Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)

NAYS—197

Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—9

DeGette
Doggett
Filner
Honda
Kucinich
Meek (FL)
Rahall
Watson
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. QUINN) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1407

Messrs. PALLONE, CARDOZA, LIPINSKI, MORAN of Virginia, SKELTON, Ms. MAJETTE and Mrs. McCARTHY of New York changed their vote from ''yea'' to ''nay.''

Mr. CALVERT changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

Stated against:

Mr. FILNER. Mr. Speaker, I was unavoidably detained for rollcall vote 22 due to a family emergency. Had I been present, I would have voted ''no'' on the previous question.

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON SCIENCE TO HAVE UNTIL 5 P.M. WEDNESDAY, FEBRUARY 18, 2004, TO FILE REPORTS TO ACCOMPANY H.R. 3551, H.R. 3752, H.R. 1292 AND H. CON. RES. 189

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent that the Committee on Science may have until February 18, 2004, at 5 p.m. to file the following late reports: H.R. 3551, Surface Transportation Research and Development Act of 2004; H.R. 3752, The Commercial Space Launch Amendments Act of 2004; H.R. 1292, Remote Sensing Applications Act of 2003; and H. Con. Res. 189, Celebrating the 50th Anniversary of the International Geophysical Year (IGY) and Supporting an International Geophysical Year-2 (IGY–2) in 2007–2008.

The SPEAKER pro tempore (Mr. CULBERSON). Is there objection to the request of the gentleman from New York?

There was no objection.

SOCIAL SECURITY PROTECTION ACT OF 2003

Mr. SHAW. Mr. Speaker, pursuant to House Resolution 520, I call up from the Speaker's table the bill (H.R. 743) to amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes, with a Senate amendment thereto, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the Senate amendment is as follows:

Senate Amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Social Security Protection Act of 2003''.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title and table of contents.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

Sec. 101. Authority to reissue benefits misused by organizational representative payees.
Sec. 102. Oversight of representative payees.
Sec. 103. Disqualification from service as representative payee of persons convicted of offenses resulting in imprisonment for more than 1 year or fleeing prosecution, custody, or confinement.
Sec. 104. Fee forfeiture in case of benefit misuse by representative payees.
Sec. 105. Liability of representative payees for misused benefits.
Sec. 106. Authority to redirect delivery of benefit payments when a representative payee fails to provide required accounting.
Sec. 107. Survey of use of payments by representative payees.

Subtitle B—Enforcement

Sec. 111. Civil monetary penalty authority with respect to wrongful conversions by representative payees.

TITLE II—PROGRAM PROTECTIONS

Sec. 201. Civil monetary penalty authority with respect to withholding of material facts.
Sec. 202. Issuance by Commissioner of Social Security of receipts to acknowledge submission of reports of changes in work or earnings status of disabled beneficiaries.
Sec. 203. Denial of title II benefits to persons fleeing prosecution, custody, or confinement, and to persons violating probation or parole.
Sec. 204. Requirements relating to offers to provide for a fee, a product or service available without charge from the Social Security Administration.
Sec. 205. Refusal to recognize certain individuals as claimant representatives.
Sec. 206. Criminal penalty for corrupt or forcible interference with administration of Social Security Act.
Sec. 207. Use of symbols, emblems, or names in reference to social security or medicare.
Sec. 208. Disqualification from payment during trial work period upon conviction of fraudulent concealment of work activity.
Sec. 209. Authority for judicial orders of restitution.
Sec. 210. Authority for cross-program recovery of benefit overpayments.
Sec. 211. Prohibition on payment of title II benefits to persons not authorized to work in the United States.

TITLE III—ATTORNEY REPRESENTATIVE FEE PAYMENT SYSTEM IMPROVEMENTS

Sec. 301. Cap on attorney assessments.
Sec. 302. Temporary extension of attorney fee payment system to title XVI claims.
Sec. 303. Nationwide demonstration project providing for extension of fee withholding procedures to non-attorney representatives.
Sec. 304. GAO study regarding the fee payment process for claimant representatives.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Subtitle A—Amendments Relating to the Ticket to Work and Work Incentives Improvement Act of 1999

Sec. 401. Application of demonstration authority sunset date to new projects.
Sec. 402. Expansion of waiver authority available in connection with demonstration projects providing for reductions in disability insurance benefits based on earnings.
Sec. 403. Funding of demonstration projects providing for reductions in disability insurance benefits based on earnings.
Sec. 404. Availability of Federal and State work incentive services to additional individuals.
Sec. 405. Technical amendment clarifying treatment for certain purposes of individual work plans under the Ticket to Work and Self-Sufficiency Program.

Sec. 406. GAO study regarding the Ticket to Work and Self-Sufficiency Program.
Sec. 407. Reauthorization of appropriations for certain work incentives programs.
Subtitle B—Miscellaneous Amendments
Sec. 411. Elimination of transcript requirement in remand cases fully favorable to the claimant.
Sec. 412. Nonpayment of benefits upon removal from the United States.
Sec. 413. Reinstatement of certain reporting requirements.
Sec. 414. Clarification of definitions regarding certain survivor benefits.
Sec. 415. Clarification respecting the FICA and SECA tax exemptions for an individual whose earnings are subject to the laws of a totalization agreement partner.
Sec. 416. Coverage under divided retirement system for public employees in Kentucky and Louisiana.
Sec. 417. Compensation for the Social Security Advisory Board.
Sec. 418. 60-month period of employment requirement for application of government pension offset exemption.
Sec. 419. Disclosure to workers of effect of windfall elimination provision and government pension offset provision.
Sec. 420. Post-1956 Military Wage Credits.
Sec. 420A. Elimination of disincentive to return-to-work for childhood disability beneficiaries.
Subtitle C—Technical Amendments
Sec. 421. Technical correction relating to responsible agency head.
Sec. 422. Technical correction relating to retirement benefits of ministers.
Sec. 423. Technical corrections relating to domestic employment.
Sec. 424. Technical corrections of outdated references.
Sec. 425. Technical correction respecting self-employment income in community property States.
Sec. 426. Technical amendments to the Railroad Retirement and Survivors' Improvement Act of 2001.
Subtitle D—Amendments Related to Title XVI
Sec. 430. Exclusion from income for certain infrequent or irregular income and certain interest or dividend income.
Sec. 431. Uniform 9-month resource exclusion periods.
Sec. 432. Elimination of certain restrictions on the application of the student earned income exclusion.
Sec. 433. Exception to retrospective monthly accounting for nonrecurring income.
Sec. 434. Removal of restriction on payment of benefits to children who are born or who become blind or disabled after their military parents are stationed overseas.
Sec. 435. Treatment of education-related income and resources.
Sec. 436. Monthly treatment of uniformed service compensation.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

SEC. 101. AUTHORITY TO REISSUE BENEFITS MISUSED BY ORGANIZATIONAL REPRESENTATIVE PAYEES.

(a) TITLE II AMENDMENTS.—

(1) REISSUANCE OF BENEFITS.—Section 205(j)(5) of the Social Security Act (42 U.S.C. 405(j)(5)) is amended by inserting after the first sentence the following: ''In any case in which a representative payee that—

''(A) is not an individual (regardless of whether it is a 'qualified organization' within the meaning of paragraph (4)(B)); or

''(B) is an individual who, for any month during a period when misuse occurs, serves 15 or more individuals who are beneficiaries under this title, title VIII, title XVI, or any combination of such titles;

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall certify for payment to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this paragraph are subject to the limitations of paragraph (7)(B).''.

(2) MISUSE OF BENEFITS DEFINED.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended by adding at the end the following:

''(8) For purposes of this subsection, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this paragraph.''.

(b) TITLE VIII AMENDMENTS.—

(1) REISSUANCE OF BENEFITS.—Section 807(i) of the Social Security Act (42 U.S.C. 1007(i)) is amended further by inserting after the first sentence the following: ''In any case in which a representative payee that—

''(A) is not an individual; or

''(B) is an individual who, for any month during a period when misuse occurs, serves 15 or more individuals who are beneficiaries under this title, title II, title XVI, or any combination of such titles;

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall pay to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this paragraph are subject to the limitations of subsection (l)(2).''.

(2) MISUSE OF BENEFITS DEFINED.—Section 807 of such Act (42 U.S.C. 1007) is amended by adding at the end the following:

''(j) MISUSE OF BENEFITS.—For purposes of this title, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person under this title and converts such payment, or any part thereof, to a use other than for the use and benefit of such person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this subsection.''.

(3) TECHNICAL AMENDMENT.—Section 807(a) of such Act (42 U.S.C. 1007(a)) is amended, in the first sentence, by striking ''for his or her benefit'' and inserting ''for his or her use and benefit''.

(c) TITLE XVI AMENDMENTS.—

(1) REISSUANCE OF BENEFITS.—Section 1631(a)(2)(E) of such Act (42 U.S.C. 1383(a)(2)(E)) is amended by inserting after the first sentence the following: ''In any case in which a representative payee that—

''(i) is not an individual (regardless of whether it is a 'qualified organization' within the meaning of subparagraph (D)(ii)); or

''(ii) is an individual who, for any month during a period when misuse occurs, serves 15 or more individuals who are beneficiaries under this title, title II, title VIII, or any combination of such titles;

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall pay to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this subparagraph are subject to the limitations of subparagraph (H)(ii).''.

(2) EXCLUSION OF REISSUED BENEFITS FROM RESOURCES.—Section 1613(a) of such Act (42 U.S.C. 1382b(a)) is amended—

(A) in paragraph (12), by striking ''and'' at the end;

(B) in paragraph (13), by striking the period and inserting ''; and''; and

(C) by inserting after paragraph (13) the following:

''(14) for the 9-month period beginning after the month in which received, any amount received by such individual (or spouse) or any other person whose income is deemed to be included in such individual's (or spouse's) income for purposes of this title as restitution for benefits under this title, title II, or title VIII that a representative payee of such individual (or spouse) or such other person under section 205(j), 807, or 1631(a)(2) has misused.''.

(3) MISUSE OF BENEFITS DEFINED.—Section 1631(a)(2)(A) of such Act (42 U.S.C. 1383(a)(2)(A)) is amended by adding at the end the following:

''(iv) For purposes of this paragraph, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this clause.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any case of benefit misuse by a representative payee with respect to which the Commissioner of Social Security makes the determination of misuse on or after January 1, 1995.

SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.

