7 eral to the Secretary as being for the purpose
8 of—

9 “(i) ensuring the safety of employees
10 from violent crimes against women,

11 “(ii) providing counseling to employ-
12 ees with respect to violent crimes against
13 women,

14 “(iii) providing legal or medical serv-
15 ices to employees subjected to, or at risk
16 from, violent crimes against women,

17 “(iv) educating employees about the
18 issue of violent crimes against women, or

19 “(v) implementing human resource or
20 personnel policies initiated to protect em-
21 ployees from violent crimes against women.

22 “(B) TYPES OF COSTS.—Such term in-
23 cludes costs certified by the Attorney General to
24 the Secretary as being for the purpose of—

1 “(i) the hiring of new security person-
2 nel in order to address violent crimes
3 against women,

4 “(ii) the creation of buddy systems or
5 escort systems for walking employees to
6 parking lots, parked cars, subway stations,
7 or bus stops, in order to address violent
8 crimes against women,

9 “(iii) the purchase or installation of
10 new security equipment, including surveil-
11 lance equipment, lighting fixtures, cardkey
12 access systems, and identification systems,
13 in order to address violent crimes against
14 women,

15 “(iv) the establishment of a hotline or
16 a counseling service about violent crimes
17 against women, for the use of individual
18 employees,

19 “(v) the retention of an attorney to
20 provide legal services to employees seeking
21 restraining orders or other legal recourse
22 from violent crimes against women,

23 “(vi) the establishment of medical
24 services addressing the medical needs of

1 employees who are victims of violent crimes
2 against women,

3 “(vii) the retention of a financial ex-
4 pert or an accountant to provide financial
5 counseling to employees seeking to escape
6 from violent crimes against women,

7 “(viii) the establishment of an edu-
8 cation program for employees, consisting of
9 seminars or training sessions about violent
10 crimes against women,

11 “(ix) studies of the cost, impact, or
12 extent of violent crimes against women at
13 the employer’s place of business, if such
14 studies are made available to the public
15 and protect the identity of employees in-
16 cluded in the study,

17 “(x) the publication of a regularly dis-
18 seminated newsletter or other regularly
19 disseminated educational materials about
20 violent crimes against women,

21 “(xi) the implementation of leave poli-
22 cies for the purpose of allowing victims of
23 violent crimes against women to pursue
24 legal redress against assailants, including
25 leave from work to attend meetings with

1 attorneys, to give evidentiary statements or
2 depositions, and to attend hearings or
3 trials in court,

4 “(xii) the implementation of flexible
5 work policies for the purpose of allowing
6 employees who are victims of violent crimes
7 against women, or employees at risk with
8 respect to such crimes, to avoid assailants,
9 or

10 “(xiii) the implementation of transfer
11 policies for the purpose of allowing employ-
12 ees subjected to violent crimes against
13 women to change office locations within
14 the company in order to avoid assailants,
15 including payment of costs for the transfer
16 and relocation of an employee to another
17 city, county, State, or country for the pur-
18 pose of maintaining the employee’s safety
19 from violent crimes against women.

20 “(C) NOTIFICATION OF POSSIBLE TAX
21 CONSEQUENCES.—In no event shall any cost for
22 goods or services which may be included in the
23 income of any employee receiving or benefiting
24 from such goods or services be treated as a vio-
25 lence against women safety and education cost

1 unless the employer notifies the employee in
2 writing of the possibility of such inclusion.

3 “(2) VIOLENT CRIMES AGAINST WOMEN.—

4 “(A) IN GENERAL.—The term ‘violent
5 crimes against women’ includes sexual assault
6 and domestic violence.

7 “(B) DOMESTIC VIOLENCE.—The term
8 ‘domestic violence’ includes felony or mis-
9 demeanor crimes of violence committed by—

10 “(i) a current or former spouse of the
11 victim,

12 “(ii) a person with whom the victim
13 shares a child in common,

14 “(iii) a person who is cohabitating
15 with or has cohabitated with the victim as
16 a spouse,

17 “(iv) a person similarly situated to a
18 spouse of the victim under the domestic vi-
19 olence or family laws of the jurisdiction in
20 which the employee resides or the employer
21 is located, or

22 “(v) any other adult person against a
23 victim who is protected from the person’s
24 acts under the domestic or family violence

1 laws of the jurisdiction in which the em-
2 ployee resides or the employer is located.

3 “(3) EMPLOYEE AND EMPLOYER.—

4 “(A) IN GENERAL.—The term ‘employee’
5 includes any employee of the employer or of any
6 related person, and any spouse or dependent of
7 such an employee.

8 “(B) PARTNERS AND PARTNERSHIPS.—

9 The term ‘employee’ includes a partner and the
10 term ‘employer’ includes a partnership.

11 “(C) RELATED PERSONS.—Persons shall

12 be treated as related to each other if such per-
13 sons are treated as a single employer under
14 subsection (a) or (b) of section 52.

15 “(c) COORDINATION WITH OTHER PROVISIONS.—No

16 credit or deduction shall be allowed under any other provi-
17 sion of this title for any amount for which a credit is al-
18 lowed under this section.”

19 (b) CARRYFORWARD, CARRYBACK, AND DEDUCTION
20 FOR UNUSED CREDITS.—

21 (1) CARRYFORWARD AND CARRYBACK.—Sub-

22 section (a) of section 38 of such Code (relating to
23 general business credit) is amended by striking

24 “plus” at the end of paragraph (10), by striking the

25 period at the end of paragraph (11) and inserting “,

1 plus”, and by adding at the end the following new
2 paragraph:

3 “(12) the workplace safety program credit de-
4 termined under section 45C.”

