

113TH CONGRESS
2D SESSION

S. 3003

To protect the Social Security Disability Insurance program and provide other support for working disabled Americans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2014

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

A BILL

To protect the Social Security Disability Insurance program and provide other support for working disabled Americans, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Protecting Social Security Disability Act of 2014”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ENSURING THE LONG-TERM SOLVENCY OF THE
DISABILITY INSURANCE TRUST FUND

- Sec. 101. Application of actuarial reduction for disabled beneficiaries who attain early retirement age.
- Sec. 102. Revising disability classifications; requiring periodic continuing disability reviews or time limiting benefits for certain beneficiaries.
- Sec. 103. Adjustment of age criteria for social security disability insurance medical-vocational guidelines; consideration of work which exists in the national economy.
- Sec. 104. Mandatory collection of negotiated civil monetary penalties.
- Sec. 105. Required electronic filing of wage withholding returns.

TITLE II—PROGRAM INTEGRITY: REFORMING STANDARDS AND PROCEDURES FOR DISABILITY HEARINGS, MEDICAL EVIDENCE, AND CLAIMANT REPRESENTATIVES

- Sec. 201. Elimination of reconsideration review level for an initial adverse determination of an application for disability insurance benefits.
- Sec. 202. Deadline for submission of medical evidence; exclusion of certain medical evidence.
- Sec. 203. Non-adversarial disability hearing attorneys.
- Sec. 204. Procedural rules for hearings.
- Sec. 205. Prohibiting attorneys who have relinquished a license to practice in the face of an ethics investigation from serving as a claimant representative.
- Sec. 206. Applying judicial code of conduct to administrative law judges.
- Sec. 207. Evaluating medical evidence.
- Sec. 208. Reforming fees paid to attorneys and other claimant representatives.
- Sec. 209. Strengthening the administrative law judge quality review process.
- Sec. 210. Permitting data matching by Inspectors General.
- Sec. 211. Accounting for Social Security Program Integrity Spending.
- Sec. 212. Use of the National Directory of New Hires.

TITLE III—PROVIDING SUPPORT FOR WORKING DISABLED AMERICANS

- Sec. 301. Establishment of Work Incentive Benefit System.
- Sec. 302. Early-intervention demonstration project; study on payroll tax reductions.

1 **TITLE I—ENSURING THE LONG-**
2 **TERM SOLVENCY OF THE DIS-**
3 **ABILITY INSURANCE TRUST**
4 **FUND**

5 **SEC. 101. APPLICATION OF ACTUARIAL REDUCTION FOR**
6 **DISABLED BENEFICIARIES WHO ATTAIN**
7 **EARLY RETIREMENT AGE.**

8 (a) IN GENERAL.—Section 202(k)(4) of the Social
9 Security Act (42 U.S.C. 402(k)(4)) is amended to read
10 as follows:

11 “(4) With the exception of individuals who are classi-
12 fied by the Commissioner of Social Security as ‘medical
13 improvement not expected’, any individual who, under this
14 section and section 223, is entitled for any month to both
15 an old-age insurance benefit and a disability insurance
16 benefit under this title shall only be entitled to the old-
17 age insurance benefit for such month, as reduced for such
18 month pursuant to subsection (q)(1).”

19 (b) CONFORMING AMENDMENTS.—

20 (1) PERIOD OF DISABILITY.—Clause (i) of sec-
21 tion 216(i)(2)(D) of the Social Security Act (42
22 U.S.C. 416(i)(2)(D)) is amended by striking “retire-
23 ment age (as defined in subsection (l))” and insert-
24 ing “early retirement age (as defined in subsection
25 (l)(2)), or for individuals classified by the Commis-

1 sioner of Social Security as ‘medical improvement
 2 not expected’, retirement age (as defined in sub-
 3 section (l)(1))”.

4 (2) DISABILITY INSURANCE BENEFIT PAY-
 5 MENTS.—Section 223(a)(1) of the Social Security
 6 (42 U.S.C. 423(a)(1)) is amended, in the flush mat-
 7 ter at the end, by striking “retirement age (as de-
 8 fined in section 216(l))” and inserting “early retire-
 9 ment age (as defined in section 216(l)(2)), or for in-
 10 dividuals classified by the Commissioner of Social
 11 Security as ‘medical improvement not expected’, re-
 12 tirement age (as defined in section 216(l)(1))”.

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section shall take effect on January 1, 2020, and shall
 15 apply to any individual (with the exception of individuals
 16 classified by the Commissioner of Social Security as “med-
 17 ical improvement not expected”) who attains early retire-
 18 ment age (as defined in section 216(l)(2) of the Social Se-
 19 curity Act) on or after such date.

20 **SEC. 102. REVISING DISABILITY CLASSIFICATIONS; REQUIR-**
 21 **ING PERIODIC CONTINUING DISABILITY RE-**
 22 **VIEWS OR TIME LIMITING BENEFITS FOR**
 23 **CERTAIN BENEFICIARIES.**

24 (a) IN GENERAL.—

1 (1) **DISABILITY CLASSIFICATIONS.**—Not later
2 than 1 year after the date of the enactment of this
3 Act, the Commissioner of Social Security shall estab-
4 lish a system for classifying any individual who is
5 determined to be entitled to disability insurance ben-
6 efits under title II of the Social Security Act or to
7 monthly benefits under section 202 of such Act by
8 reason of being under a disability in the following
9 manner:

10 (A) An individual shall be classified as
11 “medical improvement expected” if the impair-
12 ment or combination of impairments causing
13 the individual to be disabled is expected to
14 medically improve to the point where the indi-
15 vidual will no longer be disabled in 1 to 2 years.

16 (B) An individual shall be classified as
17 “medical improvement likely” if the impairment
18 or combination of impairments causing the indi-
19 vidual to be disabled is expected to medically
20 improve to the point where the individual will
21 no longer be disabled in 3 to 5 years.

22 (C) An individual shall be classified as
23 “medical improvement possible” if the impair-
24 ment or combination of impairments causing
25 the individual to be disabled is not expected to

1 medically improve to the point where the indi-
2 vidual will no longer be disabled in 5 years, but
3 future improvement is possible.

4 (D) An individual shall be classified as
5 “medical improvement not expected” if the indi-
6 vidual has an impairment or combination of im-
7 pairments that is chronic or progressive with
8 permanent, irreversible structural or functional
9 loss, and for which there is no known effective
10 therapy, treatment, or surgical intervention that
11 could result in medical improvement to the
12 point where the individual is no longer disabled.

13 (2) CONSIDERATION OF AGE.—In classifying an
14 individual under paragraph (1), the Commissioner of
15 Social Security shall not classify an individual as
16 “medical improvement not expected” solely by rea-
17 son of such individual’s age where a lesser classifica-
18 tion is appropriate.

19 (b) CONTINUING DISABILITY REVIEWS.—

20 (1) IN GENERAL.—Section 221(i) of the Social
21 Security Act (42 U.S.C. 421(i)) is amended—

22 (A) by amending paragraph (1) to read as
23 follows:

24 “(1)(A) In the case of any individual who is deter-
25 mined to be under a disability and is classified as ‘medical

1 improvement likely’ or ‘medical improvement possible’, the
2 applicable State agency or the Commissioner of Social Se-
3 curity (as may be appropriate) shall, for purposes of con-
4 tinuing eligibility—

5 “(i) if the individual is classified as ‘med-
6 ical improvement likely’, conduct a review to de-
7 termine whether the individual remains under a
8 disability during the 5th year following the first
9 month after the individual’s waiting period (as
10 defined in section 223(c)(2)); and

11 “(ii) if the individual is classified as ‘med-
12 ical improvement possible’, conduct a review to
13 determine whether the individual remains under
14 a disability during the 7th year following the
15 first month after the individual’s waiting period
16 (as so defined).