(a) CERTIFICATION OF BONDING AND LICENSING REQUIREMENTS FOR NONGOVERNMENTAL ORGANIZATIONAL REPRESENTATIVE PAYEES.—

(1) TITLE II AMENDMENTS.—Section 205(j) of the Social Security Act (42 U.S.C. 405(j)) is amended—

(A) in paragraph (2)(C)(v), by striking ''a community-based nonprofit social service agency licensed or bonded by the State'' in subclause (I) and inserting ''a certified community-based nonprofit social service agency (as defined in paragraph (9))'';

(B) in paragraph (3)(F), by striking ''community-based nonprofit social service agencies'' and inserting ''certified community-based nonprofit social service agencies (as defined in paragraph (9))'';

(C) in paragraph (4)(B), by striking ''any community-based nonprofit social service agency which is bonded or licensed in each State in which it serves as a representative payee'' and inserting ''any certified community-based nonprofit social service agency (as defined in paragraph (9))''; and

(D) by adding after paragraph (8) (as added by section 101(a)(2) of this Act) the following:

''(9) For purposes of this subsection, the term 'certified community-based nonprofit social service agency' means a community-based nonprofit social service agency which is in compliance with requirements, under regulations which shall be prescribed by the Commissioner, for annual certification to the Commissioner that it is bonded in accordance with requirements specified by the Commissioner and that it is licensed in each State in which it serves as a representative payee (if licensing is available in the State) in accordance with requirements specified by the Commissioner. Any such annual certification shall include a copy of any independent audit on the agency which may have been performed since the previous certification.''.

(2) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is amended—

(A) in subparagraph (B)(vii), by striking ''a community-based nonprofit social service agency licensed or bonded by the State'' in subclause

(I) and inserting ''a certified community-based nonprofit social service agency (as defined in subparagraph (I))'';

(B) in subparagraph (D)(ii)—

(i) by striking ''or any community-based'' and all that follows through ''in accordance'' in subclause (II) and inserting ''or any certified community-based nonprofit social service agency (as defined in subparagraph (I)), if the agency, in accordance'';

(ii) by redesignating items (aa) and (bb) as subclauses (I) and (II), respectively (and adjusting the margins accordingly); and

(iii) by striking ''subclause (II)(bb)'' and inserting ''subclause (II)''; and

(C) by adding at the end the following:

''(I) For purposes of this paragraph, the term 'certified community-based nonprofit social service agency' means a community-based nonprofit social service agency which is in compliance with requirements, under regulations which shall be prescribed by the Commissioner, for annual certification to the Commissioner that it is bonded in accordance with requirements specified by the Commissioner and that it is licensed in each State in which it serves as a representative payee (if licensing is available in the State) in accordance with requirements specified by the Commissioner. Any such annual certification shall include a copy of any independent audit on the agency which may have been performed since the previous certification.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the first day of the thirteenth month beginning after the date of the enactment of this Act.

(b) PERIODIC ONSITE REVIEW.—

(1) TITLE II AMENDMENT.—Section 205(j)(6) of such Act (42 U.S.C. 405(j)(6)) is amended to read as follows:

''(6)(A) In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner shall provide for the periodic onsite review of any person or agency located in the United States that receives the benefits payable under this title (alone or in combination with benefits payable under title VIII or title XVI) to another individual pursuant to the appointment of such person or agency as a representative payee under this subsection, section 807, or section 1631(a)(2) in any case in which—

''(i) the representative payee is a person who serves in that capacity with respect to 15 or more such individuals;

''(ii) the representative payee is a certified community-based nonprofit social service agency (as defined in paragraph (9) of this subsection or section 1631(a)(2)(I)); or

''(iii) the representative payee is an agency (other than an agency described in clause (ii)) that serves in that capacity with respect to 50 or more such individuals.

''(B) Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to subparagraph (A) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in such reviews and any corrective action taken or planned to be taken to correct such problems, and shall include—

''(i) the number of such reviews;

''(ii) the results of such reviews;

''(iii) the number of cases in which the representative payee was changed and why;

''(iv) the number of cases involving the exercise of expedited, targeted oversight of the representative payee by the Commissioner conducted upon receipt of an allegation of misuse of funds, failure to pay a vendor, or a similar irregularity;

''(v) the number of cases discovered in which there was a misuse of funds;

''(vi) how any such cases of misuse of funds were dealt with by the Commissioner;

''(vii) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and

''(viii) such other information as the Commissioner deems appropriate.''.

(2) TITLE VIII AMENDMENT.—Section 807 of such Act (as amended by section 101(b)(2) of this Act) is amended further by adding at the end the following:

''(k) PERIODIC ONSITE REVIEW.—

''(1) IN GENERAL.—In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner may provide for the periodic onsite review of any person or agency that receives the benefits payable under this title (alone or in combination with benefits payable under title II or title XVI) to another individual pursuant to the appointment of such person or agency as a representative payee under this section, section 205(j), or section 1631(a)(2) in any case in which—

''(A) the representative payee is a person who serves in that capacity with respect to 15 or more such individuals; or

''(B) the representative payee is an agency that serves in that capacity with respect to 50 or more such individuals.

''(2) REPORT.—Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to paragraph (1) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in such reviews and any corrective action taken or planned to be taken to correct such problems, and shall include—

''(A) the number of such reviews;

''(B) the results of such reviews;

''(C) the number of cases in which the representative payee was changed and why;

''(D) the number of cases involving the exercise of expedited, targeted oversight of the representative payee by the Commissioner conducted upon receipt of an allegation of misuse of funds, failure to pay a vendor, or a similar irregularity;

''(E) the number of cases discovered in which there was a misuse of funds;

''(F) how any such cases of misuse of funds were dealt with by the Commissioner;

''(G) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and

''(H) such other information as the Commissioner deems appropriate.''.

(3) TITLE XVI AMENDMENT.—Section 1631(a)(2)(G) of such Act (42 U.S.C. 1383(a)(2)(G)) is amended to read as follows:

''(G)(i) In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner shall provide for the periodic onsite review of any person or agency that receives the benefits payable under this title (alone or in combination with benefits payable under title II or title VIII) to another individual pursuant to the appointment of the person or agency as a representative payee under this paragraph, section 205(j), or section 807 in any case in which—

''(I) the representative payee is a person who serves in that capacity with respect to 15 or more such individuals;

''(II) the representative payee is a certified community-based nonprofit social service agency (as defined in subparagraph (I) of this paragraph or section 205(j)(9)); or

''(III) the representative payee is an agency (other than an agency described in subclause (II)) that serves in that capacity with respect to 50 or more such individuals.

''(ii) Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to clause (i) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in the reviews and any corrective action taken or planned to be taken to correct the problems, and shall include—

''(I) the number of the reviews;

''(II) the results of such reviews;

''(III) the number of cases in which the representative payee was changed and why;

''(IV) the number of cases involving the exercise of expedited, targeted oversight of the representative payee by the Commissioner conducted upon receipt of an allegation of misuse of funds, failure to pay a vendor, or a similar irregularity;

''(V) the number of cases discovered in which there was a misuse of funds;

''(VI) how any such cases of misuse of funds were dealt with by the Commissioner;

''(VII) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and

''(VIII) such other information as the Commissioner deems appropriate.''.

SEC. 103. DISQUALIFICATION FROM SERVICE AS REPRESENTATIVE PAYEE OF PERSONS CONVICTED OF OFFENSES RESULTING IN IMPRISONMENT FOR MORE THAN 1 YEAR OR FLEEING PROSECUTION, CUSTODY, OR CONFINEMENT.

(a) TITLE II AMENDMENTS.—Section 205(j)(2) of the Social Security Act (42 U.S.C. 405(j)(2)) is amended—

(1) in subparagraph (B)(i)—

(A) by striking ''and'' at the end of subclause (III);

(B) by redesignating subclause (IV) as subclause (VI); and

(C) by inserting after subclause (III) the following:

''(IV) obtain information concerning whether such person has been convicted of any other offense under Federal or State law which resulted in imprisonment for more than 1 year,

''(V) obtain information concerning whether such person is a person described in section 202(x)(1)(A)(iv), and'';

(2) in subparagraph (B), by adding at the end the following:

''(iii) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this paragraph, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that—

''(I) such person is described in section 202(x)(1)(A)(iv),

''(II) such person has information that is necessary for the officer to conduct the officer's official duties, and

''(III) the location or apprehension of such person is within the officer's official duties.'';

(3) in subparagraph (C)(i)(II)—

(A) by striking ''subparagraph (B)(i)(IV),,'' and inserting ''subparagraph (B)(i)(VI)''; and

(B) by striking ''section 1631(a)(2)(B)(ii)(IV)'' and inserting ''section 1631(a)(2)(B)(ii)(VI)''; and

(4) in subparagraph (C)(i)—

(A) by striking ''or'' at the end of subclause (II);

(B) by striking the period at the end of subclause (III) and inserting a comma; and

(C) by adding at the end the following:

''(IV) such person has previously been convicted as described in subparagraph (B)(i)(IV), unless the Commissioner determines that such certification would be appropriate notwithstanding such conviction, or

''(V) such person is person described in section 202(x)(1)(A)(iv).''.

(b) TITLE VIII AMENDMENTS.—Section 807 of such Act (42 U.S.C. 1007) is amended—

(1) in subsection (b)(2)—

(A) by striking ''and'' at the end of subparagraph (C);

(B) by redesignating subparagraph (D) as subparagraph (F); and

(C) by inserting after subparagraph (C) the following:

''(D) obtain information concerning whether such person has been convicted of any other offense under Federal or State law which resulted in imprisonment for more than 1 year;

''(E) obtain information concerning whether such person is a person described in section 804(a)(2); and'';

(2) in subsection (b), by adding at the end the following:

''(3) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this subsection, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that—

''(A) such person is described in section 804(a)(2),

''(B) such person has information that is necessary for the officer to conduct the officer's official duties, and

''(C) the location or apprehension of such person is within the officer's official duties.''; and

(3) in subsection (d)(1)—

(A) by striking ''or'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting a semicolon; and

(C) by adding at the end the following:

''(D) such person has previously been convicted as described in subsection (b)(2)(D), unless the Commissioner determines that such payment would be appropriate notwithstanding such conviction; or

''(E) such person is a person described in section 804(a)(2).''.