5 (2) TRANSITIONAL RULE FOR CARRYBACKS.—
6 Subsection (d) of section 39 of such Code (relating
7 to transitional rules) is amended by adding at the
8 end the following new paragraph:

9 “(7) NO CARRYBACK OF SECTION 45C CREDIT
10 BEFORE EFFECTIVE DATE.—No portion of the un-
11 used business credit for any taxable year which is
12 attributable to the workplace safety program credit
13 determined under section 45C may be carried back
14 to a taxable year beginning on or before the date of
15 the enactment of section 45C.”

16 (3) DEDUCTION FOR UNUSED CREDITS.—Sub-
17 section (c) of section 196 of such Code (relating to
18 deduction for certain unused business credits) is
19 amended by striking “and” at the end of paragraph
20 (6), by striking the period at the end of paragraph
21 (7) and inserting “, and”, and by adding at the end
22 the following new paragraph:

23 “(8) the workplace safety program credit deter-
24 mined under section 45C.”

1 (c) CREDIT NOT A DEFENSE IN LEGAL ACTIONS.—
 2 The allowance of a credit under section 45C of the Inter-
 3 nal Revenue Code of 1986 (as added by this subtitle) shall
 4 not absolve employers of their responsibilities under any
 5 other law and shall not be construed as a defense to any
 6 legal action (other than legal action by the Secretary of
 7 the Treasury under such Code).

8 (d) CLERICAL AMENDMENT.—The table of sections
 9 for subpart D of part IV of subchapter A of chapter 1
 10 of such Code is amended by adding at the end the follow-
 11 ing new item:

“Sec. 45C. Workplace safety program credit.”

12 (e) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 the date of the enactment of this subtitle.

15 **Subtitle B—Insurance Protection**
 16 **for Victims of Domestic Violence**

17 **SEC. 52001. PROHIBITION OF HEALTH INSURANCE DIS-**
 18 **CRIMINATION WITH RESPECT TO VICTIMS OF**
 19 **DOMESTIC VIOLENCE.**

20 The Public Health Service Act (42 U.S.C. 201 et
 21 seq.) is amended by adding at the end the following new
 22 title:

1 **“TITLE XXVII—PROHIBITION OF**
2 **HEALTH INSURANCE DIS-**
3 **CRIMINATION WITH RESPECT**
4 **TO VICTIMS OF DOMESTIC VI-**
5 **OLENCE**

6 **“SEC. 2701. LIMITATIONS ON UNDERWRITING.**

7 “An insurer may not deny or cancel health insurance,
8 or vary the terms and conditions of health insurance—

9 “(1) to an individual on the basis that the indi-
10 vidual or family member—

11 “(A) is, has been, or may be the subject of
12 an act of domestic violence;

13 “(B) has had prior injuries that resulted
14 from an act of domestic violence;

15 “(C) seeks, has sought, or should have
16 sought medical or psychological treatment for
17 protection against an act of domestic violence;
18 or

19 “(D) seeks, has sought, or should have
20 sought shelter from an act of domestic violence;
21 or

22 “(2) to or for a group or employer on the basis
23 that the group includes or the employer employs, or
24 provides or subsidizes insurance for, an individual
25 described in paragraph (1).

1 **“SEC. 2702. LIMITATION ON DISCLOSURE OF INFORMATION.**

2 “(a) PROHIBITION.—Except as provided in para-
3 graph (2), regardless of the manner in which information
4 was received, an insurer may not disclose or be compelled
5 (by subpoena or any other means) to disclose information
6 concerning the status of an individual as a victim of do-
7 mestic violence (including the relationship of a medical
8 condition to an incident or pattern of domestic violence),
9 or the status of an individual as a family member, em-
10 ployer, associate, or person in a relationship with an indi-
11 vidual who is the victim of domestic violence, unless the
12 individual involved provides a written authorization.

13 “(b) EXCEPTION.—Notwithstanding paragraph (1),
14 information concerning the abuse status of an individual
15 may be disclosed if such disclosure—

16 “(1) is required under the specific order of a
17 Federal or State court; or

18 “(2) is required by the State Insurance Com-
19 missioner.

20 **“SEC. 2703. ESTABLISHMENT OF STANDARDS.**

21 “(a) ROLE OF NATIONAL ASSOCIATION OF INSUR-
22 ANCE COMMISSIONERS.—

23 “(1) IN GENERAL.—The Secretary shall request
24 the National Association of Insurance Commis-
25 sioners to develop, in consultation with nonprofit do-
26 mestic violence victim advocacy organizations, within

1 9 months after the date of the enactment of this
2 title, model standards that incorporate the limita-
3 tions on underwriting set forth in section 2701, and
4 provide procedures for enforcement for such provi-
5 sions, including a private right of action.

6 “(2) REVIEW OF STANDARDS.—If the Associa-
7 tion develops recommended regulations specifying
8 the standards within the period, the Secretary shall
9 review the standards. The review shall be completed
10 within 90 days after the date the regulations are de-
11 veloped. Unless the Secretary determines within the
12 period that such standards do not meet the require-
13 ments, such standards shall serve as the standards
14 under this title, with such amendments as the Sec-
15 retary determines to be necessary.