17 “(B) In addition to the continuing eligibility re-
18 views required under subparagraph (A) and notwith-
19 standing how an individual is classified under the
20 system established by the Commissioner of Social
21 Security under section 102(a) of the Protecting So-
22 cial Security Disability Act of 2014, if the Commis-
23 sioner has reason to believe that an individual that
24 has been determined to be under a disability is not
25 under a disability, the Commissioner may review

1 such individual's case at such time and in such man-
2 ner as the Commissioner determines appropriate ex-
3 cept that the Commissioner shall not initiate a re-
4 view on the basis of income earned by an individual
5 who is a participant in the Work Incentive Benefit
6 System established under section 223(1).

7 “(C) Reviews of cases which are required or
8 permitted under this paragraph shall be in addition
9 to, and shall not be considered as a substitute for,
10 any other reviews which are required or provided for
11 under or in the administration of this title.”;

12 (B) by striking paragraphs (2) and (5);

13 (C) by redesignating paragraphs (3)
14 through (4) as paragraphs (2) through (3), re-
15 spectively; and

16 (D) in paragraph (2), as so redesignated—

17 (i) by striking “Committee on Fi-
18 nance” and inserting “Committees on Fi-
19 nance and Homeland Security and Govern-
20 ment Affairs”;

21 (ii) by striking “Committee on Ways
22 and Means” and inserting “Committees on
23 Ways and Means and Oversight and Gov-
24 ernment Reform”;

1 (iii) by striking “for reconsideration of
2 such initial termination or”;

3 (iv) by striking “or both,”; and

4 (v) by striking “reconsideration or”.

5 (2) STANDARD OF REVIEW FOR CONTINUING
6 DISABILITY REVIEWS.—

7 (A) IN GENERAL.—Section 223(f) of the
8 Social Security Act (42 U.S.C. 423(f)) is
9 amended—

10 (i) in paragraph (4), by striking the
11 period at the end and inserting “; or”;

12 (ii) by inserting after paragraph (4)
13 the following new paragraph:

14 “(5) in the case of a continuing disability re-
15 view under section 221(i), evidence that would be
16 sufficient to support a finding in an initial deter-
17 mination that the individual is not under a disability
18 and is able to engage in substantial gainful activ-
19 ity.”; and

20 (iii) by inserting “, except that, in the
21 case of a continuing disability review under
22 section 221(i), the Commissioner shall not
23 consider the fact that an individual is en-
24 gaged in substantial gainful work as part
25 of the Work Incentive Benefit System es-

1 tablished under subsection (l) as evidence
2 that the individual is able to engage in
3 substantial gainful activity” after “secured
4 by the Commissioner of Social Security”.

5 (B) CONFORMING AMENDMENT TO DEFINI-
6 TION OF DISABILITY.—Section 223(d)(2) of the
7 Social Security Act (42 U.S.C. 423(d)(2) is
8 amended—

9 (i) in subparagraph (A), by striking
10 “An individual” and inserting “Subject to
11 subparagraph (D), an individual”

12 (ii) by adding at the end the following
13 new subparagraph:

14 “(D) In the case of a continuing disability re-
15 view under section 221(i), an individual may be
16 found to be under a disability even though the indi-
17 vidual is engaged in substantial gainful work as part
18 of the Work Incentive Benefit System established
19 under subsection (l).”.

20 (c) TIME-LIMITING DISABILITY BENEFITS FOR MIE
21 INDIVIDUALS.—Section 223 of the Social Security Act (42
22 U.S.C. 423) is amended—

23 (1) in subsection (a)(1), as amended by section
24 101(b)(2), in the flush language after and below

1 subparagraph (E), by striking “subsection (e)” and
2 inserting “subsections (e) and (k)”; and

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

4 “Time-limited Disability Benefits

5 “(k)(1) In the case of an individual who files an appli-
6 cation for disability insurance benefits under this section
7 or for monthly benefits under section 202 by reason of
8 being under a disability for any month that begins on or
9 after the date that is 1 year after the date of the enact-
10 ment of the Protecting Social Security Disability Act of
11 2014, is determined to be under a disability, and is classi-
12 fied by the Commissioner of Social Security as ‘medical
13 improvement expected’, the termination month applicable
14 to the individual shall be the 35th month following the first
15 month after the individual’s waiting period (as defined in
16 subsection (e)(2)).

17 “(2)(A)(i) For purposes of this paragraph, the term
18 ‘timely reapplication’ means an application for disability
19 insurance benefits under this section or for monthly bene-
20 fits under section 202 by reason of being under a disability
21 that is submitted—

22 “(I) by an individual who is a recipient of such
23 benefits; and

24 “(II) during the period that is 14 months be-
25 fore the end of the termination month applicable (or

1 most recently applicable) to the individual under
2 paragraph (1) as of the date of such application and
3 ending with the date that is 12 months before the
4 end of such termination month.

5 “(ii) Notwithstanding clause (i), the Commissioner of
6 Social Security may deem an application for disability in-
7 surance benefits under this section or for monthly benefits
8 under section 202 by reason of being under a disability
9 submitted by an individual who is a recipient of such bene-
10 fits that is submitted after the period described in clause
11 (i)(II) to be a timely reapplication if—

12 “(I) the individual can show good cause for why
13 the application was not submitted during such pe-
14 riod; and

15 “(II) the application is submitted not later than
16 6 months before the end of the termination month
17 applicable (or most recently applicable) to the indi-
18 vidual under paragraph (1) as of the date of such
19 application.

20 “(B)(i) An individual who submits a timely reapplica-
21 tion and who is determined to be under a disability shall
22 be deemed to have satisfied the waiting period applicable
23 under subsection (c)(2).

24 “(ii)(I) If the Commissioner of Social Security fails
25 to make an initial determination with respect to the timely

1 reapplication of an individual who is a recipient of dis-
2 ability insurance benefits under this section or monthly
3 benefits under section 202 by reason of being under a dis-
4 ability before the end of the termination month applicable
5 to the individual as of the date of such reapplication, such
6 individual shall continue to be entitled to such benefits
7 until an initial determination with respect to such timely
8 reapplication is made.

9 “(II) If the Commissioner of Social Security makes
10 an initial adverse determination with respect to the timely
11 reapplication of an individual who is a recipient of dis-
12 ability insurance benefits under this section or monthly
13 benefits under section 202 by reason of being under a dis-
14 ability and such individual files a timely request for a
15 hearing under section 221(d), such individual may elect
16 to have the payment of such benefits (as well as any other
17 benefits payable under this title or title XVIII on the basis
18 of such individual’s entitlement to such benefits) continue
19 in the same manner and subject to the same conditions
20 as an election made under subsection (g).