(c) TITLE XVI AMENDMENTS.—Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(1) in clause (ii)—

(A) by striking ''and'' at the end of subclause (III);

(B) by redesignating subclause (IV) as subclause (VI); and

(C) by inserting after subclause (III) the following:

''(IV) obtain information concerning whether the person has been convicted of any other offense under Federal or State law which resulted in imprisonment for more than 1 year;

''(V) obtain information concerning whether such person is a person described in section 1611(e)(4)(A); and'';

(2) in clause (iii)(II)—

(A) by striking ''clause (ii)(IV)'' and inserting ''clause (ii)(VI)''; and

(B) by striking ''section 205(j)(2)(B)(i)(IV)'' and inserting ''section 205(j)(2)(B)(i)(VI)'';

(3) in clause (iii)—

(A) by striking ''or'' at the end of subclause (II);

(B) by striking the period at the end of subclause (III) and inserting a semicolon; and

(C) by adding at the end the following:

''(IV) the person has previously been convicted as described in clause (ii)(IV) of this subparagraph, unless the Commissioner determines that the payment would be appropriate notwithstanding the conviction; or

''(V) such person is a person described in section 1611(e)(4)(A).''; and

(4) by adding at the end the following:

''(xiv) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this subparagraph, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that—

''(I) such person is described in section 1611(e)(4)(A),

''(II) such person has information that is necessary for the officer to conduct the officer's official duties, and

''(III) the location or apprehension of such person is within the officer's official duties.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the thirteenth month beginning after the date of the enactment of this Act.

(e) REPORT TO CONGRESS.—The Commissioner of Social Security, in consultation with the Inspector General of the Social Security Administration, shall prepare a report evaluating whether the existing procedures and reviews for the qualification (including disqualification) of representative payees are sufficient to enable the Commissioner to protect benefits from being misused by representative payees. The Commissioner shall submit the report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 270 days after the date of the enactment of this Act. The Commissioner shall include in such report any recommendations that the Commissioner considers appropriate.

SEC. 104. FEE FORFEITURE IN CASE OF BENEFIT MISUSE BY REPRESENTATIVE PAYEES.

(a) TITLE II AMENDMENTS.—Section 205(j)(4)(A)(i) of the Social Security Act (42 U.S.C. 405(j)(4)(A)(i)) is amended—

(1) in the first sentence, by striking ''A'' and inserting ''Except as provided in the next sentence, a''; and

(2) in the second sentence, by striking ''The Secretary'' and inserting the following: ''A qualified organization may not collect a fee from an individual for any month with respect to which the Commissioner of Social Security or a court of competent jurisdiction has determined that the organization misused all or part of the individual's benefit, and any amount so collected by the qualified organization for such month shall be treated as a misused part of the individual's benefit for purposes of paragraphs (5) and (6). The Commissioner''.

(b) TITLE XVI AMENDMENTS.—Section 1631(a)(2)(D)(i) of such Act (42 U.S.C. 1383(a)(2)(D)(i)) is amended—

(1) in the first sentence, by striking ''A'' and inserting ''Except as provided in the next sentence, a''; and

(2) in the second sentence, by striking ''The Commissioner'' and inserting the following: ''A qualified organization may not collect a fee from an individual for any month with respect to which the Commissioner of Social Security or a court of competent jurisdiction has determined that the organization misused all or part of the individual's benefit, and any amount so collected by the qualified organization for such month shall be treated as a misused part of the individual's benefit for purposes of subparagraphs (E) and (F). The Commissioner''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any month involving benefit misuse by a representative payee in any case with respect to which the Commissioner of Social Security or a court of competent jurisdiction makes the determination of misuse after 180 days after the date of the enactment of this Act.

SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR MISUSED BENEFITS.

(a) TITLE II AMENDMENTS.—Section 205(j) of the Social Security Act (42 U.S.C. 405(j)) (as amended by sections 101 and 102) is amended further—

(1) by redesignating paragraphs (7), (8), and (9) as paragraphs (8), (9), and (10), respectively;

(2) in paragraphs (2)(C)(v), (3)(F), and (4)(B), by striking ''paragraph (9)'' and inserting ''paragraph (10)'';

(3) in paragraph (6)(A)(ii), by striking ''paragraph (9)'' and inserting ''paragraph (10)''; and

(4) by inserting after paragraph (6) the following:

''(7)(A) If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of an individual's benefit that was paid to such representative payee under this subsection, the representative payee shall be liable for the amount misused, and such amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of such overpayments. Subject to subparagraph (B), upon recovering all or any part of such amount, the Commissioner shall certify an amount equal to the recovered amount for payment to such individual or such individual's alternative representative payee.

''(B) The total of the amount certified for payment to such individual or such individual's alternative representative payee under subparagraph (A) and the amount certified for payment under paragraph (5) may not exceed the total benefit amount misused by the representative payee with respect to such individual.''.

(b) TITLE VIII AMENDMENT.—Section 807 of such Act (as amended by section 102(b)(2)) is amended further by adding at the end the following:

''(l) LIABILITY FOR MISUSED AMOUNTS.—

''(1) IN GENERAL.—If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of a qualified individual's benefit that was paid to such representative payee under this section, the representative payee shall be liable for the amount misused, and such amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of such overpayments. Subject to paragraph (2), upon recovering all or any part of such amount, the Commissioner shall make payment of an amount equal to the recovered amount to such qualified individual or such qualified individual's alternative representative payee.

''(2) LIMITATION.—The total of the amount paid to such individual or such individual's alternative representative payee under paragraph (1) and the amount paid under subsection (i) may not exceed the total benefit amount misused by the representative payee with respect to such individual.''.

(c) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) (as amended by section 102(b)(3)) is amended further—

(1) in subparagraph (G)(i)(II), by striking ''section 205(j)(9)'' and inserting ''section 205(j)(10)''; and

(2) by striking subparagraph (H) and inserting the following:

''(H)(i) If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of an individual's benefit that was paid to the representative payee under this paragraph, the representative payee shall be liable for the amount misused, and the amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of the overpayments. Subject to clause (ii), upon recovering all or any part of the amount, the Commissioner shall make payment of an amount equal to the recovered amount to such individual or such individual's alternative representative payee.

''(ii) The total of the amount paid to such individual or such individual's alternative representative payee under clause (i) and the amount paid under subparagraph (E) may not exceed the total benefit amount misused by the representative payee with respect to such individual.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefit misuse by a representative payee in any case with respect to which the Commissioner of Social Security or a court of competent jurisdiction makes the determination of misuse after 180 days after the date of the enactment of this Act.

SEC. 106. AUTHORITY TO REDIRECT DELIVERY OF BENEFIT PAYMENTS WHEN A REPRESENTATIVE PAYEE FAILS TO PROVIDE REQUIRED ACCOUNTING.

(a) TITLE II AMENDMENTS.—Section 205(j)(3) of the Social Security Act (42 U.S.C. 405(j)(3)) (as amended by sections 102(a)(1)(B) and 105(a)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following:

''(E) In any case in which the person described in subparagraph (A) or (D) receiving payments on behalf of another fails to submit a report required by the Commissioner of Social Security under subparagraph (A) or (D), the Commissioner may, after furnishing notice to such person and the individual entitled to such payment, require that such person appear in person at a field office of the Social Security Administration serving the area in which the individual resides in order to receive such payments.''.

(b) TITLE VIII AMENDMENTS.—Section 807(h) of such Act (42 U.S.C. 1007(h)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) AUTHORITY TO REDIRECT DELIVERY OF BENEFIT PAYMENTS WHEN A REPRESENTATIVE PAYEE FAILS TO PROVIDE REQUIRED ACCOUNTING.—In any case in which the person described in paragraph (1) or (2) receiving benefit payments on behalf of a qualified individual fails to submit a report required by the Commissioner of Social Security under paragraph (1) or (2), the Commissioner may, after furnishing notice to such person and the qualified individual, require that such person appear in person at a United States Government facility designated by the Social Security Administration as serving the area in which the qualified individual resides in order to receive such benefit payments.''.

(c) TITLE XVI AMENDMENT.—Section 1631(a)(2)(C) of such Act (42 U.S.C. 1383(a)(2)(C)) is amended by adding at the end the following:

''(v) In any case in which the person described in clause (i) or (iv) receiving payments on behalf of another fails to submit a report required by the Commissioner of Social Security under clause (i) or (iv), the Commissioner may, after furnishing notice to the person and the individual entitled to the payment, require that such person appear in person at a field office of the Social Security Administration serving the area in which the individual resides in order to receive such payments.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

SEC. 107. SURVEY OF USE OF PAYMENTS BY REPRESENTATIVE PAYEES.

(a) IN GENERAL.—Section 1110 of the Social Security Act (42 U.S.C. 1310) is amended by adding at the end the following:

''(c)(1) In addition to the amount otherwise appropriated in any other law to carry out subsection (a) for fiscal year 2004, up to $8,500,000 is authorized and appropriated and shall be used by the Commissioner of Social Security under this subsection for purposes of conducting a statistically valid survey to determine how payments made to individuals, organizations, and State or local government agencies that are representative payees for benefits paid under title II or XVI are being managed and used on behalf of the beneficiaries for whom such benefits are paid.

''(2) Not later than 18 months after the date of enactment of this subsection, the Commissioner of Social Security shall submit a report on the survey conducted in accordance with paragraph (1) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.''.

Subtitle B—Enforcement

SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RESPECT TO WRONGFUL CONVERSIONS BY REPRESENTATIVE PAYEES.

(a) IN GENERAL.—Section 1129(a) of the Social Security Act (42 U.S.C. 1320a–8) is amended by adding at the end the following:

''(3) Any person (including an organization, agency, or other entity) who, having received, while acting in the capacity of a representative payee pursuant to section 205(j), 807, or 1631(a)(2), a payment under title II, VIII, or XVI for the use and benefit of another individual, converts such payment, or any part thereof, to a use that such person knows or should know is other than for the use and benefit of such other individual shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each such conversion. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States resulting from the conversion, of not more than twice the amount of any payments so converted.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to violations committed after the date of the enactment of this Act.

TITLE II—PROGRAM PROTECTIONS

SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RESPECT TO WITHHOLDING OF MATERIAL FACTS.

(a) TREATMENT OF WITHHOLDING OF MATERIAL FACTS.—

(1) CIVIL PENALTIES.—Section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a–8(a)(1)) is amended—

(A) by striking ''who'' in the first sentence and inserting ''who—'';

(B) by striking ''makes'' in the first sentence and all that follows through ''shall be subject to,'' and inserting the following:

''(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading,

''(B) makes such a statement or representation for such use with knowing disregard for the truth, or

''(C) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the person knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, if the person knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to,'';

(C) by inserting ''or each receipt of such benefits or payments while withholding disclosure of such fact'' after ''each such statement or representation'' in the first sentence;

(D) by inserting ''or because of such withholding of disclosure of a material fact'' after ''because of such statement or representation'' in the second sentence; and

(E) by inserting ''or such a withholding of disclosure'' after ''such a statement or representation'' in the second sentence.