16 “(b) CONTINGENCY.—If the Association does not de-
17 velop the model regulations within the 9 month period be-
18 ginning on the date of the enactment of this title, or the
19 Secretary determines that the regulations do not specify
20 standards that meet the requirements described in sub-
21 section (a), the Secretary shall specify, within 15 months
22 after the date of the enactment of this title, standards to
23 carry out the requirements.

24 “(c) APPLICATION OF STANDARDS.—

1 “(1) IN GENERAL.—Each State shall submit to
2 the Secretary, by the deadline specified in paragraph
3 (2), a report on actions the State is taking to imple-
4 ment and enforce the standards established under
5 this section with respect to insurers and health in-
6 surance coverage offered or renewed not later than
7 such deadline.

8 “(2) DEADLINE FOR REPORT.—Each State
9 shall file the report described in paragraph (1) not
10 later than 1 year after the date that standards are
11 established under subsection (a) or, in the event of
12 the failure of the Association to develop timely model
13 regulations, under subsection (b).

14 “(d) FEDERAL ROLE.—

15 “(1) NOTICE OF DEFICIENCY.—If the Secretary
16 determines that a State has failed to submit a report
17 by the deadline specified by subsection (c), or finds
18 that the State has not implemented and provided
19 adequate enforcement of the standards established
20 under subsection (a) or (b), the Secretary shall no-
21 tify the State and provide the State a period of 60
22 days in which to submit the report.

23 “(2) IMPLEMENTATION OF ALTERNATIVE EN-
24 FORCEMENT MECHANISM.—

1 “(A) IN GENERAL.—If, after the 60-day
2 period, the Secretary finds that such a failure
3 has not been corrected, the Secretary shall
4 within 30 days provide for a mechanism for the
5 implementation and enforcement of such stand-
6 ards in the State as the Secretary determines to
7 be appropriate.

8 “(B) CIVIL PENALTY.—Under any imple-
9 mentation and enforcement mechanism estab-
10 lished by the Secretary pursuant to this para-
11 graph, the Secretary shall have the authority to
12 impose on an insurer a civil monetary penalty
13 in the amount of \$10,000 for each day during
14 which such insurer violates the requirements
15 described in section 2701, or the standards de-
16 veloped under this section. Liability for such
17 penalty shall begin to accrue on the 30th day
18 after the Secretary has provided such insurer
19 with notice of its noncompliance, if the insurer
20 has failed to correct the deficiency by such date.

21 “(C) EFFECTIVE PERIOD.—Any such im-
22 plementation and enforcement mechanism es-
23 tablished by the Secretary shall take effect with
24 respect to insurers, and health insurance cov-
25 erage offered or renewed, on or after 3 months

1 after the date of the Secretary's finding under
2 paragraph (1), and until the date the Secretary
3 finds that such a failure has been corrected.

4 “(3) FEDERAL CIVIL RIGHT OF ACTION.—

5 “(A) IN GENERAL.—Any individual
6 aggrieved as a result of conduct prohibited
7 by section 2701 may bring a civil action in
8 the appropriate United States district
9 court against the insurer.

10 “(B) RELIEF.—Upon proof of such
11 conduct by a preponderance of the evi-
12 dence, the insurer shall be subject to a civil
13 penalty that may include temporary, pre-
14 liminary, or permanent injunctive relief
15 and compensatory and punitive damages,
16 as well as the costs of suit and reasonable
17 fees for the aggrieved individual's attor-
18 neys. With respect to compensatory dam-
19 ages, the aggrieved individual may elect, at
20 any time prior to the rendering of final
21 judgment, to recover in lieu of actual dam-
22 ages, an award of statutory damages in the
23 amount of \$5,000 for each violation.

1 **“SEC. 2704. APPLICATION TO GROUP HEALTH PLANS AND**
2 **ENFORCEMENT.**

3 “(a) APPLICATION.—Subject to subsection (b), the
4 prohibitions in section 2701 and the standards developed
5 under section 2702 shall apply to group health plans pro-
6 viding health coverage in the same manner as they apply
7 to insurers providing health insurance coverage. The pen-
8 alty described in section 2702(d)(2)(B) may be imposed
9 by the Secretary of Labor on group health plans that are
10 not in compliance with the requirements of sections 2701
11 and 2702.

12 “(b) SUBSTITUTION OF FEDERAL OFFICIALS.—For
13 purposes of subsection (a), any reference in section 2702
14 to—

15 “(1) a State or the Secretary of Health and
16 Human Services is deemed to be a reference to the
17 Secretary of Labor; and

18 “(2) an insurer or health insurance coverage is
19 deemed to be a reference to a group health plan and
20 health coverage, respectively.

21 “(c) ENFORCEMENT.—For purposes of part 5 of sub-
22 title B of title I of the Employee Retirement Income Secu-
23 rity Act of 1974 (29 U.S.C 1131 et seq.) the provisions
24 of this title insofar as they relate to group health plans
25 shall be deemed to be provisions of title I of such Act irre-
26 spective of exclusions under section 4(b) of such Act.

1 “(d) REGULATORY AUTHORITY.—With respect to the
2 regulatory authority of the Secretary of Labor under this
3 title pursuant to subsection (c), section 505 of the Em-
4 ployee Retirement Income Security Act of 1974 (29
5 U.S.C. 1135) shall apply.