21 “(C) For purposes of reviewing a timely reapplication
22 submitted by an individual who is a recipient of disability
23 insurance benefits under this section or monthly benefits
24 under section 202 by reason of being under a disability—

1 “(i) the fact that the individual was previously
2 found to be under a disability shall have no evi-
3 dentiary weight; and

4 “(ii) subsection (f) shall not apply.”.

5 (d) REGULATIONS.—The Commissioner of Social Se-
6 curity shall promulgate or revise, as appropriate, regula-
7 tions relating to the determination, classification, and re-
8 view of the disability status of individuals who apply for
9 or receive disability insurance benefits under title II of the
10 Social Security Act and related provisions of the Social
11 Security Administration Programs Operations Manual
12 (POMS) to carry out subsection (a) and the amendments
13 made by subsection (b).

14 **SEC. 103. ADJUSTMENT OF AGE CRITERIA FOR SOCIAL SE-**
15 **CURITY DISABILITY INSURANCE MEDICAL-**
16 **VOCATIONAL GUIDELINES; CONSIDERATION**
17 **OF WORK WHICH EXISTS IN THE NATIONAL**
18 **ECONOMY.**

19 (a) IN GENERAL.—

20 (1) AGE CRITERIA.—Notwithstanding Appendix
21 2 to Subpart P of Part 404 of title 20, Code of Fed-
22 eral Regulations, with respect to disability deter-
23 minations or reviews made on or after the date that
24 is 1 year after the date of the enactment of this Act,
25 age shall not be considered as a vocational factor for

1 any individual who has not attained the age that is
2 12 years less than the retirement age for such indi-
3 vidual (as defined in section 216(l)(1) of the Social
4 Security Act (42 U.S.C. 416(l)).

5 (2) WORK WHICH EXISTS IN THE NATIONAL
6 ECONOMY.—With respect to disability determina-
7 tions or reviews made on or after the date of the en-
8 actment of this Act, in determining whether an indi-
9 vidual is able to engage in any work which exists in
10 the national economy (as defined in section
11 223(d)(2)(A) of the Social Security Act (42 U.S.C.
12 423(d)(2)(A)), the Commissioner of Social Security
13 shall consider the share and ages of individuals cur-
14 rently participating in the labor force and the num-
15 ber and types of jobs available in the current econ-
16 omy.

17 (b) UPDATING DATA ON WORK WHICH EXISTS IN
18 NATIONAL ECONOMY.—Not later than 2 years after the
19 date of the enactment of this Act, and every year there-
20 after, the Commissioner of Social Security shall update
21 the data used by the Commissioner to determine the jobs
22 which exist in the national economy to ensure that such
23 data reflects the full range of work which exists in the
24 national economy, including newly-created jobs in emerg-
25 ing industries.

1 **SEC. 104. MANDATORY COLLECTION OF NEGOTIATED CIVIL**
2 **MONETARY PENALTIES.**

3 Section 1129(i)(2) of the Social Security Act (42
4 U.S.C. 1320a–8(i)(2)) is amended by inserting “and shall
5 delegate authority for collecting civil money penalties and
6 assessments negotiated under this section to the Inspector
7 General” before the period.

8 **SEC. 105. REQUIRED ELECTRONIC FILING OF WAGE WITH-**
9 **HOLDING RETURNS.**

10 (a) IN GENERAL.—Paragraph (2) of section 6011(e)
11 of the Internal Revenue Code of 1986 is amended—

12 (1) by redesignating subparagraphs (A) and
13 (B) as subparagraphs (B) and (C), respectively,

14 (2) by inserting before subparagraph (B), as so
15 redesignated, the following new subparagraph:

16 “(A) shall—

17 “(i) require any person that is re-
18 quired to file a return containing informa-
19 tion described in section 6051(a) to file
20 such return on magnetic media, and

21 “(ii) provide for waiver of the require-
22 ments of clause (i) in the case of dem-
23 onstrated hardship for—

24 “(I) for any period before Janu-
25 ary 1, 2020, a person having 25 or
26 fewer employees, and

1 “(II) for any period after Decem-
2 ber 31, 2019, a person having 5 or
3 fewer employees,” and

4 (3) by inserting “except as provided in subpara-
5 graph (A),” before “shall not require” in subpara-
6 graph (B), as so redesignated.

7 (b) CONFORMING AMENDMENT.—Paragraph (4) of
8 section 6011(e) of the Internal Revenue Code of 1986 is
9 amended by striking “paragraph (2)(A)” and inserting
10 “paragraph (2)(B)”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to returns filed after December 31,
13 2016.

14 **TITLE II—PROGRAM INTEGRITY:**
15 **REFORMING STANDARDS AND**
16 **PROCEDURES FOR DIS-**
17 **ABILITY HEARINGS, MEDICAL**
18 **EVIDENCE, AND CLAIMANT**
19 **REPRESENTATIVES**

20 **SEC. 201. ELIMINATION OF RECONSIDERATION REVIEW**
21 **LEVEL FOR AN INITIAL ADVERSE DETER-**
22 **MINATION OF AN APPLICATION FOR DIS-**
23 **ABILITY INSURANCE BENEFITS.**

24 (a) IN GENERAL.—Section 205(b) of the Social Secu-
25 rity Act (42 U.S.C. 405(b)) is amended—

1 (1) in paragraph (2), by striking “In any” and
2 inserting “Subject to paragraph (4), in any”; and

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

4 “(4) Any review of an initial adverse determination
5 with respect to an application for disability insurance ben-
6 efits under section 223 or for monthly benefits under sec-
7 tion 202 by reason of being under a disability shall only
8 be made before an administrative law judge in a hearing
9 under paragraph (1).”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall apply to initial adverse determinations
12 on applications for disability insurance benefits under title
13 II of the Social Security Act made after the date of the
14 enactment of this Act.

15 **SEC. 202. DEADLINE FOR SUBMISSION OF MEDICAL EVI-**
16 **DENCE; EXCLUSION OF CERTAIN MEDICAL**
17 **EVIDENCE.**

18 (a) CLOSING OF RECORD FOR SUBMISSION OF MED-
19 ICAL EVIDENCE.—Section 205(b)(1) of the Social Secu-
20 rity Act (42 U.S.C. 405(b)(1)) is amended—

21 (1) by striking “The Commissioner of Social
22 Security is directed” and inserting—

23 “(A) The Commissioner of Social Security is di-
24 rected”; and

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

3 “(B)(i) Notwithstanding the last sentence of
4 subparagraph (A), in the case of a hearing before an
5 administrative law judge to determine if an indi-
6 vidual is under a disability (as defined in section
7 223(d)) or a review of such a determination before
8 the Appeals Council of the Office of Appellate Oper-
9 ations of the Social Security Administration, medical
10 evidence (other than the evidence already in the
11 record) shall not be received if the evidence is sub-
12 mitted less than 5 days prior to the date on which
13 the hearing is held unless the individual can show
14 that the evidence is material and there is good cause
15 for the failure to submit it before the deadline, but
16 in no case shall medical evidence be received if it
17 is—

18 “(I) based on information obtained during
19 the period that begins after a determination is
20 made by an administrative law judge; or

21 “(II) submitted more than 1 year after a
22 determination is made by an administrative law
23 judge.