(2) ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES.—Section 1129A(a) of such Act (42 U.S.C. 1320a–8a(a)) is amended—

(A) by striking ''who'' the first place it appears and inserting ''who—''; and

(B) by striking ''makes'' and all that follows through ''shall be subject to,'' and inserting the following:

''(1) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title XVI that the person knows or should know is false or misleading,

''(2) makes such a statement or representation for such use with knowing disregard for the truth, or

''(3) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the person knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title XVI, if the person knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to,''.

(b) CLARIFICATION OF TREATMENT OF RECOVERED AMOUNTS.—Section 1129(e)(2)(B) of such Act (42 U.S.C. 1320a–8(e)(2)(B)) is amended by striking ''In the case of amounts recovered arising out of a determination relating to title VIII or XVI,'' and inserting ''In the case of any other amounts recovered under this section,''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1129(b)(3)(A) of such Act (42 U.S.C. 1320a–8(b)(3)(A)) is amended by striking ''charging fraud or false statements''.

(2) Section 1129(c)(1) of such Act (42 U.S.C. 1320a–8(c)(1)) is amended by striking ''and representations'' and inserting '', representations, or actions''.

(3) Section 1129(e)(1)(A) of such Act (42 U.S.C. 1320a–8(e)(1)(A)) is amended by striking ''statement or representation referred to in subsection (a) was made'' and inserting ''violation occurred''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations committed after the date on which the Commissioner of Social Security implements the centralized computer file described in section 202.

SEC. 202. ISSUANCE BY COMMISSIONER OF SOCIAL SECURITY OF RECEIPTS TO ACKNOWLEDGE SUBMISSION OF REPORTS OF CHANGES IN WORK OR EARNINGS STATUS OF DISABLED BENEFICIARIES.

Effective as soon as possible, but not later than 1 year after the date of the enactment of this Act, until such time as the Commissioner of Social Security implements a centralized computer file recording the date of the submission of information by a disabled beneficiary (or representative) regarding a change in the beneficiary's work or earnings status, the Commissioner shall issue a receipt to the disabled beneficiary (or representative) each time he or she submits documentation, or otherwise reports to the Commissioner, on a change in such status.

SEC. 203. DENIAL OF TITLE II BENEFITS TO PERSONS FLEEING PROSECUTION, CUSTODY, OR CONFINEMENT, AND TO PERSONS VIOLATING PROBATION OR PAROLE.

(a) IN GENERAL.—Section 202(x) of the Social Security Act (42 U.S.C. 402(x)) is amended—

(1) in the heading, by striking ''Prisoners'' and all that follows and inserting the following: ''Prisoners, Certain Other Inmates of Publicly Funded Institutions, Fugitives, Probationers, and Parolees'';

(2) in paragraph (1)(A)(ii)(IV), by striking ''or'' at the end;

(3) in paragraph (1)(A)(iii), by striking the period at the end and inserting a comma;

(4) by inserting after paragraph (1)(A)(iii) the following:

''(iv) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed, or

''(v) is violating a condition of probation or parole imposed under Federal or State law.'';

(5) by adding at the end of paragraph (1)(B) the following:

''(iii) Notwithstanding subparagraph (A), the Commissioner shall, for good cause shown, pay the individual benefits that have been withheld or would otherwise be withheld pursuant to clause (iv) or (v) of subparagraph (A) if the Commissioner determines that—

''(I) a court of competent jurisdiction has found the individual not guilty of the criminal offense, dismissed the charges relating to the criminal offense, vacated the warrant for arrest of the individual for the criminal offense, or issued any similar exonerating order (or taken similar exonerating action), or

''(II) the individual was erroneously implicated in connection with the criminal offense by reason of identity fraud.

''(iv) Notwithstanding subparagraph (A), the Commissioner may, for good cause shown based on mitigating circumstances, pay the individual benefits that have been withheld or would otherwise be withheld pursuant to clause (iv) or (v) of subparagraph (A) if the Commissioner determines that—

''(I) the offense described in clause (iv) or underlying the imposition of the probation or parole described in clause (v) was nonviolent and not drug-related, and

''(II) in the case of an individual from whom benefits have been withheld or otherwise would be withheld pursuant to subparagraph (A)(v), the action that resulted in the violation of a condition of probation or parole was nonviolent and not drug-related.''; and

(6) in paragraph (3), by adding at the end the following:

''(C) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any beneficiary under this title, if the officer furnishes the Commissioner with the name of the beneficiary, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the beneficiary, and notifies the Commissioner that—

''(i) the beneficiary is described in clause (iv) or (v) of paragraph (1)(A); and

''(ii) the location or apprehension of the beneficiary is within the officer's official duties.''.

(b) CONFORMING AMENDMENTS TO TITLE XVI.—Section 1611(e) of the Social Security Act (42 U.S.C. 1382(e)) is amended—

(1) in paragraph (4)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(4)'';

(C) in clause (i) of subparagraph (A) (as redesignated by subparagraph (A)), by striking ''or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State'' and inserting ''or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed''; and

(D) by adding at the end the following:

''(B) Notwithstanding subparagraph (A), the Commissioner shall, for good cause shown, treat the person referred to in subparagraph (A) as an eligible individual or eligible spouse if the Commissioner determines that—

''(i) a court of competent jurisdiction has found the person not guilty of the criminal offense, dismissed the charges relating to the criminal offense, vacated the warrant for arrest of the person for the criminal offense, or issued any similar exonerating order (or taken similar exonerating action), or

''(ii) the person was erroneously implicated in connection with the criminal offense by reason of identity fraud.

''(C) Notwithstanding subparagraph (A), the Commissioner may, for good cause shown based on mitigating circumstances, treat the person referred to in subparagraph (A) as an eligible individual or eligible spouse if the Commissioner determines that—

''(i) the offense described in subparagraph (A)(i) or underlying the imposition of the probation or parole described in subparagraph (A)(ii) was nonviolent and not drug-related, and

''(ii) in the case of a person who is not considered an eligible individual or eligible spouse pursuant to subparagraph (A)(ii), the action that resulted in the violation of a condition of probation or parole was nonviolent and not drug-related.''; and

(2) in paragraph (5), by striking subparagraphs (A) and (B) and inserting the following:

''(A) the recipient is described in clause (i) or (ii) of paragraph (4)(A); and

''(B) the location or apprehension of the recipient is within the officer's official duties.''.

(c) CONFORMING AMENDMENT.—Section 804(a)(2) of the Social Security Act (42 U.S.C. 1004(a)(2)) is amended by striking ''or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State'' and inserting ''or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first month that begins on or after the date that is 9 months after the date of enactment of this Act.

SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PROVIDE FOR A FEE, A PRODUCT OR SERVICE AVAILABLE WITHOUT CHARGE FROM THE SOCIAL SECURITY ADMINISTRATION.

(a) IN GENERAL.—Section 1140 of the Social Security Act (42 U.S.C. 1320b–10) is amended—

(1) in subsection (a), by adding at the end the following:

''(4)(A) No person shall offer, for a fee, to assist an individual to obtain a product or service that the person knows or should know is provided free of charge by the Social Security Administration unless, at the time the offer is made, the person provides to the individual to whom the offer is tendered a notice that—

''(i) explains that the product or service is available free of charge from the Social Security Administration, and

''(ii) complies with standards prescribed by the Commissioner of Social Security respecting the content of such notice and its placement, visibility, and legibility.

''(B) Subparagraph (A) shall not apply to any offer—

''(i) to serve as a claimant representative in connection with a claim arising under title II, title VIII, or title XVI; or

''(ii) to prepare, or assist in the preparation of, an individual's plan for achieving self-support under title XVI.''; and

(2) in the heading, by striking ''PROHIBITION OF MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE'' and inserting ''PROHIBITIONS RELATING TO REFERENCES''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to offers of assistance made after the sixth month ending after the Commissioner of Social Security promulgates final regulations prescribing the standards applicable to the notice required to be provided in connection with such offer. The Commissioner shall promulgate such final regulations within 1 year after the date of the enactment of this Act.

SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS AS CLAIMANT REPRESENTATIVES.

Section 206(a)(1) of the Social Security Act (42 U.S.C. 406(a)(1)) is amended by inserting after the second sentence the following: ''Notwithstanding the preceding sentences, the Commissioner, after due notice and opportunity for hearing, (A) may refuse to recognize as a representative, and may disqualify a representative already recognized, any attorney who has been disbarred or suspended from any court or bar to which he or she was previously admitted to practice or who has been disqualified from participating in or appearing before any Federal program or agency, and (B) may refuse to recognize, and may disqualify, as a non-attorney representative any attorney who has been disbarred or suspended from any court or bar to which he or she was previously admitted to practice. A representative who has been disqualified or suspended pursuant to this section from appearing before the Social Security Administration as a result of collecting or receiving a fee in excess of the amount authorized shall be barred from appearing before the Social Security Administration as a representative until full restitution is made to the claimant and, thereafter, may be considered for reinstatement only under such rules as the Commissioner may prescribe.''.

SEC. 206. CRIMINAL PENALTY FOR CORRUPT OR FORCIBLE INTERFERENCE WITH ADMINISTRATION OF SOCIAL SECURITY ACT.

Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1129A the following:

''ATTEMPTS TO INTERFERE WITH ADMINISTRATION OF SOCIAL SECURITY ACT

''SEC. 1129B. Whoever corruptly or by force or threats of force (including any threatening letter or communication) attempts to intimidate or impede any officer, employee, or contractor of the Social Security Administration (including

any State employee of a disability determination service or any other individual designated by the Commissioner of Social Security) acting in an official capacity to carry out a duty under this Act, or in any other way corruptly or by force or threats of force (including any threatening letter or communication) obstructs or impedes, or attempts to obstruct or impede, the due administration of this Act, shall be fined not more than $5,000, imprisoned not more than 3 years, or both, except that if the offense is committed only by threats of force, the person shall be fined not more than $3,000, imprisoned not more than 1 year, or both. In this subsection, the term 'threats of force' means threats of harm to the officer or employee of the United States or to a contractor of the Social Security Administration, or to a member of the family of such an officer or employee or contractor.''.

SEC. 207. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY OR MEDICARE.

(a) IN GENERAL.—Section 1140(a)(1) of the Social Security Act (42 U.S.C. 1320b–10(a)(1)) is amended—

(1) in subparagraph (A), by inserting ''''Centers for Medicare & Medicaid Services','' after ''''Health Care Financing Administration','', by striking ''or 'Medicaid','' and inserting ''''Medicaid', 'Death Benefits Update', 'Federal Benefit Information', 'Funeral Expenses', or 'Final Supplemental Plan','' and by inserting ''''CMS','' after ''''HCFA','';

(2) in subparagraph (B), by inserting ''Centers for Medicare & Medicaid Services,'' after ''Health Care Financing Administration,'' each place it appears; and

(3) in the matter following subparagraph (B), by striking ''the Health Care Financing Administration,'' each place it appears and inserting ''the Centers for Medicare & Medicaid Services,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to items sent after 180 days after the date of the enactment of this Act.