6 **“SEC. 2705. DEFINITIONS.**

7 “For purposes of this title:

8 “(1) ACT OF DOMESTIC VIOLENCE.—The term
9 ‘act of domestic violence’ means the occurrence of
10 one or more of the following acts between family or
11 household members, current or former sexual or inti-
12 mate partners, or persons sharing biological parent-
13 hood—

14 “(A) attempting to cause or intentionally,
15 knowingly, or recklessly causing bodily injury,
16 rape, or sexual abuse as such term is defined in
17 section 2242 of title 18, United States Code;

18 “(B) placing, by physical menace, another
19 individual in reasonable fear of imminent seri-
20 ous bodily injury;

21 “(C) infliction of false imprisonment; or

22 “(D) physically or sexually abusing minor
23 children.

1 “(2) ASSOCIATION.—The term ‘Association’
2 means the National Association of Insurance Com-
3 missioners.

4 “(3) INSURER.—

5 “(A) IN GENERAL.—The term ‘insurer’
6 means a health benefit plan or a health care
7 provider that conducts activities related to the
8 protection of public health.

9 “(B) HEALTH BENEFIT PLAN.—The term
10 ‘health benefit plan’ means any public or pri-
11 vate entity or program that provides for pay-
12 ments for health care, including—

13 “(i) a group health plan (as defined in
14 section 607 of the Employee Retirement
15 Income Security Act of 1974 (29 U.S.C.
16 1167)) or a multiple employer welfare ar-
17 rangement (as defined in section 3(40) of
18 such Act) that provides health benefits;
19 and

20 “(ii) any other health insurance ar-
21 rangement, including any arrangement
22 consisting of a hospital or medical expense
23 incurred policy or certificate, hospital or
24 medical service plan contract, or health

1 maintenance organization subscriber con-
2 tract.

3 “(C) HEALTH CARE PROVIDER.—The term
4 ‘health care provider’ means a provider of serv-
5 ices (as defined in section 1861(u) of the Social
6 Security Act (42 U.S.C. 1395u)), a physician,
7 a supplier, or any other person furnishing
8 health care, including a Federal or State pro-
9 gram that provides directly for the provision of
10 health care to beneficiaries.”.

11 **Subtitle C—Fairness to Minority** 12 **Women Health**

13 **SEC. 53001. EXCEPTION TO AFDC INCOME AND RESOURCES**

14 **ATTRIBUTION RULE FOR CERTAIN BATTERED** 15 **ALIENS.**

16 (a) IN GENERAL.—Section 415(f) of the Social Secu-
17 rity Act (42 U.S.C. 615(f)) is amended—

18 (1) in the matter preceding paragraph (1), by
19 striking “who is—” and inserting “who—”;

20 (2) in each of paragraphs (1) and (2), by in-
21 sserting “is” before “admitted”;

22 (3) in paragraph (3), by inserting “is” before
23 “paroled”;

24 (4) in paragraph (4)—

1 (A) by inserting “is” before “granted”;

2 and

3 (B) by striking “or” at the end;

4 (5) in paragraph (5)—

5 (A) by inserting “is” before “a Cuban”;

6 and

7 (B) by striking the period at the end and

8 inserting a semicolon; and

9 (6) by adding at the end the following:

10 “(6) is battered by, or is the subject of extreme
11 cruelty (including physical acts resulting in physical
12 injury or a threat of physical injury, sexual abuse,
13 rape, or mental abuse) perpetrated by, the spouse or
14 other person who executed the affidavit of support
15 or similar agreement referred to in subsection (a)
16 with respect to the alien, but only after the first day
17 on which the battery or cruelty occurs after the alien
18 enters into the United States; or

19 “(7) is a dependent child, and a relative with
20 whom the child is living is battered by, or is the sub-
21 ject of extreme cruelty (including physical acts re-
22 sulting in physical injury or a threat of physical in-
23 jury, sexual abuse, rape, or mental abuse) per-
24 petrated by, the parent or other person who executed
25 the affidavit of support or similar agreement re-

1 ferred to in subsection (a) with respect to the alien,
2 but only after the first day on which the battery or
3 cruelty occurs after the alien enters into the United
4 States.”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 subsection (a) shall take effect 90 days after the date of
7 the enactment of this subtitle.

8 **SEC. 53002. AMENDMENT TO THE FOOD STAMP ACT OF 1977.**

9 (a) **IN GENERAL.**—Section 5(i) of the Food Stamp
10 Act of 1977 (7 U.S.C. 2014(i)) is amended by adding at
11 the end the following:

12 “(F) If an alien is battered by the alien’s sponsor,
13 or is the subject of extreme cruelty perpetrated by the
14 sponsor, after such alien enters the United States, then
15 after the date the battery or cruelty occurs, this subsection
16 (other than subparagraph (E) of paragraph (2)) shall not
17 apply with respect to such alien and to any child of such
18 alien less than 18 years of age and residing with such
19 alien.”.

20 (b) The amendment made by subsection (a) shall take
21 effect 90 days after the date of the enactment of this sub-
22 title.

1 **SEC. 53003. REQUIRING CERTAIN RECIPIENTS OF FEDERAL**
2 **FINANCIAL ASSISTANCE TO HAVE PERSON-**
3 **NEL AVAILABLE WHO SPEAK PREDOMINANT**
4 **LANGUAGE USED IN AREA.**

5 (a) PROVIDERS OF OBSTETRICAL AND GYNECO-
6 LOGICAL SERVICES.—

7 (1) MEDICAID.—Section 1903(i) of the Social
8 Security Act (42 U.S.C. 1396b(i)) is amended—

9 (A) by striking “or” at the end of para-
10 graph (14);

11 (B) by striking the period at the end of
12 paragraph (15) and inserting “; or”; and

13 (C) by inserting after paragraph (15) the
14 following new paragraph:

15 “(16) with respect to any amount expended for
16 obstetrical or gynecological services furnished by or
17 through a hospital, clinic, or other institutional pro-
18 vider, unless the hospital, clinic, or provider has
19 available at least one individual who is able to com-
20 municate in the predominant language used by resi-
21 dents of the area in which the hospital, clinic, or
22 provider is located (as determined by the Secretary
23 on the basis of information provided by the Sec-
24 retary of Commerce pursuant to the most recent de-
25 cennial census).”.