24 “(ii) At the request of an individual applying
25 for benefits under this title, such individual’s rep-

1 representative, or a disability hearing attorney (as de-
2 fined in section 203(a) of the Protecting Social Se-
3 curity Disability Act of 2014), and for the purpose
4 of completing the record, an administrative law
5 judge may postpone a hearing to determine if the in-
6 dividual is under a disability (as so defined) to a
7 date that is no more than 30 days after the date for
8 which the hearing was originally scheduled if—

9 “(I) the request is made no less than 7
10 days prior to the date for which the hearing
11 was originally scheduled; and

12 “(II) the party making the request shows
13 good cause for why the hearing should be post-
14 poned.”.

15 (b) EXCLUSION OF MEDICAL EVIDENCE THAT IS
16 NOT SUBMITTED IN ITS ENTIRETY OR FURNISHED BY A
17 LICENSED PRACTITIONER.—Section 223(d)(5) of the So-
18 cial Security Act (42 U.S.C. 423(d)(5)) is amended—

19 (1) in subparagraph (B), by striking “In” and
20 inserting “Subject to subparagraphs (C) and (D),
21 in”; and

22 (2) by adding at the end the following new sub-
23 paragraphs:

24 “(C)(i) An individual and, if applicable, such in-
25 dividual’s representative shall submit, in its entirety

1 and without redaction, all relevant medical evidence
2 known to the individual or the representative to the
3 Commissioner of Social Security.

4 “(ii) In the case of a hearing before an adminis-
5 trative law judge to determine if an individual is
6 under a disability (as defined in paragraph (1)), the
7 Commissioner of Social Security shall not consider
8 any piece of medical evidence furnished by an indi-
9 vidual or such individual’s representative unless such
10 individual and, if applicable, such individual’s rep-
11 resentative, certifies at the hearing that all relevant
12 medical evidence has been submitted in its entirety
13 and without redaction.

14 “(iii) For purposes of this subparagraph, the
15 term ‘relevant medical evidence’ means any medical
16 evidence relating to the individual’s claimed physical
17 or mental impairments that the Commissioner of So-
18 cial Security should consider to determine whether
19 the individual is under a disability, regardless of
20 whether such evidence is favorable or unfavorable to
21 the individual’s case, but shall not include any oral
22 or written communication or other document ex-
23 changed between the individual and such individual’s
24 attorney representative that are subject to attorney-
25 client privilege or work product doctrine, unless the

1 individual voluntarily discloses such communication
2 to the Commissioner. Neither the attorney-client
3 privilege nor the work product doctrine shall prevent
4 from disclosure medical evidence, medical source
5 opinions, or any other factual matter that the Com-
6 missioner may consider in determining whether or
7 not the individual is entitled to benefits.

8 “(iv) Any individual or representative who
9 knowingly violates this subparagraph shall be guilty
10 of making a false statement or representation of ma-
11 terial fact, shall be subject to civil and criminal pen-
12 alties under sections 208 and 1129, and, in the case
13 of a representative, shall be suspended or disquali-
14 fied from appearing before the Social Security Ad-
15 ministration.

16 “(D) The Commissioner of Social Security shall
17 not consider any evidence furnished by a physician
18 or health care practitioner who is not licensed, has
19 been sanctioned, or is under investigation for ethical
20 misconduct.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on the date of the enactment
23 of this Act, and shall apply to applications for disability
24 insurance benefits filed on or after that date.

1 **SEC. 203. NON-ADVERSARIAL DISABILITY HEARING ATTOR-**
2 **NEYS.**

3 (a) IN GENERAL.—

4 (1) ESTABLISHMENT.—The Commissioner of
5 Social Security shall establish disability hearing at-
6 torney positions within the Office of Appellate Oper-
7 ations of the Social Security Administration for the
8 purpose of improving the quality, timeliness, and
9 consistency of disability determinations by adminis-
10 trative law judges as described in this section. The
11 Commissioner shall hire and employ such attorneys
12 and other personnel as are necessary to carry out
13 the responsibilities of disability hearing attorneys, as
14 described in subsection (b).

15 (2) DEFINITION.—For purposes of this section,
16 the term “disability hearing attorney” means an at-
17 torney employed under this section.

18 (b) ASSIGNMENT OF CASES; RESPONSIBILITIES OF
19 DISABILITY HEARING ATTORNEYS.—

20 (1) ASSIGNMENT OF CASES.—Each case that is
21 scheduled for a hearing to determine if an individual
22 is under a disability (as defined in section 223(d) of
23 the Social Security Act (42 U.S.C. 423(d)) shall be
24 assigned to a disability hearing attorney as soon as
25 practicable.

1 (2) RESPONSIBILITIES OF DISABILITY HEARING
2 ATTORNEYS.—The disability hearing attorney as-
3 signed to a case under paragraph (1) shall—

4 (A) develop the evidentiary record, and, if
5 necessary, work with the officials that made the
6 initial determination that the individual was not
7 under a disability to understand why such de-
8 termination was made;

9 (B) in cases where the individual has rep-
10 resentation, work with the representative to en-
11 sure that the record is complete prior to the
12 hearing, and examine witnesses and present evi-
13 dence to the administrative law judge during
14 the hearing;

15 (C) prior to the hearing, if the attorney
16 finds that the evidence clearly establishes that
17 the individual is under a disability, recommend
18 that the administrative law judge make a deter-
19 mination that the individual is under a dis-
20 ability without requiring a hearing; and

21 (D) after the hearing, if the attorney finds
22 that the evidence clearly does not support the
23 determination of the administrative law judge
24 that the individual is disabled, recommend to
25 the Appeals Council of the Office of Appellate

1 Operations of the Social Security Administra-
2 tion that the Appeals Council review the deter-
3 mination on its own motion.

4 (c) QUALIFICATIONS AND TRAINING.—The Commis-
5 sioner of Social Security shall ensure that disability hear-
6 ing attorneys employed under this section are appro-
7 priately qualified and trained to understand relevant med-
8 ical, vocational, and legal issues.

9 **SEC. 204. PROCEDURAL RULES FOR HEARINGS.**

10 (a) IN GENERAL.—Not later than 1 year after the
11 date of the enactment of this Act, the Commissioner of
12 Social Security shall establish and make available to the
13 public procedural rules for hearings to determine whether
14 or not an individual is entitled to disability insurance ben-
15 efits under title II of the Social Security Act (42 U.S.C.
16 401 et seq.). These rules shall include those established
17 in this Act as well as—

18 (1) rules and procedures for motions and re-
19 quests;

20 (2) rules related to the representation of indi-
21 viduals in such a hearing, such as the qualifications
22 and standards of conduct required of representa-
23 tives;

24 (3) rules and procedures for the submission of
25 evidence;

1 (4) rules related to the closure of the record;
2 and

3 (5) rules and procedures for imposing sanctions
4 on parties for failing to comply with hearing rules.

5 (b) **AUTHORITY OF ADMINISTRATIVE LAW JUDGES**
6 **TO SANCTION CLAIMANT REPRESENTATIVES.**—Section
7 206(a)(1) of the Social Security Act (42 U.S.C. 406(a)(1))
8 is amended by inserting after the fifth sentence the fol-
9 lowing: “The Commissioner of Social Security shall estab-
10 lish rules under which an administrative law judge may
11 impose fines and other sanctions the Commissioner deter-
12 mines to be appropriate on a representative for failure to
13 follow the Commissioner’s rules and regulations.”