SEC. 208. DISQUALIFICATION FROM PAYMENT DURING TRIAL WORK PERIOD UPON CONVICTION OF FRAUDULENT CONCEALMENT OF WORK ACTIVITY.

(a) IN GENERAL.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(5) Upon conviction by a Federal court that an individual has fraudulently concealed work activity during a period of trial work from the Commissioner of Social Security by—

''(A) providing false information to the Commissioner of Social Security as to whether the individual had earnings in or for a particular period, or as to the amount thereof;

''(B) receiving disability insurance benefits under this title while engaging in work activity under another identity, including under another social security account number or a number purporting to be a social security account number; or

''(C) taking other actions to conceal work activity with an intent fraudulently to secure payment in a greater amount than is due or when no payment is authorized,

no benefit shall be payable to such individual under this title with respect to a period of disability for any month before such conviction during which the individual rendered services during the period of trial work with respect to which the fraudulently concealed work activity occurred, and amounts otherwise due under this title as restitution, penalties, assessments, fines, or other repayments shall in all cases be in addition to any amounts for which such individual is liable as overpayments by reason of such concealment.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to work activity performed after the date of the enactment of this Act.

SEC. 209. AUTHORITY FOR JUDICIAL ORDERS OF RESTITUTION.

(a) AMENDMENTS TO TITLE II.—Section 208 of the Social Security Act (42 U.S.C. 408) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following:

''(b)(1) Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the victims of such offense specified in paragraph (4).

''(2) Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the issuance and enforcement of orders of restitution to victims of such offense under this subsection.

''(3) If the court does not order restitution, or orders only partial restitution, under this subsection, the court shall state on the record the reasons therefor.

''(4) For purposes of paragraphs (1) and (2), the victims of an offense under subsection (a) are the following:

''(A) Any individual who suffers a financial loss as a result of the defendant's violation of subsection (a).

''(B) The Commissioner of Social Security, to the extent that the defendant's violation of subsection (a) results in—

''(i) the Commissioner of Social Security making a benefit payment that should not have been made; or

''(ii) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 205(j).

''(5)(A) Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited in the Federal Old-Age and Survivors Insurance Trust Fund, or the Federal Disability Insurance Trust Fund, as appropriate.

''(B) In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (4)(B)(ii), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss, except that such amount may be reduced by the amount of any overpayments of benefits owed under this title, title VIII, or title XVI by the individual.''; and

(3) by amending subsection (c) (as redesignated by paragraph (1)), by striking the second sentence.

(b) AMENDMENTS TO TITLE VIII.—Section 811 of the Social Security Act (42 U.S.C. 1011) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) COURT ORDER FOR RESTITUTION.—

''(1) IN GENERAL.—Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the Commissioner of Social Security, in any case in which such offense results in—

''(A) the Commissioner of Social Security making a benefit payment that should not have been made, or

''(B) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 807(i).

''(2) RELATED PROVISIONS.—Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the issuance and enforcement of orders of restitution under this subsection. In so applying such sections, the Commissioner of Social Security shall be considered the victim.

''(3) STATED REASONS FOR NOT ORDERING RESTITUTION.—If the court does not order restitution, or orders only partial restitution, under this subsection, the court shall state on the record the reasons therefor.

''(4) RECEIPT OF RESTITUTION PAYMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited as miscellaneous receipts in the general fund of the Treasury.

''(B) PAYMENT TO THE INDIVIDUAL.—In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (1)(B), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss as described in such paragraph, except that such amount may be reduced by any overpayment of benefits owed under this title, title II, or title XVI by the individual.''.

(c) AMENDMENTS TO TITLE XVI.—Section 1632 of the Social Security Act (42 U.S.C. 1383a) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

''(b)(1) Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the Commissioner of Social Security, in any case in which such offense results in—

''(A) the Commissioner of Social Security making a benefit payment that should not have been made, or

''(B) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 1631(a)(2).

''(2) Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the issuance and enforcement of orders of restitution under this subsection. In so applying such sections, the Commissioner of Social Security shall be considered the victim.

''(3) If the court does not order restitution, or orders only partial restitution, under this subsection, the court shall state on the record the reasons therefor.

''(4)(A) Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited as miscellaneous receipts in the general fund of the Treasury.

''(B) In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (1)(B), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss as described in such paragraph, except that such amount may be reduced by any overpayment of benefits owed under this title, title II, or title VIII by the individual.''; and

(3) by amending subsection (c) (as redesignated by paragraph (1)) by striking ''(1) If a person'' and all that follows through ''(2)''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to violations occurring on or after the date of enactment of this Act.

SEC. 210. AUTHORITY FOR CROSS-PROGRAM RECOVERY OF BENEFIT OVERPAYMENTS.

(a) IN GENERAL.—Section 1147 of the Social Security Act (42 U.S.C. 1320b–17) is amended to read as follows:

''CROSS-PROGRAM RECOVERY OF OVERPAYMENTS FROM BENEFITS

''(a) IN GENERAL.—Subject to subsection (b), whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to a person under a program described in subsection (e), the Commissioner of Social Security may recover the amount incorrectly paid by decreasing any amount which is payable to such person under any other program specified in that subsection.

''(b) LIMITATION APPLICABLE TO CURRENT BENEFITS.—

''(1) IN GENERAL.—In carrying out subsection (a), the Commissioner of Social Security may not decrease the monthly amount payable to an individual under a program described in subsection (e) that is paid when regularly due—

''(A) in the case of benefits under title II or VIII, by more than 10 percent of the amount of the benefit payable to the person for that month under such title; and

''(B) in the case of benefits under title XVI, by an amount greater than the lesser of—

''(i) the amount of the benefit payable to the person for that month; or

''(ii) an amount equal to 10 percent of the person's income for that month (including such monthly benefit but excluding payments under title II when recovery is also made from title II payments and excluding income excluded pursuant to section 1612(b)).

''(2) EXCEPTION.—Paragraph (1) shall not apply if—

''(A) the person or the spouse of the person was involved in willful misrepresentation or concealment of material information in connection with the amount incorrectly paid; or

''(B) the person so requests.

''(c) NO EFFECT ON ELIGIBILITY OR BENEFIT AMOUNT UNDER TITLE VIII OR XVI.—In any case in which the Commissioner of Social Security takes action in accordance with subsection (a) to recover an amount incorrectly paid to any person, neither that person, nor (with respect to the program described in subsection (e)(3)) any individual whose eligibility for benefits under such program or whose amount of such benefits, is determined by considering any part of that person's income, shall, as a result of such action—

''(1) become eligible for benefits under the program described in paragraph (2) or (3) of subsection (e); or

''(2) if such person or individual is otherwise so eligible, become eligible for increased benefits under such program.

''(d) INAPPLICABILITY OF PROHIBITION AGAINST ASSESSMENT AND LEGAL PROCESS.—Section 207 shall not apply to actions taken under the provisions of this section to decrease amounts payable under titles II and XVI.

''(e) PROGRAMS DESCRIBED.—The programs described in this subsection are the following:

''(1) The old-age, survivors, and disability insurance benefits program under title II.

''(2) The special benefits for certain World War II veterans program under title VIII.

''(3) The supplemental security income benefits program under title XVI (including, for purposes of this section, State supplementary payments paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 204(g) of the Social Security Act (42 U.S.C. 404(g)) is amended to read as follows:

''(g) For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.''.

(2) Section 808 of the Social Security Act (42 U.S.C. 1008) is amended—

(A) in subsection (a)(1)—

(i) by striking subparagraph (B);

(ii) in the matter preceding subparagraph (A), by striking ''any payment'' and all that follows through ''under this title'' and inserting ''any payment under this title''; and

(iii) by striking ''; or'' and inserting a period;

(B) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively; and

(C) by adding at the end the following:

''(e) CROSS-PROGRAM RECOVERY OF OVERPAYMENTS.—For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.''.

(3) Section 1147A of the Social Security Act (42 U.S.C. 1320b–18) is repealed.

(4) Section 1631(b) of the Social Security Act (42 U.S.C. 1383(b)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''excluding any other'' and inserting ''excluding payments under title II when recovery is made from title II payments pursuant to section 1147 and excluding''; and

(ii) by striking ''50 percent of''; and

(B) by striking paragraph (6) and inserting the following:

''(6) For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.''.

(c) EFFECTIVE DATE.—The amendments and repeal made by this section shall take effect on the date of enactment of this Act, and shall be effective with respect to overpayments under titles II, VIII, and XVI of the Social Security Act that are outstanding on or after such date.

SEC. 211. PROHIBITION ON PAYMENT OF TITLE II BENEFITS TO PERSONS NOT AUTHORIZED TO WORK IN THE UNITED STATES.

(a) FULLY INSURED AND CURRENTLY INSURED INDIVIDUALS.—Section 214 (42 U.S.C. 414) is amended—

(1) in subsection (a), by inserting before the period at the end the following: '', and who satisfies the criterion specified in subsection (c)'';

(2) in subsection (b), by inserting before the period at the end the following: '', and who satisfies the criterion specified in subsection (c)''; and

(3) by adding at the end the following:

''(c) For purposes of subsections (a) and (b), the criterion specified in this subsection is that the individual, if not a United States citizen or national—

''(1) has been assigned a social security account number that was, at the time of assignment, or at any later time, consistent with the requirements of subclause (I) or (III) of section 205(c)(2)(B)(i); or

''(2) at the time any such quarters of coverage are earned—

''(A) is described in subparagraph (B) or (D) of section 101(a)(15) of the Immigration and Nationality Act,

''(B) is lawfully admitted temporarily to the United States for business (in the case of an individual described in such subparagraph (B)) or the performance as a crewman (in the case of an individual described in such subparagraph (D)), and

''(C) the business engaged in or service as a crewman performed is within the scope of the terms of such individual's admission to the United States.''.

(b) DISABILITY BENEFITS.—Section 223(a)(1) of the Social Security Act (42 U.S.C. 423(a)(1)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B), the following:

''(C) if not a United States citizen or national—

''(i) has been assigned a social security account number that was, at the time of assignment, or at any later time, consistent with the requirements of subclause (I) or (III) of section 205(c)(2)(B)(i); or

''(ii) at the time any quarters of coverage are earned—

''(I) is described in subparagraph (B) or (D) of section 101(a)(15) of the Immigration and Nationality Act,

''(II) is lawfully admitted temporarily to the United States for business (in the case of an individual described in such subparagraph (B)) or the performance as a crewman (in the case of an individual described in such subparagraph (D)), and

''(III) the business engaged in or service as a crewman performed is within the scope of the terms of such individual's admission to the United States.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to benefit applications based on social security account numbers issued on or after January 1, 2004.