1 (2) FAMILY PLANNING SERVICES.—Section
2 1001 of the Public Health Service Act (42 U.S.C.
3 300) is amended—

4 (A) by redesignating subsections (c) and
5 (d) as subsections (d) and (e), respectively; and

6 (B) by inserting after subsection (b) the
7 following subsection:

8 “(c) The Secretary may make a grant under this sec-
9 tion only if the applicant involved agrees to ensure that,
10 of the individuals providing services under the grant, at
11 least one will be an individual who is able to communicate
12 in the predominant language used by residents of the area
13 in which the family planning project involved is located
14 (as determined by the Secretary on the basis of informa-
15 tion provided by the Secretary of Commerce pursuant to
16 the most recent decennial census).”.

17 (3) EFFECTIVE DATE.—The amendments made
18 by this subsection shall apply to services furnished
19 on or after October 1, 1996.

20 (b) DOMESTIC VIOLENCE SHELTERS.—

21 (1) IN GENERAL.—The Family Violence Pre-
22 vention and Services Act (42 U.S.C. 10401 et seq.)
23 is amended by adding at the end the following new
24 section:

1 **“SEC. 319. AVAILABILITY OF BILINGUAL SERVICES.**

2 “No funds may be made available under this title for
3 any provider of shelter or related assistance unless the
4 provider has available at least one individual who is able
5 to communicate in the predominant language used by resi-
6 dents of the area in which the provider is located (as deter-
7 mined by the Secretary on the basis of information pro-
8 vided by the Secretary of Commerce pursuant to the most
9 recent decennial census).”.

10 (2) **EFFECTIVE DATE.**—The amendment made
11 by paragraph (1) shall apply to funds made available
12 on or after October 1, 1996.

13 **SEC. 53004. STUDY REGARDING DOMESTIC VIOLENCE AND**
14 **LATINA WOMEN.**

15 (a) **IN GENERAL.**—With respect to cases of domestic
16 violence in which Latina women are the victims, the Sec-
17 retary of Health and Human Services, in consultation with
18 the Attorney General of the United States, shall conduct
19 a study for the following purposes:

20 (1) To determine the incidence of such cases,
21 and to provide a comparison of such estimate with
22 the relevant incidence for other populations of
23 women (utilizing existing data regarding such other
24 populations).

25 (2) To determine whether and to what extent
26 the causes and effects for such cases are different

1 than for cases of domestic violence in which other
2 populations of women are the victims (utilizing exist-
3 ing data regarding such other populations).

4 (b) REPORT.—Not later than 3 years after the date
5 of the enactment of this subtitle, the Secretary of Health
6 and Human Services shall submit to the Congress a report
7 describing the findings made in the study under subsection
8 (a).

9 **Subtitle D—Battered Women’s** 10 **Employment Protection**

11 **SEC. 54001. FINDINGS AND PURPOSES.**

12 (a) FINDINGS.—Congress finds that—

13 (1) violence against women is the leading cause
14 of physical injury to women, and the Department of
15 Justice estimates that intimate partners commit
16 more than one million violent crimes against women
17 every year;

18 (2) the Bureau of Labor Statistics predicts that
19 women will account for two-thirds of all new en-
20 trants into the workforce between now and the year
21 2000;

22 (3) violence against women dramatically affects
23 women’s workforce participation, insofar as one-
24 quarter of battered women surveyed had lost a job
25 due at least in part to the effects of domestic vio-

1 lence, and over half had been harassed by their
2 abuser at work;

3 (4) the availability of economic support is a
4 critical factor in women's ability to leave abusive sit-
5 uations that threaten them and their children, and
6 over half of battered women surveyed stayed with
7 their batterers because they lacked resources to sup-
8 port themselves and their children;

9 (5) a report by the New York City Victims
10 Services Agency found that abusive spouses and
11 lovers harass 74 percent of battered women at work
12 and 54 percent of battering victims miss at least 3
13 days of work per month and 56 percent are late for
14 work at least 5 times per month, and a University
15 of Minnesota study found that 24 percent of women
16 in support groups for battered women had lost a job
17 partly because of being abused;

18 (6) a survey of State unemployment insurance
19 agency directors by the Federal Advisory Council on
20 Unemployment Compensation found that in 31
21 States battered women who leave work as a result
22 of domestic violence do not qualify for unemploy-
23 ment benefits, in 9 States the determination often
24 varies depending on the facts and circumstances,

1 and in only 13 States are they usually considered
2 qualified for unemployment benefits;

3 (7) a study by the New York State Department
4 of Labor found that, when filing for unemployment
5 insurance benefits, domestic violence victims fre-
6 quently hide their victimization and do not disclose
7 the domestic violence as a reason for their problems
8 with the job or need to separate from employment;

9 (8) the same New York State study found that
10 75 percent of employed victims of domestic violence
11 must communicate with doctors, lawyers, shelters,
12 counselors, family and friends from their workplaces
13 because they cannot do so at home;

14 (9) 49 percent of senior executives recently sur-
15 veyed said domestic violence has a harmful effect on
16 their company's productivity, 47 percent said domes-
17 tic violence negatively affects attendance, and 44
18 percent said domestic violence increases health care
19 costs, and the Bureau of National Affairs estimates
20 that domestic violence costs employers between 3
21 and 5 billion dollars per year; and

22 (10) existing Federal and State legislation does
23 not expressly authorize battered women to take leave
24 from work to seek legal assistance and redress,

1 counseling, or assistance with safety planning and
2 activities.