14 (c) **EFFECTIVE DATE.**—Any rules adopted pursuant
15 to this section or the amendment made thereby shall take
16 effect on the date that is 6 months after the date of their
17 publication and shall apply to hearings held on or after
18 that date.

19 **SEC. 205. PROHIBITING ATTORNEYS WHO HAVE RELIN-**
20 **QUISHED A LICENSE TO PRACTICE IN THE**
21 **FACE OF AN ETHICS INVESTIGATION FROM**
22 **SERVING AS A CLAIMANT REPRESENTATIVE.**

23 Section 206(a)(1) of the Social Security Act (42
24 U.S.C. 406(a)(1)), as amended by section 204(b), is fur-
25 ther amended—

1 (1) in the first sentence, by inserting “, and, in
2 cases where compensation is sought for services as
3 a representative, shall” before “prescribe”;

4 (2) in the second sentence, by striking “Federal
5 courts,” and inserting “Federal courts and certifies
6 to the Commissioner that such attorney has never
7 (A) been disbarred or suspended from any court or
8 bar to which such attorney was previously admitted
9 to practice or disqualified from participating in or
10 appearing before any Federal program or agency, or
11 (B) relinquished a license to practice in, participate
12 in, or appear before any court, bar, or Federal pro-
13 gram or agency in connection with a settlement of
14 an investigation into ethical misconduct,”; and

15 (3) in the third sentence—

16 (A) by striking “may” each place it ap-
17 pears and inserting “shall”;

18 (B) by striking “or who has been disquali-
19 fied from participating in or appearing before
20 any Federal program or agency” and inserting
21 “, who has been disqualified from participating
22 in or appearing before any Federal program or
23 agency, or who has voluntarily relinquished a li-
24 cense to practice in, participate in, or appear
25 before any court, bar, or Federal program or

1 agency in settlement of an investigation into
2 ethical misconduct”; and

3 (C) by inserting “or who has voluntarily
4 relinquished a license to practice in any court
5 or bar in settlement of an investigation into
6 ethical misconduct” before the period.

7 **SEC. 206. APPLYING JUDICIAL CODE OF CONDUCT TO AD-**
8 **MINISTRATIVE LAW JUDGES.**

9 (a) IN GENERAL.—Section 3105 of title 5, United
10 States Code, is amended—

11 (1) by striking “Each agency” and inserting
12 “(a) Each agency”; and

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

14 “(b) The Code of Conduct for United States Judges
15 adopted by the Judicial Conference of the United States
16 shall apply to administrative law judges appointed under
17 this section.

18 “(c) If, in applying a standard of conduct to an ad-
19 ministrative law judge appointed under this section, there
20 is a conflict between the Code of Conduct for United
21 States Judges and any other law or regulation, the stricter
22 standard of conduct shall apply.

23 “(d) Pursuant to section 7301, the President may
24 issue such regulations as may be necessary to carry out
25 subsections (b) and (c).”.

1 (b) LIMITATION ON REGULATORY AUTHORITY.—Sec-
2 tion 1305 of title 5, United States Code, is amended by
3 striking “3105” and inserting “3105(a)”.

4 **SEC. 207. EVALUATING MEDICAL EVIDENCE.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of the enactment of this Act, the Commissioner of
7 Social Security shall ensure that all administrative law
8 judges within the Office of Disability Adjudication and Re-
9 view of the Social Security Administration receive training
10 on how to appropriately evaluate and weigh medical evi-
11 dence provided by medical professionals.

12 (b) OPINION EVIDENCE.—Section 223(d)(5)(B) of
13 the Social Security Act (42 U.S.C. 423(d)(5)(B)), as
14 amended by section 202(b), is further amended by adding
15 at the end the following new sentences: “In weighing med-
16 ical evidence, the Commissioner of Social Security may as-
17 sign greater weight to certain opinion evidence supplied
18 by an individual’s treating physician (or other treating
19 health care provider) than to opinion evidence obtained
20 from another source, but in no circumstance shall opinion
21 evidence from any source be given controlling weight.”

22 (c) HEALTH CARE PROVIDERS SUPPLYING CON-
23 SULTATIVE EXAMS.—

24 (1) IN GENERAL.—Beginning 1 year after the
25 date of enactment of this Act, in determining wheth-

1 er an individual applying for disability insurance
2 benefits under title II of the Social Security Act is
3 disabled, the Commissioner of Social Security shall
4 not consider medical evidence resulting from a con-
5 sultative exam with a health care provider conducted
6 for the purpose of supporting the individual's appli-
7 cation unless the evidence is accompanied by a Med-
8 ical Consultant Acknowledgment Form signed by the
9 health care provider who conducted the exam.

10 (2) MEDICAL CONSULTANT ACKNOWLEDGMENT
11 FORM.—

12 (A) DEFINITION.—As used in this sub-
13 section, the term “Medical Consultant Acknowl-
14 edgment Form” means a form published by the
15 Commissioner of Social Security that meets the
16 requirements of subparagraph (B).

17 (B) REQUIREMENTS.—The Commissioner
18 of Social Security shall develop the Medical
19 Consultant Acknowledgment Form and make it
20 available to the public not later than 6 months
21 after the date of enactment of this Act. The
22 contents of the Medical Consultant Acknowledg-
23 ment Form shall include—

- 24 (i) information on how medical evi-
25 dence is used in disability determinations;

1 (ii) instructions on completing a resid-
2 ual functional capacity form;

3 (iii) information on the legal and eth-
4 ical obligations of a health care provider
5 who supplies medical evidence for use in a
6 disability determination, including any civil
7 or criminal penalties that may be imposed
8 on a health care provider who supplies
9 medical evidence for use in a disability de-
10 termination; and

11 (iv) a statement that the signatory
12 has read and understands the contents of
13 the form.

14 (3) PENALTIES FOR FRAUD.—In addition to
15 any other penalties that may be prescribed by law,
16 any individual who forges a signature on a Medical
17 Consultant Acknowledgment Form submitted to the
18 Commissioner of Social Security shall be guilty of
19 making a false statement or representation of mate-
20 rial fact, and upon conviction shall be subject to civil
21 and criminal penalties under sections 208 and 1129
22 of the Social Security Act and, in the case of a rep-
23 resentative, shall be suspended or disqualified from
24 appearing before the Social Security Administration.

25 (d) SYMPTOM VALIDITY TESTS.—

1 (1) IN GENERAL.—For purposes of evaluating
2 the credibility of an individual’s medical evidence, an
3 administrative law judge responsible for conducting
4 a hearing to determine whether an individual apply-
5 ing for disability insurance benefits under title II of
6 the Social Security Act or for monthly benefits
7 under section 202 of such Act by reason of a dis-
8 ability may require the individual to undergo a
9 symptom validity test either prior to or after the
10 hearing.

11 (2) WEIGHT GIVEN TO SVTS.—An administra-
12 tive law judge may only consider the results of a
13 symptom validity test as a part of an individual’s en-
14 tire medical history and shall not give controlling
15 weight to such results.

16 (e) EVIDENCE OBTAINED FROM PUBLICLY AVAIL-
17 ABLE SOCIAL MEDIA.—For purposes of evaluating the
18 credibility of an individual’s medical evidence, an adminis-
19 trative law judge responsible for conducting a hearing to
20 determine whether an individual applying for disability in-
21 surance benefits under title II of the Social Security Act
22 is disabled shall be permitted to consider information
23 about the individual obtained from publicly available social
24 media.