TITLE III—ATTORNEY REPRESENTATIVE FEE PAYMENT SYSTEM IMPROVEMENTS

SEC. 301. CAP ON ATTORNEY ASSESSMENTS.

(a) IN GENERAL.—Section 206(d)(2)(A) of the Social Security Act (42 U.S.C. 406(d)(2)(A)) is amended—

(1) by inserting '', except that the maximum amount of the assessment may not exceed the greater of $75 or the adjusted amount as provided pursuant to the following two sentences'' after ''subparagraph (B)''; and

(2) by adding at the end the following: ''In the case of any calendar year beginning after the amendments made by section 301 of the Social Security Protection Act of 2003 take effect, the dollar amount specified in the preceding sentence (including a previously adjusted amount) shall be adjusted annually under the procedures used to adjust benefit amounts under section 215(i)(2)(A)(ii), except such adjustment shall be based on the higher of $75 or the previously adjusted amount that would have been in effect for December of the preceding year, but for the rounding of such amount pursuant to the following sentence. Any amount so adjusted that is not a multiple of $1 shall be rounded to the next lowest multiple of $1, but in no case less than $75.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to fees for representation of claimants which are first required to be certified or paid under section 206 of the Social Security Act on or after the first day of the first month that begins after 180 days after the date of the enactment of this Act.

SEC. 302. TEMPORARY EXTENSION OF ATTORNEY FEE PAYMENT SYSTEM TO TITLE XVI CLAIMS.

(a) IN GENERAL.—Section 1631(d)(2) of the Social Security Act (42 U.S.C. 1383(d)(2)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)—

(A) by striking ''section 206(a)'' and inserting ''section 206'';

(B) by striking ''(other than paragraph (4) thereof)'' and inserting ''(other than subsections (a)(4) and (d) thereof)''; and

(C) by striking ''paragraph (2) thereof'' and inserting ''such section'';

(2) in subparagraph (A)(i)—

(A) by striking ''in subparagraphs (A)(ii)(I) and (C)(i),'' and inserting ''in subparagraphs (A)(ii)(I) and (D)(i) of subsection (a)(2)''; and

(B) by striking ''and'' at the end;

(3) by striking subparagraph (A)(ii) and inserting the following:

''(ii) by substituting, in subsections (a)(2)(B) and (b)(1)(B)(i), the phrase 'paragraph (7)(A) or (8)(A) of section 1631(a) or the requirements of due process of law' for the phrase 'subsection (g) or (h) of section 223';

''(iii) by substituting, in subsection (a)(2)(C)(i), the phrase 'under title II' for the phrase 'under title XVI';

''(iv) by substituting, in subsection (b)(1)(A), the phrase 'pay the amount of such fee' for the phrase 'certify the amount of such fee for payment' and by striking, in subsection (b)(1)(A), the phrase 'or certified for payment'; and

''(v) by substituting, in subsection (b)(1)(B)(ii), the phrase 'deemed to be such amounts as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a)' for the phrase 'determined before any applicable reduction under section 1127(a))'.''; and

(4) by redesignating subparagraph (B) as subparagraph (D) and inserting after subparagraph (A) the following:

''(B) Subject to subparagraph (C), if the claimant is determined to be entitled to past-due benefits under this title and the person representing the claimant is an attorney, the Commissioner of Social Security shall pay out of such past-due benefits to such attorney an amount equal to the lesser of—

''(i) so much of the maximum fee as does not exceed 25 percent of such past-due benefits (as determined before any applicable reduction under section 1631(g) and reduced by the amount of any reduction in benefits under this title or title II pursuant to section 1127(a)), or

''(ii) the amount of past-due benefits available after any applicable reductions under sections 1631(g) and 1127(a).

''(C)(i) Whenever a fee for services is required to be paid to an attorney from a claimant's past-due benefits pursuant to subparagraph (B), the Commissioner shall impose on the attorney an assessment calculated in accordance with clause (ii).

''(ii)(I) The amount of an assessment under clause (i) shall be equal to the product obtained by multiplying the amount of the representative's fee that would be required to be paid by subparagraph (B) before the application of this subparagraph, by the percentage specified in subclause (II), except that the maximum amount of the assessment may not exceed $75. In the case of any calendar year beginning after the amendments made by section 302 of the Social Security Protection Act of 2003 take effect, the dollar amount specified in the preceding sentence (including a previously adjusted amount) shall be adjusted annually under the procedures used to adjust benefit amounts under section 215(i)(2)(A)(ii), except such adjustment shall be based on the higher of $75 or the previously adjusted amount that would have been in effect for December of the preceding year, but for the rounding of such amount pursuant to the following sentence. Any amount so adjusted that is not a multiple of $1 shall be rounded to the next lowest multiple of $1, but in no case less than $75.

''(II) The percentage specified in this subclause is such percentage rate as the Commissioner determines is necessary in order to achieve full recovery of the costs of determining and approving fees to attorneys from the past-due benefits of claimants, but not in excess of 6.3 percent.

''(iii) The Commissioner may collect the assessment imposed on an attorney under clause (i) by offset from the amount of the fee otherwise required by subparagraph (B) to be paid to the attorney from a claimant's past-due benefits.

''(iv) An attorney subject to an assessment under clause (i) may not, directly or indirectly, request or otherwise obtain reimbursement for such assessment from the claimant whose claim gave rise to the assessment.

''(v) Assessments on attorneys collected under this subparagraph shall be deposited as miscellaneous receipts in the general fund of the Treasury.

''(vi) The assessments authorized under this subparagraph shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Amounts so appropriated are authorized to remain available until expended, for administrative expenses in carrying out this title and related laws.''.

(b) CONFORMING AMENDMENTS.—Section 1631(a) of the Social Security Act (42 U.S.C. 1383(a)) is amended—

(1) in paragraph (2)(F)(i)(II), by inserting ''and payment of attorney fees under subsection (d)(2)(B)'' after ''subsection (g)''; and

(2) in paragraph (10)(A)—

(A) in the matter preceding clause (i), by inserting ''and payment of attorney fees under subsection (d)(2)(B)'' after ''subsection (g)''; and

(B) in the matter following clause (ii), by inserting ''and payment of attorney fees under subsection (d)(2)(B)'' after ''State''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to fees for representation of claimants which are first required to be paid under section 1631(d)(2) of the Social Security Act on or after the date of the submission by the Commissioner of Social Security to each House of Congress pursuant to section 303(d) of this Act of written notice of completion of full implementation of the requirements for operation of the demonstration project under section 303 of this Act.

(2) SUNSET.—Such amendments shall not apply with respect to fees for representation of claimants in the case of any claim for benefits with respect to which the agreement for representation is entered into after 5 years after the date described in paragraph (1).

SEC. 303. NATIONWIDE DEMONSTRATION PROJECT PROVIDING FOR EXTENSION OF FEE WITHHOLDING PROCEDURES TO NON-ATTORNEY REPRESENTATIVES.

(a) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the ''Commissioner'') shall develop and carry out a nationwide demonstration project under this section with respect to agents and other persons, other than attorneys, who represent claimants under titles II and XVI of the Social Security Act before the Commissioner. The demonstration project shall be designed to determine the potential results of extending to such representatives the fee withholding procedures and assessment procedures that apply under sections 206 and section 1631(d)(2) of such Act to attorneys seeking direct payment out of past due benefits under such titles and shall include an analysis of the effect of such extension on claimants and program administration.

(b) STANDARDS FOR INCLUSION IN DEMONSTRATION PROJECT.—Fee-withholding procedures may be extended under the demonstration project carried out pursuant to subsection (a) to any non-attorney representative only if such representative meets at least the following prerequisites:

(1) The representative has been awarded a bachelor's degree from an accredited institution of higher education, or has been determined by the Commissioner to have equivalent qualifications derived from training and work experience.

(2) The representative has passed an examination, written and administered by the Commissioner, which tests knowledge of the relevant provisions of the Social Security Act and the most recent developments in agency and court decisions affecting titles II and XVI of such Act.

(3) The representative has secured professional liability insurance, or equivalent insurance, which the Commissioner has determined to be adequate to protect claimants in the event of malpractice by the representative.

(4) The representative has undergone a criminal background check to ensure the representative's fitness to practice before the Commissioner.

(5) The representative demonstrates ongoing completion of qualified courses of continuing education, including education regarding ethics and professional conduct, which are designed to enhance professional knowledge in matters related to entitlement to, or eligibility for, benefits based on disability under titles II and XVI of such Act. Such continuing education, and the instructors providing such education, shall meet such standards as the Commissioner may prescribe.

(c) ASSESSMENT OF FEES.—

(1) IN GENERAL.—The Commissioner may assess representatives reasonable fees to cover the cost to the Social Security Administration of administering the prerequisites described in subsection (b).

(2) DISPOSITION OF FEES.—Fees collected under paragraph (1) shall be credited to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or deposited as miscellaneous receipts in the general fund of the Treasury, based on such allocations as the Commissioner of Social Security determines appropriate.

(3) AUTHORIZATION OF APPROPRIATIONS.—The fees authorized under this subparagraph shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Amounts so appropriated are authorized to remain available until expended for administering the prerequisites described in subsection (b).

(d) NOTICE TO CONGRESS AND APPLICABILITY OF FEE WITHHOLDING PROCEDURES.—Not later than 1 year after the date of enactment of this Act, the Commissioner shall complete such actions as are necessary to fully implement the requirements for full operation of the demonstration project and shall submit to each House of Congress a written notice of the completion of such actions. The applicability under this section to non-attorney representatives of the fee withholding procedures and assessment procedures under sections 206 and 1631(d)(2) of the Social Security Act shall be effective with respect to fees for representation of claimants in the case of claims for benefits with respect to which the agreement for representation is entered into by such non-attorney representatives during the period beginning with the date of the submission of such notice by the Commissioner to Congress and ending with the termination date of the demonstration project.

(e) REPORTS BY THE COMMISSIONER; TERMINATION.—

(1) INTERIM REPORTS.—On or before the date which is 1 year after the date of enactment of this Act, and annually thereafter, the Commissioner shall transmit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate an annual interim report on the progress of the demonstration project carried out under this section, together with any related data and materials that the Commissioner may consider appropriate.

(2) TERMINATION DATE AND FINAL REPORT.—The termination date of the demonstration project under this section is the date which is 5 years after the date of the submission of the notice by the Commissioner to each House of Congress pursuant to subsection (d). The authority under the preceding provisions of this section shall not apply in the case of claims for benefits with respect to which the agreement for representation is entered into after the termination date. Not later than 90 days after the termination date, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a final report with respect to the demonstration project.