3 (b) PURPOSES.—Pursuant to the affirmative power
4 of Congress to enact this subtitle under section 5 of the
5 Fourteenth Amendment to the Constitution, as well as
6 under section 8 of Article I of the Constitution, the pur-
7 poses of this subtitle are—

8 (1) to promote the national interest in reducing
9 domestic violence by enabling victims of domestic vi-
10 olence to maintain the financial independence nec-
11 essary to leave abusive situations, to achieve safety
12 and minimize the physical and emotional injuries
13 from domestic violence, and to reduce the devastat-
14 ing economic consequences of domestic violence,
15 by—

16 (A) providing unemployment insurance for
17 victims of domestic violence who are forced to
18 leave their employment as a result of domestic
19 violence; and

20 (B) entitling employed victims of domestic
21 violence to take reasonable leave to seek medi-
22 cal help, legal assistance, counseling, and safety
23 planning and assistance without penalty from
24 their employer;

1 (2) to promote the purposes of the Fourteenth
2 Amendment by protecting the civil and economic
3 rights of victims of domestic violence and by further-
4 ing the equal opportunity of women and men to em-
5 ployment and economic self-sufficiency;

6 (3) to minimize the negative impact on inter-
7 state commerce from dislocations of employees and
8 harmful effects on productivity, health care costs,
9 and employer costs from domestic violence; and

10 (4) to accomplish the purposes described in
11 paragraphs (1) , (2) and (3) in a manner that ac-
12 commodates the legitimate interests of employers.

13 **SEC. 54002. UNEMPLOYMENT COMPENSATION.**

14 (a) UNEMPLOYMENT COMPENSATION.—Section
15 3304(a) of the Internal Revenue Code of 1986 is amend-
16 ed—

17 (1) by striking “and” at the end of paragraph
18 (18),

19 (2) by striking the period at the end of para-
20 graph (19) and inserting “; and”,

21 (3) by adding after paragraph (19) the follow-
22 ing:

23 “(20) compensation is to be provided where an
24 individual is separated from employment due to cir-

1 cumstances directly resulting from the individual's
2 experience of domestic violence.”,

3 (4) by redesignating subsections (b) through (f)
4 as subsections (c) through (g), respectively, and

5 (5) by adding after subsection (a) the following:

6 “(b) CONSTRUCTION.—

7 “(1) For the purpose of determining, under
8 subsection (a)(20), whether an employee's separation
9 from employment is ‘directly resulting’ from the in-
10 dividual's experience of domestic violence, it shall be
11 sufficient if the separation from employment re-
12 sulted from—

13 “(A) the employee's reasonable fear of fu-
14 ture domestic violence at or en route to or from
15 her place of employment;

16 “(B) the employee's wish to relocate to an-
17 other geographic area in order to avoid future
18 domestic violence against the employee or the
19 employee's family;

20 “(C) the employee's need to recover from
21 traumatic stress resulting from the employee's
22 experience of domestic violence;

23 “(D) the employer's denial of the employ-
24 ee's request for temporary leave from employ-
25 ment to deal with domestic violence and its

1 aftermath, as provided in section 54003 of the
2 Economic Equity Act of 1996; or

3 “(E) any other respect in which domestic
4 violence causes the employee to reasonably be-
5 lieve that termination of employment is nec-
6 essary for the future safety of the employee or
7 the employee’s family.

8 “(2) For purposes of subsection (a)(20), where
9 State law requires the employee to have made rea-
10 sonable efforts to retain employment as a condition
11 for receiving unemployment compensation, it shall be
12 sufficient that the employee—

13 “(A) sought protection from or assistance
14 in responding to domestic violence, including
15 calling the police or seeking legal, social work,
16 medical, clergy, or other assistance;

17 “(B) sought safety, including refuge in a
18 shelter or temporary or permanent relocation,
19 whether or not the employee actually obtained
20 such refuge or accomplished such relocation; or

21 “(C) reasonably believed that options such
22 as a leave, transfer, or alternative work sched-
23 ule would not be sufficient to guarantee the em-
24 ployee or the employee’s family’s safety.

1 “(3) For purposes of subsection (a)(20), where
2 State law requires the employee to actively search
3 for employment after separation from employment
4 as a condition for receiving unemployment com-
5 pensation, such requirement shall be deemed to be
6 met where the employee is temporarily unable to ac-
7 tively search for employment because the employee is
8 engaged in seeking safety or relief for the employee
9 or the employee’s family from domestic violence, in-
10 cluding—

11 “(A) going into hiding or relocating or at-
12 tempting to do so, including activities associ-
13 ated with such relocation or hiding, such as
14 seeking to obtain sufficient shelter, food, school-
15 ing for children, or other necessities of life for
16 the employee or the employee’s family;

17 “(B) actively pursuing legal protection or
18 remedies, including meeting with the police,
19 going to court to make inquiries or file papers,
20 meeting with attorneys, or attending court pro-
21 ceedings; or

22 “(C) participating in psychological, social,
23 or religious counseling or support activities to
24 assist the employee in ending domestic violence.