1 (f) REGULATIONS RELATED TO EVALUATING MED-
2 ICAL EVIDENCE.—Not later than 1 year after the date of
3 enactment of this Act, the Commissioner of Social Secu-
4 rity shall promulgate rules and regulations to carry out
5 the purposes of this section, including regulations relating
6 to when it is appropriate for an administrative law judge
7 to order a symptom validity test or to consider evidence
8 obtained from publicly available social media.

9 **SEC. 208. REFORMING FEES PAID TO ATTORNEYS AND**
10 **OTHER CLAIMANT REPRESENTATIVES.**

11 (a) IN GENERAL.—Not later than 1 year after the
12 date of enactment of this Act, the Commissioner of Social
13 Security shall establish rules and regulations relating to
14 the fees payable to representatives of individuals claiming
15 entitlement to disability insurance benefits under title II
16 of the Social Security Act (42 U.S.C. 401 et seq.). Such
17 rules and regulations shall—

18 (1) require representatives to account for the
19 work performed with respect to a case, whether or
20 not there is a valid fee agreement between the rep-
21 resentative and the individual; and

22 (2) prohibit a representative from being reim-
23 bursed by the Social Security Administration for
24 travel expenses related to a case.

1 (b) REVIEW OF HIGHEST-EARNING CLAIMANT REP-
2 RESENTATIVES.—

3 (1) REVIEW.—Not later than 1 year after the
4 date of enactment of this Act and annually there-
5 after, the Inspector General of the Social Security
6 Administration shall conduct a review of the prac-
7 tices of a sample of the highest-earning claimant
8 representatives to ensure compliance with the poli-
9 cies of the Social Security Administration. In review-
10 ing representative practices, the Inspector General
11 shall look for suspicious practices, including—

12 (A) repetitive language in residual func-
13 tional capacity forms;

14 (B) irregularities in the licensing history of
15 medical professionals providing medical opin-
16 ions in support of a claimant's application; and

17 (C) a disproportionately high number of
18 appearances by a representative before the
19 same administrative law judge.

20 (2) REPORT.—Not later than December 1 of
21 each year in which a review described in paragraph
22 (1) is conducted, the Inspector General of the Social
23 Security Administration shall submit a report con-
24 taining the results of such review, together with any
25 recommendations for administrative action or pro-

1 posed legislation that the Inspector General deter-
2 mines appropriate, to the Committees on Finance
3 and Homeland Security and Government Affairs of
4 the Senate and the Committees on Ways and Means
5 and Oversight and Government Reform of the House
6 of Representatives.

7 (c) APPLICABILITY OF THE EQUAL ACCESS TO JUSTICE ACT.—Section 205 of the Social Security Act (42
8 U.S.C. 405) is amended by adding at the end the following
9 new subsection:
10

11 “(v) Sections 504 of title 5 and 2412 of title 28,
12 United States Code (commonly known as the ‘Equal Ac-
13 cess to Justice Act’), shall not apply to—

14 “(1) any review under this title of a determina-
15 tion of disability made by the Commissioner of So-
16 cial Security; or

17 “(2) if new evidence is submitted by an indi-
18 vidual after a hearing to determine whether or not
19 the individual is under a disability, judicial review of
20 a final determination of disability under subsection
21 (g) of this section.”.

22 **SEC. 209. STRENGTHENING THE ADMINISTRATIVE LAW**
23 **JUDGE QUALITY REVIEW PROCESS.**

24 (a) IN GENERAL.—

1 (1) REVIEW.—Not later than 1 year after the
2 date of enactment of this Act and annually there-
3 after, the Division of Quality of the Office of Appel-
4 late Operations of the Social Security Administra-
5 tion shall conduct a review of a sample of determina-
6 tions that individuals are entitled to disability insur-
7 ance benefits by outlier administrative law judges
8 and identify any determinations that are not sup-
9 ported by the evidence.

10 (2) REPORT.—Not later than December 1 of
11 each year in which a review described in paragraph
12 (1) is conducted, the Division of Quality Review of
13 the Office of Appellate Operations of the Social Se-
14 curity Administration shall submit a report con-
15 taining the results of such review, including all de-
16 terminations that were found to be unsupported by
17 the evidence, together with any recommendations for
18 administrative action or proposed legislation that the
19 Division determines appropriate, to—

20 (A) the Inspector General of the Social Se-
21 curity Administration;

22 (B) the Commissioner of the Social Secu-
23 rity Administration;

1 (C) the Committees on Ways and Means
2 and Oversight and Government Reform of the
3 House of the Representatives; and

4 (D) the Committees on Finance and
5 Homeland Security and Government Affairs of
6 the Senate.

7 (3) DEFINITION OF OUTLIER ADMINISTRATIVE
8 LAW JUDGE.—For purposes of this subsection, the
9 term “outlier administrative law judge” means an
10 administrative law judge within the Office of Dis-
11 ability Adjudication and Review of the Social Secu-
12 rity Administration who, in a given year—

13 (A) issues more than 700 decisions; and

14 (B) determines that the applicant is enti-
15 tled to disability insurance benefits in not less
16 than 85 percent of cases.

17 (b) MANDATORY CONTINUING DISABILITY RE-
18 VIEW.—

19 (1) IN GENERAL.—The Commissioner of Social
20 Security shall ensure that, not less than 6 months
21 after receiving a report described in subsection
22 (a)(2), every determination of entitlement found to
23 be unsupported by the evidence is in the process of
24 being reviewed under section 221(i)(1)(B) of the So-
25 cial Security Act (as amended by section 102(b)(1)).

1 (2) CONFORMING AMENDMENT.—Section
2 221(i)(1) of the Social Security Act (42 U.S.C.
3 421(i)(1)), as amended by section 102(b)(1), is fur-
4 ther amended in subparagraph (C) by inserting “or
5 under section 209(b) of the Protecting Social Secu-
6 rity Disability Act of 2014” before the period.

7 **SEC. 210. PERMITTING DATA MATCHING BY INSPECTORS**

8 **GENERAL.**

9 Clause (ix) of section 552a(a)(8)(B) of title 5, United
10 States Code, is amended by striking “the Secretary of
11 Health and Human Services or the Inspector General of
12 the Department of Health and Human Services” and in-
13 serting “the Inspector General of an agency, or an agency
14 in coordination with an Inspector General”.

15 **SEC. 211. ACCOUNTING FOR SOCIAL SECURITY PROGRAM**

16 **INTEGRITY SPENDING.**

17 Amounts made available for Social Security program
18 integrity spending by the Social Security Administration
19 for a fiscal year shall be—

20 (1) included in a separate account within the
21 Federal budget; and

22 (2) funded in a separate account in the appro-
23 priate annual appropriations bill.

1 **SEC. 212. USE OF THE NATIONAL DIRECTORY OF NEW**
 2 **HIRES.**

3 Beginning with the date that is 1 year after the date
 4 of the enactment of this Act, the Commissioner of Social
 5 Security shall consult the National Directory of New Hires
 6 established under section 453(i) of the Social Security Act
 7 (42 U.S.C. 653(i)) in determining whether any individual
 8 who submits an application or reapplication for disability
 9 insurance benefits under title II of the Social Security Act
 10 or for monthly benefits under section 202 of such Act by
 11 reason of a disability is able to engage in substantial gain-
 12 ful activity.