SEC. 304. GAO STUDY REGARDING THE FEE PAYMENT PROCESS FOR CLAIMANT REPRESENTATIVES.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall study and evaluate the appointment and payment of claimant representatives appearing before the Commissioner of Social Security in connection with benefit claims under titles II and XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) in each of the following groups:

(A) Attorney claimant representatives who elect fee withholding under section 206 or 1631(d)(2) of such Act.

(B) Attorney claimant representatives who do not elect such fee withholding.

(C) Non-attorney claimant representatives who are eligible for, and elect, such fee withholding.

(D) Non-attorney claimant representatives who are eligible for, but do not elect, such fee withholding.

(E) Non-attorney claimant representatives who are not eligible for such fee withholding.

(2) MATTERS TO BE STUDIED.—In conducting the study under this subsection, the Comptroller General shall, for each of group of claimant representatives described in paragraph (1)—

(A) conduct a survey of the relevant characteristics of such claimant representatives including—

(i) qualifications and experience;

(ii) the type of employment of such claimant representatives, such as with an advocacy group, State or local government, or insurance or other company;

(iii) geographical distribution between urban and rural areas;

(iv) the nature of claimants' cases, such as whether the cases are for disability insurance benefits only, supplemental security income benefits only, or concurrent benefits;

(v) the relationship of such claimant representatives to claimants, such as whether the claimant is a friend, family member, or client of the claimant representative; and

(vi) the amount of compensation (if any) paid to the claimant representatives and the method of payment of such compensation;

(B) assess the quality and effectiveness of the services provided by such claimant representatives, including a comparison of claimant satisfaction or complaints and benefit outcomes, adjusted for differences in claimant representatives' caseload, claimants' diagnostic group, level of decision, and other relevant factors;

(C) assess the interactions between fee withholding under sections 206 and 1631(d)(2) of such Act (including under the amendments made by section 302 of this Act and under the demonstration project conducted under section 303 of this Act), the windfall offset under section 1127 of such Act, and interim assistance reimbursements under section 1631(g) of such Act;

(D) assess the potential results of making permanent the fee withholding procedures under sections 206 and 1631(d)(2) of such Act under the amendments made by section 302 of this Act and under the demonstration project conducted under section 303 of this Act with respect to program administration and claimant outcomes, and assess whether the rules and procedures employed by the Commissioner of Social Security to evaluate the qualifications and performance of claimant representatives should be revised prior to making such procedures permanent; and

(E) make such recommendations for administrative and legislative changes as the Comptroller General of the United States considers necessary or appropriate.

(3) CONSULTATION REQUIRED.—The Comptroller General of the United States shall consult with beneficiaries under title II of such Act, beneficiaries under title XVI of such Act, claimant representatives of beneficiaries under such titles, and other interested parties, in conducting the study and evaluation required under paragraph (1).

(b) REPORT.—Not later than 3 years after the date of the submission by the Commissioner of Social Security to each House of Congress pursuant to section 303(d) of this Act of written notice of completion of full implementation of the requirements for operation of the demonstration project under section 303 of this Act, the Comptroller General of the United States shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of the study and evaluation conducted pursuant to subsection (a).

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Subtitle A—Amendments Relating to the Ticket to Work and Work Incentives Improvement Act of 1999

SEC. 401. APPLICATION OF DEMONSTRATION AUTHORITY SUNSET DATE TO NEW PROJECTS.

Section 234 of the Social Security Act (42 U.S.C. 434) is amended—

(1) in the first sentence of subsection (c), by striking ''conducted under subsection (a)'' and inserting ''initiated under subsection (a) on or before December 17, 2005''; and

(2) in subsection (d)(2), by striking the first sentence and inserting the following: ''The authority to initiate projects under the preceding provisions of this section shall terminate on December 18, 2005.''.

SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE IN CONNECTION WITH DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.

Section 302(c) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 434 note) is amended by striking ''(42 U.S.C. 401 et seq.),'' and inserting ''(42 U.S.C. 401 et seq.) and the requirements of section 1148 of such Act (42 U.S.C. 1320b–19) as they relate to the program established under title II of such Act,''.

SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.

Section 302(f) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 434 note) is amended to read as follows:

''(f) EXPENDITURES.—Administrative expenses for demonstration projects under this section shall be paid from funds available for the administration of title II or XVIII of the Social Security Act, as appropriate. Benefits payable to or on behalf of individuals by reason of participation in projects under this section shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, from funds available for benefits under such title II or XVIII.''.

SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK INCENTIVE SERVICES TO ADDITIONAL INDIVIDUALS.

(a) FEDERAL WORK INCENTIVES OUTREACH PROGRAM.—

(1) IN GENERAL.—Section 1149(c)(2) of the Social Security Act (42 U.S.C. 1320b–20(c)(2)) is amended to read as follows:

''(2) DISABLED BENEFICIARY.—The term 'disabled beneficiary' means an individual—

''(A) who is a disabled beneficiary as defined in section 1148(k)(2) of this Act;

''(B) who is receiving a cash payment described in section 1616(a) of this Act or a supplementary payment described in section 212(a)(3) of Public Law 93–66 (without regard to whether such payment is paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or under section 212(b) of Public Law 93–66);

''(C) who, pursuant to section 1619(b) of this Act, is considered to be receiving benefits under title XVI of this Act; or

''(D) who is entitled to benefits under part A of title XVIII of this Act by reason of the penultimate sentence of section 226(b) of this Act.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to grants, cooperative agreements, or contracts entered into on or after the date of the enactment of this Act.

(b) STATE GRANTS FOR WORK INCENTIVES ASSISTANCE.—

(1) DEFINITION OF DISABLED BENEFICIARY.—Section 1150(g)(2) of such Act (42 U.S.C. 1320b–21(g)(2)) is amended to read as follows:

''(2) DISABLED BENEFICIARY.—The term 'disabled beneficiary' means an individual—

''(A) who is a disabled beneficiary as defined in section 1148(k)(2) of this Act;

''(B) who is receiving a cash payment described in section 1616(a) of this Act or a supplementary payment described in section 212(a)(3) of Public Law 93–66 (without regard to whether such payment is paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or under section 212(b) of Public Law 93–66);

''(C) who, pursuant to section 1619(b) of this Act, is considered to be receiving benefits under title XVI of this Act; or

''(D) who is entitled to benefits under part A of title XVIII of this Act by reason of the penultimate sentence of section 226(b) of this Act.''.

(2) ADVOCACY OR OTHER SERVICES NEEDED TO MAINTAIN GAINFUL EMPLOYMENT.—Section 1150(b)(2) of such Act (42 U.S.C. 1320b–21(b)(2)) is amended by striking ''secure or regain'' and inserting ''secure, maintain, or regain''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to payments provided after the date of the enactment of this Act.

SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREATMENT FOR CERTAIN PURPOSES OF INDIVIDUAL WORK PLANS UNDER THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Section 1148(g)(1) of the Social Security Act (42 U.S.C. 1320b–19(g)(1)) is amended by adding at the end, after and below subparagraph (E), the following:

''An individual work plan established pursuant to this subsection shall be treated, for purposes of section 51(d)(6)(B)(i) of the Internal Revenue Code of 1986, as an individualized written plan for employment under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in section 505 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106–170; 113 Stat. 1921).

SEC. 406. GAO STUDY REGARDING THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) GAO REPORT.—Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress regarding the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19) that—

(1) examines the annual and interim reports issued by States, the Ticket to Work and Work Incentives Advisory Panel established under section 101(f) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 1320b–19 note), and the Commissioner of Social Security regarding such program;

(2) assesses the effectiveness of the activities carried out under such program; and

(3) recommends such legislative or administrative changes as the Comptroller General determines are appropriate to improve the effectiveness of such program.

SEC. 407. REAUTHORIZATION OF APPROPRIATIONS FOR CERTAIN WORK INCENTIVES PROGRAMS.

(a) BENEFITS PLANNING, ASSISTANCE, AND OUTREACH.—Section 1149(d) of the Social Security Act (42 U.S.C. 1320b–20(d)) is amended by striking ''2004'' and inserting ''2009''.

(b) PROTECTION AND ADVOCACY.—Section 1150(h) of the Social Security Act (42 U.S.C. 1320b–21(h)) is amended by striking ''2004'' and inserting ''2009''.

Subtitle B—Miscellaneous Amendments

SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN REMAND CASES FULLY FAVORABLE TO THE CLAIMANT.

(a) IN GENERAL.—Section 205(g) of the Social Security Act (42 U.S.C. 405(g)) is amended in the sixth sentence by striking ''and a transcript'' and inserting ''and, in any case in which the Commissioner has not made a decision fully favorable to the individual, a transcript''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to final determinations issued (upon remand) on or after the date of the enactment of this Act.

SEC. 412. NONPAYMENT OF BENEFITS UPON REMOVAL FROM THE UNITED STATES.

(a) IN GENERAL.—Section 202(n) of the Social Security Act (42 U.S.C. 402(n)) is amended—

(1) in paragraph (1), by striking ''section 241(a) (other than under paragraph (1)(C) or (1)(E) thereof) of the Immigration and Nationality Act'' and inserting ''section 237(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) of such section) or under section 212(a)(6)(A) of such Act'';

(2) in paragraph (2), by striking ''section 241(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) or (1)(E) thereof)'' and inserting ''section 237(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) of such section) or under section 212(a)(6)(A) of such Act'';

(3) in paragraph (3), by striking ''paragraph (19) of section 241(a) of the Immigration and Nationality Act (relating to persecution of others on account of race, religion, national origin, or political opinion, under the direction of or in association with the Nazi government of Germany or its allies) shall be considered to have been deported under such paragraph (19)'' and inserting ''paragraph (4)(D) of section 241(a) of the Immigration and Nationality Act (relating to participating in Nazi persecutions or genocide) shall be considered to have been deported under such paragraph (4)(D)''; and

(4) in paragraph (3) (as amended by paragraph (3) of this subsection), by striking ''241(a)'' and inserting ''237(a)''.

(b) TECHNICAL CORRECTIONS.—

(1) TERMINOLOGY REGARDING REMOVAL FROM THE UNITED STATES.—Section 202(n) of the Social Security Act (42 U.S.C. 402(n)) (as amended by subsection (a)) is amended further—

(A) by striking ''deportation'' each place it appears and inserting ''removal'';

(B) by striking ''deported'' each place it appears and inserting ''removed''; and

(C) in the heading, by striking ''Deportation'' and inserting ''Removal''.