1 “(4) In determining if an employee meets the
2 requirements of paragraphs (1), (2), and (3), the
3 employer or reviewer of any claim of an employee
4 may require the employee to provide a statement
5 along with—

6 “(A) documentation, such as police or
7 court records, or documentation from a shelter
8 worker, attorney, clergy, medical or other pro-
9 fessional from whom the employee has sought
10 assistance in dealing with domestic violence; or

11 “(B) other corroborating evidence, such as
12 a statement from any other individual with
13 knowledge of the circumstances which provide
14 the basis for the claim, or physical evidence of
15 domestic violence, such as photographs, torn or
16 bloody clothes, etc.”

17 (b) SOCIAL SECURITY PERSONNEL TRAINING.—Sec-
18 tion 303(a) of the Social Security Act (42 U.S.C.
19 503(a)(4)) is amended by redesignating paragraphs (4)
20 through (10) as paragraphs (5) through (11), respectively,
21 and by adding after paragraph (3) the following:

22 “(4) Such methods of administration as will en-
23 sure that claims reviewers and hearing personnel are
24 adequately trained in the nature and dynamics of
25 domestic violence and in methods of ascertaining in-

1 formation about possible experiences of domestic vio-
2 lence, so that employment separations stemming
3 from domestic violence are reliably screened, identi-
4 fied, and adjudicated.”.

5 (c) DEFINITIONS.—Section 3306 of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following:

8 “(u) DOMESTIC VIOLENCE.—The term ‘domestic vio-
9 lence’ includes abuse committed against an employee or
10 a family member of the employee by—

11 “(1) a current or former spouse of the em-
12 ployee;

13 “(2) a person with whom the employee shares
14 a child in common;

15 “(3) a person who is cohabitating with or has
16 cohabitated with the employee as a romantic or inti-
17 mate partner; or

18 “(4) a person from whom the employee would
19 be eligible for protection under the domestic vio-
20 lence, protection order, or family laws of the juris-
21 diction in which the employee resides or the em-
22 ployer is located.

23 “(v) ABUSE.—The term ‘abuse’ includes—

24 “(1) physical acts resulting in, or threatening to
25 result in, physical injury;

1 “(2) sexual abuse, sexual activity involving a
2 dependent child, or threats of or attempts at sexual
3 abuse;

4 “(3) mental abuse, including threats, intimidati-
5 tion, acts designed to induce terror, or restraints on
6 liberty; and

7 “(4) deprivation of medical care, housing, food
8 or other necessities of life.”.

9 **SEC. 54003. LEAVE FROM EMPLOYMENT.**

10 (a) IN GENERAL.—Employers subject to the Federal
11 Family and Medical Leave Act (29 U.S.C. 2601 et seq),
12 any State law addressing family, medical, sick, or other
13 kind of leave from employment, or an employment benefits
14 program or policy or collective bargaining agreement ad-
15 dressing family, medical, sick, or other kind of leave from
16 employment, shall provide leave to employees seeking tem-
17 porary absences from employment to deal with domestic
18 violence and its aftermath in accordance with this section.

19 (b) EXISTING LEAVE USEABLE FOR DOMESTIC VIO-
20 LENCE.—Where family, medical, sick, or any other kind
21 of leave from employment is available to employees pursu-
22 ant to the Federal Family and Medical Leave Act of 1993
23 (29 U.S.C. 2601 et seq.), any State law, an existing em-
24 ployment benefits program or plan, or collective bargain-
25 ing agreement, employees shall be entitled to use such

1 leave for the purpose of dealing with domestic violence and
2 its aftermath.

3 (c) MINIMUM LEAVE FOR DOMESTIC VIOLENCE.—

4 (1) IN GENERAL.—Any employee who is not en-
5 titled to leave from employment for the purpose of
6 dealing with domestic violence and its aftermath
7 pursuant to subsection (b) or who has used up the
8 employee’s available leave pursuant to subsection (b)
9 and who is not an employee who has taken 12 weeks
10 of leave for the purpose of dealing with domestic vio-
11 lence and its aftermath, shall be entitled to take up
12 to 10 days per year of unpaid leave without penalty,
13 for that purpose.

14 (2) SUBSTITUTION.—An employee may elect, or
15 an employer may require the employee, to substitute
16 accrued paid leave for any part of the 10 days of un-
17 paid leave provided under paragraph (1).

18 (d) DEALING WITH DOMESTIC VIOLENCE AND ITS
19 AFTERMATH.—The following activities constitute means
20 of “dealing with domestic violence and its aftermath,”
21 which shall render an employee eligible for leave under this
22 section:

23 (1) Experiencing domestic violence.

24 (2) Seeking medical attention for injuries
25 caused by domestic violence, except for “serious

1 health conditions” where covered by the Family and
2 Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

3 (3) Seeking legal assistance or remedies, includ-
4 ing communicating with the police or an attorney, or
5 participating in any legal proceeding related to do-
6 mestic violence.

7 (4) Attending support groups for victims of do-
8 mestic violence.

9 (5) Obtaining psychological counseling related
10 to experiences of domestic violence.

11 (6) Participating in safety planning and other
12 actions to increase safety from future domestic vio-
13 lence, including temporary or permanent relocation.

14 (7) Any other activity necessitated by domestic
15 violence which must be undertaken during hours of
16 employment.