13 **TITLE III—PROVIDING SUPPORT**
 14 **FOR WORKING DISABLED**
 15 **AMERICANS**

16 **SEC. 301. ESTABLISHMENT OF WORK INCENTIVE BENEFIT**
 17 **SYSTEM.**

18 (a) **ELIMINATION OF THE TICKET TO WORK AND**
 19 **SELF-SUFFICIENCY PROGRAM.—**

20 (1) **IN GENERAL.—**Part A of title XI of the So-
 21 cial Security Act (42 U.S.C. 1301 et seq.) is amend-
 22 ed by striking section 1148.

23 (2) **CONFORMING AMENDMENTS.—**

24 (A) Section 225(b)(1) of such Act is
 25 amended by striking “consisting of the Ticket

1 to Work and Self-Sufficiency Program under
2 section 1148 or another program”.

3 (B) Section 1631(a)(6)(A) of such Act is
4 amended by striking “consisting of the Ticket
5 to Work and Self-Sufficiency Program under
6 section 1148 or another program”.

7 (C) Section 1633(c) of such Act is amend-
8 ed by striking paragraph (2).

9 (b) ESTABLISHMENT OF THE WORK INCENTIVE
10 BENEFIT SYSTEM.—

11 (1) IN GENERAL.—Section 223 of the Social
12 Security Act (42 U.S.C. 423), as amended by sec-
13 tion 102(c), is further amended—

14 (A) in subsection (a)(2), by striking “sec-
15 tion 202(q) and section 215(b)(2)(A)(ii)” and
16 inserting “subsection (l) and sections 202(q)
17 and 215(b)(2)(A)(ii)”; and

18 (B) by adding at the end the following new
19 subsection:

20 “Work Incentive Benefit System

21 “(l)(1) The Commissioner shall establish a Work In-
22 centive Benefit System in accordance with the provisions
23 of this subsection, pursuant to which an eligible individual
24 entitled to a disability insurance benefit under this section
25 may elect to return to employment and receive an adjusted

1 disability insurance benefit amount (as determined pursu-
2 ant to paragraph (3)).

3 “(2)(A) For purposes of this subsection, the term ‘eli-
4 gible individual’ means an individual who has been entitled
5 to a disability insurance benefit for period of not less than
6 9 months preceding participation in the Work Incentive
7 Benefit System.

8 “(B) Participation by an eligible individual in the
9 Work Incentive Benefit System shall be suspended if such
10 individual has no reported wages or self-employment in-
11 come for the 4 preceding calendar quarters (as defined
12 in section 213(a)(1)).

13 “(3)(A) For purposes of subsection (a)(2), the
14 amount of the disability insurance benefit provided to an
15 eligible individual who is participating in the Work Incen-
16 tive Benefit System for any month shall be equal to—

17 “(i) in the case of an individual who has aver-
18 age monthly earnings (as determined under subpara-
19 graph (B)) equal to or less than \$50, the amount
20 otherwise applicable under subsection (a)(2), or

21 “(ii) in the case of an individual who has aver-
22 age monthly earnings greater than \$50, an amount
23 equal to the sum of—

24 “(I) an amount (not less than zero) equal
25 to—

1 “(aa) the enhanced benefit amount
2 (as determined under subparagraph (C))
3 for such individual, minus

4 “(bb) the quotient obtained by divid-
5 ing the average monthly earnings for such
6 individual by 3, and

7 “(II) the work incentive adjustment
8 amount (as determined under subparagraph
9 (D)) for such individual.

10 “(B)(i) The average monthly earnings for an eligible
11 individual shall be equal to the quotient of—

12 “(I) the total amount of wages and self-employ-
13 ment income for such individual in any eligible
14 months during the 2 calendar quarters (as defined
15 in section 213(a)(1)) that precede the most recently
16 completed calendar quarter, divided by

17 “(II) the total number of eligible months during
18 such 2 calendar quarter period.

19 “(ii) For purposes of clause (i), the term ‘eligible
20 month’ means any month subsequent to the month in
21 which an eligible individual became entitled to a disability
22 insurance benefit.

23 “(C) The enhanced benefit amount for an eligible in-
24 dividual shall be equal to 106.7 percent of the primary
25 insurance amount for such month for such individual.

1 “(D)(i) The work incentive adjustment amount for an
 2 eligible individual shall be equal to the product of the aver-
 3 age monthly earnings for such individual multiplied by the
 4 applicable work incentive subsidy rate (as determined in
 5 accordance with the table under clause (iii), based on the
 6 applicable work incentive step for such individual).

7 “(ii) For purposes of the table under clause (iii), the
 8 work incentive step for an eligible individual shall be equal
 9 to the quotient obtained by dividing—

10 “(I) the average monthly earnings for such in-
 11 dividual, by

12 “(II) an amount equal to the quotient obtained
 13 by dividing the primary insurance amount for such
 14 month for such individual by 5.

15 “(iii) The work incentive subsidy rate shall be deter-
 16 mined by linear interpolation between the amounts estab-
 17 lished under the following table:

“Work Incentive Step	Work Incentive Subsidy Rate
0	- 1
1	- 0.8
2	- 0.6
3	- 0.4
4	- 0.2
5	0
6	0.2
7	0.35
8	0.39
9	0.35
10	0.3
11	0.25
12	0.18
13	0.125
14	0.08
15	0.04

“Work Incentive Step	Work Incentive Subsidy Rate
16	0.01
17	0.

1 “(4) For purposes of paragraph (3)(B), wages and
 2 self-employment income of an individual shall be deter-
 3 mined based on relevant information for such individual
 4 as provided by the State agency responsible for the admin-
 5 istration of State unemployment compensation law.

6 “(5) For purposes of an eligible individual who is par-
 7 ticipating in the Work Incentive Benefit System under this
 8 subsection, any services performed or earnings derived
 9 from services during the period of such participation shall
 10 not be considered for purposes of demonstrating an indi-
 11 vidual’s ability to engage in substantial gainful activity
 12 under subsection (d)(4) and shall not be considered sub-
 13 stantial gainful activity for purposes of subsection (e).

14 “(6) For purposes of this title, the disability insur-
 15 ance benefit received by an eligible individual under this
 16 subsection shall not be applied for purposes of determining
 17 any monthly benefits payable to any other individuals enti-
 18 tled to benefits for any month based on the wages and
 19 self-employment income of such individual.”.

20 (c) PROGRAM SAVINGS.—

21 (1) IN GENERAL.—For each calendar year after
 22 2015, the Commissioner of Social Security shall de-
 23 termine if, as a result of the repeal of the Ticket to

1 Work and Self-Sufficiency Program under section
2 1148 of the Social Security Act and the establish-
3 ment the Work Incentive Benefit System under sec-
4 tion 223(l) of such Act, the total amount of expendi-
5 tures from the Trust Funds (as defined under sec-
6 tion 201(e) of such Act) for payment of disability in-
7 surance benefits pursuant to section 223 of such Act
8 has been reduced.

9 (2) SHARING OF SAVINGS.—The Commissioner
10 of Social Security shall, by regulations, establish a
11 program to provide payments to organizations pro-
12 viding vocational rehabilitation services to eligible in-
13 dividuals (as defined under section 223(l)(2) of the
14 Social Security Act) from any amounts determined
15 to be saved under the Work Incentive Benefit Sys-
16 tem, as determined pursuant to paragraph (1). The
17 amount of any payments made to an organization
18 providing vocational rehabilitation services to an eli-
19 gible individual shall be adjusted based on the dis-
20 ability classification of such individual, with in-
21 creased amounts to be provided for eligible individ-
22 uals with a lower expectation of medical improve-
23 ment.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to benefits payable for months be-
3 ginning after June 30, 2016.

4 **SEC. 302. EARLY-INTERVENTION DEMONSTRATION PROJ-**
5 **ECT; STUDY ON PAYROLL TAX REDUCTIONS.**

6 (a) TARGETED EARLY-INTERVENTION DEMONSTRA-
7 TION PROJECT.—

8 (1) IN GENERAL.—

9 (A) ESTABLISHMENT.—The Commissioner
10 shall conduct a demonstration project designed
11 to examine the effectiveness of providing tar-
12 geted early-intervention support to eligible indi-
13 viduals.

14 (B) VOCATIONAL REHABILITATION SERV-
15 ICES.—The Commissioner shall coordinate with
16 State vocational rehabilitation agencies to pro-
17 vide eligible individuals who elect to participate
18 in the demonstration project with vocational re-
19 habilitation services.

20 (C) OTHER BENEFITS.—In addition to the
21 vocational rehabilitation services described in
22 subparagraph (B), the Commissioner shall pro-
23 vide eligible individuals who elect to participate
24 in the demonstration project with a package of
25 benefits that may include—

- 1 (i) health care subsidies;
2 (ii) wage subsidies; and
3 (iii) cash stipends.

4 (D) SUSPENSION OF ELIGIBILITY FOR DIS-
5 ABILITY ASSISTANCE.—An eligible individual
6 who elects to participate in the demonstration
7 project shall not be eligible for disability assist-
8 ance for as long as the individual receives as-
9 sistance through the demonstration project, and
10 in no case shall an eligible individual who elects
11 to participate in the demonstration project be
12 eligible for disability assistance during the 1
13 year period that begins on the date that the in-
14 dividual first receives assistance through the
15 demonstration project.

16 (E) PARTICIPATION VOLUNTARY.—The op-
17 tion to participate in the demonstration project
18 conducted under this subsection shall be vol-
19 untary, and the designation of an applicant for
20 disability assistance as an eligible individual
21 shall not preclude such applicant from electing
22 to receive disability insurance rather than par-
23 ticipate in the demonstration project.

24 (2) IDENTIFYING ELIGIBLE INDIVIDUALS.—

1 (A) IN GENERAL.—The Commissioner
2 shall identify eligible individuals from among
3 applicants for disability assistance whose appli-
4 cations have not been processed yet.

5 (B) ELIGIBILITY STANDARDS.—The Com-
6 missioner shall only identify an applicant for
7 disability assistance as an eligible individual if
8 the Commissioner finds that—

9 (i) it is highly probable that the appli-
10 cant will be determined to be eligible dis-
11 ability assistance; and

12 (ii) the applicant could, with the help
13 of assistance provided under the dem-
14 onstration project, engage in substantial
15 gainful activity.

16 (3) SCOPE.—

17 (A) IN GENERAL.—The demonstration
18 project shall be of sufficient scope and shall be
19 carried out on a wide enough scale to permit a
20 thorough evaluation of the provision of targeted
21 early-intervention support under consideration
22 while giving assurance that the results derived
23 from the demonstration project will obtain gen-
24 erally in the operation of the disability insur-
25 ance program under title II of the Social Secu-

1 rity Act (42 U.S.C. 401 et seq.) without com-
2 mitting such program to the adoption of any
3 particular system either locally or nationally.

4 (B) AUTHORITY TO EXPAND SCOPE.—The
5 Commissioner may expand the scope of the
6 demonstration project to include any group of
7 applicants for disability assistance with impair-
8 ments that reasonably may be presumed to be
9 disabling for purposes of the demonstration
10 project, and may limit any such demonstration
11 project to any such group of applicants, subject
12 to the terms of such demonstration project
13 which shall define the extent of any such pre-
14 sumption.

15 (C) DURATION.—The demonstration
16 project shall be implemented not later than
17 January 1, 2016, and shall be conducted for a
18 period of 5 years.

19 (4) REPORTS.—

20 (A) INTERIM REPORTS.—On or before
21 June 1 of each year that begins after 2016, the
22 Commissioner shall submit to the Committee on
23 Ways and Means of the House of Representa-
24 tives and to the Committee on Finance of the
25 Senate an annual interim report on the

1 progress of the demonstration project together
2 with any related data and materials that the
3 Commissioner may consider appropriate.

4 (B) FINAL REPORT.—Not later than 90
5 days after the termination of the demonstration
6 project, the Commissioner shall submit to the
7 Committee on Ways and Means of the House of
8 Representatives and to the Committee on Fi-
9 nance of the Senate a final report with respect
10 to the demonstration project.

11 (C) GAO EVALUATION AND REPORT.—The
12 Comptroller General of the United States
13 shall—

14 (i) perform an evaluation of the imple-
15 mentation of and results achieved by the
16 demonstration project; and

17 (ii) not later than January 1, 2020,
18 submit to Congress a report on the evalua-
19 tion described in clause (i), including a rec-
20 ommendation as to whether the Commis-
21 sioner’s authority to conduct the dem-
22 onstration project should be made perma-
23 nent.

24 (5) DEFINITIONS.—In this subsection:

1 (A) COMMISSIONER.—The term “Commis-
2 sioner” means the Commissioner of Social Se-
3 curity.

4 (B) DEMONSTRATION PROJECT.—The
5 term “demonstration project” means the dem-
6 onstration project conducted under this sub-
7 section.

8 (C) DISABILITY ASSISTANCE.—The term
9 “disability assistance” means disability insur-
10 ance benefits or monthly benefits under section
11 202 of the Social Security Act for which eligi-
12 bility is based on a disability.

13 (D) ELIGIBLE INDIVIDUAL.—The term “el-
14 igible individual” means an applicant for dis-
15 ability assistance who has been identified by the
16 Commissioner under paragraph (2).

17 (b) STUDY ON PAYROLL TAX REDUCTIONS FOR
18 BUSINESSES THAT PROVIDE DISABILITY SUPPORT.—

19 (1) IN GENERAL.—Not later than 2 years after
20 the date of the enactment of this Act, the Commis-
21 sioner of Social Security shall complete a study to
22 determine whether reducing the rate at which an
23 employer is taxed under subsection (a) of section
24 3111 of the Internal Revenue Code of 1986 in ex-
25 change for such employer offering its employees pri-

1 vate disability insurance and other disability sup-
2 ports would be an effective means of reducing the
3 rate at which such employees enter the disability in-
4 surance program established under title II of the So-
5 cial Security Act.

6 (2) REPORT.—Not later than 90 days after the
7 completion of the study described in paragraph (1),
8 the Commissioner of Social security shall submit to
9 the Committee on Ways and Means of the House of
10 Representatives and to the Committee on Finance of
11 the Senate a report on the study that includes de-
12 tailed analysis of the Commissioner's findings and
13 recommendations for further legislative or adminis-
14 trative action.

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