17 (e) CONSTRUCTION.—In determining if an employee
18 meets the requirements of subsections (b), (c), and (d),
19 the employer or reviewer of any claim of an employee may
20 require the employee to provide a statement along with—

21 (1) documentation, such as police or court
22 records, or documentation from a shelter worker, at-
23 torney, clergy, medical or other professional from
24 whom the employee has sought assistance in dealing
25 with domestic violence; or

1 (2) other corroborating evidence, such as a
2 statement from any other individual with knowledge
3 of the circumstances which provide the basis for the
4 claim, or physical evidence of domestic violence, such
5 as photographs, torn or bloody clothes, etc.

6 (f) ENFORCEMENT.—

7 (1) PUBLIC ENFORCEMENT.—The Secretary of
8 Labor shall have the powers set forth in subsections
9 (b), (c), (d) and (e) of section 107 of the Family and
10 Medical Leave Act of 1993 (29 U.S.C. 2617) for the
11 purpose of public enforcement of any alleged viola-
12 tions of this section against any employer.

13 (2) PRIVATE ENFORCEMENT.—

14 (A) PRIVATE AND FEDERAL EMPLOY-
15 ERS.—The remedies and procedures set forth in
16 subsection (a) of section 107 of the Family and
17 Medical Leave Act of 1993 (29 U.S.C. 2617)
18 shall be the remedies and procedures pursuant
19 to which an employee may initiate a legal action
20 against a Federal or private employer for al-
21 leged violations of this section.

22 (B) STATE EMPLOYERS.—

23 (i) QUI TAM ACTIONS.—

24 (I) An employee of a State em-
25 ployer may bring a civil action for a

1 violation of this section for the em-
2 ployee and for the United States Gov-
3 ernment (referred to as a ‘Qui Tam’
4 action). The action shall be brought in
5 the name of the United States Gov-
6 ernment. The action may be dismissed
7 only if the court and the Secretary of
8 Labor give written consent to the dis-
9 missal stating their reasons for con-
10 senting. The Qui Tam plaintiff may
11 recover damages or injunctive relief to
12 the same extent provided in subpara-
13 graph (A).

14 (II) The right provided by sub-
15 clause (I) to bring a Qui Tam action
16 shall terminate on the filing of a com-
17 plaint by the Secretary of Labor in an
18 action seeking damages or monetary
19 relief on behalf of the affected em-
20 ployee under paragraph (1) unless
21 that action is dismissed without preju-
22 dice on motion of the Secretary of
23 Labor.

24 (3) EMPLOYER LIABILITY UNDER OTHER
25 LAWS.—Nothing in this section shall be construed to

1 limit the liability of an employer to an employee for
2 harm suffered relating to the employee's experience
3 of domestic violence pursuant to any other State or
4 Federal law or legal remedy.

5 (g) DEFINITIONS.—For purposes of this section:

6 (1) EMPLOYER.—The term ‘employer’ includes
7 any person subject to the Federal Family and Medi-
8 cal Leave Act of 1993 (29 U.S.C. 2601 et seq.) or
9 any State law addressing family, medical, sick, or
10 any other kind of leave from employment, or any
11 employer granting family, medical, sick, or other
12 kind of leave from employment under an employ-
13 ment benefits program or policy or collective bar-
14 gaining agreement in effect as of the date of enact-
15 ment of this subtitle.

16 (2) EMPLOYEE.—The term ‘employee’ refers to
17 any person eligible to receive leave pursuant to the
18 Federal Family and Medical Leave Act of 1993 (29
19 U.S.C. 2601 et seq.), any State law addressing med-
20 ical, family, sick, or other kind of leave from employ-
21 ment, or an employment benefits program or policy
22 or collective bargaining agreement in effect as of the
23 date of enactment of this subtitle.

24 (3) DOMESTIC VIOLENCE.—The term ‘domestic
25 violence’ has the meaning assigned to such term by

1 section 3306(u) of the Internal Revenue Code of
2 1986.

3 **SEC. 54004. EFFECT ON OTHER LAWS AND EMPLOYMENT**
4 **BENEFITS.**

5 (1) MORE PROTECTIVE.—Nothing in this sub-
6 title or the amendments made by this subtitle shall
7 be construed to supersede any provision of any Fed-
8 eral, State or local law, collective bargaining agree-
9 ment, or other employment benefit program which
10 provides greater unemployment compensation or
11 leave benefits for employed victims of domestic vio-
12 lence than the rights established under this subtitle
13 or such amendments.

14 (2) LESS PROTECTIVE.—The rights established
15 for employees under this subtitle or the amendments
16 made by this subtitle shall not be diminished by any
17 collective bargaining agreement, any employment
18 benefit program or plan, or any State or local law.

19 **Subtitle E—Domestic Violence**
20 **Legal Services Eligibility**

21 **SEC. 55001. INCOME RULE FOR VICTIMS OF DOMESTIC VIO-**
22 **LENCE.**

23 Section 1007(a) of the Legal Services Corporation
24 Act (42 U.S.C. 2996f(a)) is amended by inserting after
25 and below paragraph (10) the following: “In establishing

1 income levels under paragraph (2)(A) to determine if a
2 client is eligible for assistance, the Corporation, in the case
3 of a client who is the victim of domestic violence, shall
4 prescribe that only the income of such a client will be con-
5 sidered in making such determination. For purposes of the
6 preceding sentence, the term ‘domestic violence’ has the
7 meaning given such term by section 2003(1) of the Omni-
8 bus Crime Control and Safe Streets Act of 1988 (42
9 U.S.C. 3796gg-2(1)).”.

○