(2) REFERENCES TO THE SECRETARY OF HOMELAND SECURITY.—Section 202(n) of the Social Security Act (42 U.S.C. 402(n)) (as amended by subsection (a) and paragraph (1)) is amended further by inserting ''or the Secretary of Homeland Security'' after ''the Attorney General'' each place it appears.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by—

(A) subsection (a)(1) shall apply to individuals with respect to whom the Commissioner of Social Security receives a removal notice after the date of the enactment of this Act;

(B) subsection (a)(2) shall apply with respect to notifications of removals received by the Commissioner of Social Security after the date of enactment of this Act; and

(C) subsection (a)(3) shall be effective as if enacted on March 1, 1991.

(2) SUBSEQUENT CORRECTION OF CROSS-REFERENCE AND TERMINOLOGY.—The amendments made by subsections (a)(4) and (b)(1) shall be effective as if enacted on April 1, 1997.

(3) REFERENCES TO THE SECRETARY OF HOMELAND SECURITY.—The amendment made by subsection (b)(2) shall be effective as if enacted on March 1, 2003.

SEC. 413. REINSTATEMENT OF CERTAIN REPORTING REQUIREMENTS.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) shall not apply to any report required to be submitted under any of the following provisions of law:

(1)(A) Section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)).

(B) Section 1817(b)(2) of the Social Security Act (42 U.S.C. 1395i(b)(2)).

(C) Section 1841(b)(2) of the Social Security Act (42 U.S.C. 1395t(b)(2)).

(2)(A) Section 221(c)(3)(C) of the Social Security Act (42 U.S.C. 421(c)(3)(C)).

(B) Section 221(i)(3) of the Social Security Act (42 U.S.C. 421(i)(3)).

SEC. 414. CLARIFICATION OF DEFINITIONS REGARDING CERTAIN SURVIVOR BENEFITS.

(a) WIDOWS.—Section 216(c) of the Social Security Act (42 U.S.C. 416(c)) is amended—

(1) by redesignating subclauses (A) through (C) of clause (6) as subclauses (i) through (iii), respectively;

(2) by redesignating clauses (1) through (6) as clauses (A) through (F), respectively;

(3) in clause (E) (as redesignated), by inserting ''except as provided in paragraph (2),'' before ''she was married'';

(4) by inserting ''(1)'' after ''(c)''; and

(5) by adding at the end the following:

''(2) The requirements of paragraph (1)(E) in connection with the surviving wife of an individual shall be treated as satisfied if—

''(A) the individual had been married prior to the individual's marriage to the surviving wife,

''(B) the prior wife was institutionalized during the individual's marriage to the prior wife due to mental incompetence or similar incapacity,

''(C) during the period of the prior wife's institutionalization, the individual would have divorced the prior wife and married the surviving wife, but the individual did not do so because such divorce would have been unlawful, by reason of the prior wife's institutionalization, under the laws of the State in which the individual was domiciled at the time (as determined based on evidence satisfactory to the Commissioner of Social Security),

''(D) the prior wife continued to remain institutionalized up to the time of her death, and

''(E) the individual married the surviving wife within 60 days after the prior wife's death.''.

(b) WIDOWERS.—Section 216(g) of such Act (42 U.S.C. 416(g)) is amended—

(1) by redesignating subclauses (A) through (C) of clause (6) as subclauses (i) through (iii), respectively;

(2) by redesignating clauses (1) through (6) as clauses (A) through (F), respectively;

(3) in clause (E) (as redesignated), by inserting ''except as provided in paragraph (2),'' before ''he was married'';

(4) by inserting ''(1)'' after ''(g)''; and

(5) by adding at the end the following:

''(2) The requirements of paragraph (1)(E) in connection with the surviving husband of an individual shall be treated as satisfied if—

''(A) the individual had been married prior to the individual's marriage to the surviving husband,

''(B) the prior husband was institutionalized during the individual's marriage to the prior husband due to mental incompetence or similar incapacity,

''(C) during the period of the prior husband's institutionalization, the individual would have divorced the prior husband and married the surviving husband, but the individual did not do so because such divorce would have been unlawful, by reason of the prior husband's institutionalization, under the laws of the State in which the individual was domiciled at the time (as determined based on evidence satisfactory to the Commissioner of Social Security),

''(D) the prior husband continued to remain institutionalized up to the time of his death, and

''(E) the individual married the surviving husband within 60 days after the prior husband's death.''.

(c) CONFORMING AMENDMENT.—Section 216(k) of such Act (42 U.S.C. 416(k)) is amended by striking ''clause (5) of subsection (c) or clause (5) of subsection (g)'' and inserting ''clause (E) of subsection (c)(1) or clause (E) of subsection (g)(1)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications for benefits under title II of the Social Security Act filed during months ending after the date of the enactment of this Act.

SEC. 415. CLARIFICATION RESPECTING THE FICA AND SECA TAX EXEMPTIONS FOR AN INDIVIDUAL WHOSE EARNINGS ARE SUBJECT TO THE LAWS OF A TOTALIZATION AGREEMENT PARTNER.

Sections 1401(c), 3101(c), and 3111(c) of the Internal Revenue Code of 1986 are each amended by striking ''to taxes or contributions for similar purposes under'' and inserting ''exclusively to the laws applicable to''.

SEC. 416. COVERAGE UNDER DIVIDED RETIREMENT SYSTEM FOR PUBLIC EMPLOYEES IN KENTUCKY AND LOUISIANA.

(a) IN GENERAL.—Section 218(d)(6)(C) of the Social Security Act (42 U.S.C. 418(d)(6)(C)) is amended by inserting ''Kentucky, Louisiana,'' after ''Illinois,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2003.

SEC. 417. COMPENSATION FOR THE SOCIAL SECURITY ADVISORY BOARD.

(a) IN GENERAL.—Subsection (f) of section 703 of the Social Security Act (42 U.S.C. 903(f)) is amended to read as follows:

''Compensation, Expenses, and Per Diem

''(f) A member of the Board shall, for each day (including traveltime) during which the member is attending meetings or conferences of the Board or otherwise engaged in the business of the Board, be compensated at the daily rate of basic pay for level IV of the Executive Schedule. While serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as of January 1, 2003.

SEC. 418. 60-MONTH PERIOD OF EMPLOYMENT REQUIREMENT FOR APPLICATION OF GOVERNMENT PENSION OFFSET EXEMPTION.

(a) IN GENERAL.—Section 202(k) of the Social Security Act (42 U.S.C. 402(k)) is amended by adding at the end the following:

''(5)(A) The amount of a monthly insurance benefit of any individual for each month under subsection (b), (c), (e), (f), or (g) (as determined after application of the provisions of subsection (q) and the preceding provisions of this subsection) shall be reduced (but not below zero) by an amount equal to two-thirds of the amount of any monthly periodic benefit payable to such individual for such month which is based upon such individual's earnings while in the service of the Federal Government or any State (or political subdivision thereof, as defined in section 218(b)(2)) if, during any portion of the last 60 months of such service ending with the last day such individual was employed by such entity—

''(i) such service did not constitute 'employment' as defined in section 210, or

''(ii) such service was being performed while in the service of the Federal Government, and constituted 'employment' as so defined solely by reason of—

''(I) clause (ii) or (iii) of subparagraph (G) of section 210(a)(5), where the lump-sum payment described in such clause (ii) or the cessation of

coverage described in such clause (iii) (whichever is applicable) was received or occurred on or after January 1, 1988, or

''(II) an election to become subject to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of the Foreign Service Act of 1980 made pursuant to law after December 31, 1987,

unless subparagraph (B) applies.

The amount of the reduction in any benefit under this subparagraph, if not a multiple of $0.10, shall be rounded to the next higher multiple of $0.10.

''(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).

''(ii) Subparagraph (A)(ii) shall not apply with respect to monthly periodic benefits based in whole or in part on service which constituted 'employment' as defined in section 210 if such service was performed for at least 60 months in the aggregate during the period beginning January 1, 1988, and ending with the close of the first calendar month as of the end of which such individual is eligible for benefits under this subsection and has made a valid application for such benefits.

''(C) For purposes of this paragraph, any periodic benefit which otherwise meets the requirements of subparagraph (A), but which is paid on other than a monthly basis, shall be allocated on a basis equivalent to a monthly benefit (as determined by the Commissioner of Social Security) and such equivalent monthly benefit shall constitute a monthly periodic benefit for purposes of subparagraph (A). For purposes of this subparagraph, the term 'periodic benefit' includes a benefit payable in a lump sum if it is a commutation of, or a substitute for, periodic payments.''.

(b) CONFORMING AMENDMENTS.—

(1) WIFE'S INSURANCE BENEFITS.—Section 202(b) of the Social Security Act (42 U.S.C. 402(b)) is amended—

(A) in paragraph (2), by striking ''subsection (q) and paragraph (4) of this subsection'' and inserting ''subsections (k)(5) and (q)''; and

(B) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(2) HUSBAND'S INSURANCE BENEFITS.—Section 202(c) of the Social Security Act (42 U.S.C. 402(c)) is amended—

(A) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(B) in paragraph (2) as so redesignated, by striking ''subsection (q) and paragraph (2) of this subsection'' and inserting ''subsections (k)(5) and (q)''.

(3) WIDOW'S INSURANCE BENEFITS.—Section 202(e) of the Social Security Act (42 U.S.C. 402(e)) is amended—

(A) in paragraph (2)(A), by striking ''subsection (q), paragraph (7) of this subsection,'' and inserting ''subsection (k)(5), subsection (q),''; and

(B) by striking paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(4) WIDOWER'S INSURANCE BENEFITS.—

(A) IN GENERAL.—Section 202(f) of the Social Security Act (42 U.S.C. 402(f)) is amended—

(i) by striking paragraph (2) and redesignating paragraphs (3) through (9) as paragraphs (2) through (8), respectively; and

(ii) in paragraph (2) as so redesignated, by striking ''subsection (q), paragraph (2) of this subsection,'' and inserting ''subsection (k)(5), subsection (q),''.

(B) CONFORMING AMENDMENTS.—

(i) Section 202(f)(1)(B) of the Social Security Act (42 U.S.C. 402(f)(1)(B)) is amended by striking ''paragraph (5)'' and inserting ''paragraph (4)''.

(ii) Section 202(f)(1)(F) of the Social Security Act (42 U.S.C. 402(f)(1)(F)) is amended by striking ''paragraph (6)'' and ''paragraph (5)'' (in clauses (i) and (ii)) and inserting ''paragraph (5)'' and ''paragraph (4)'', respectively.

(iii) Section 202(f)(5)(A)(ii) of the Social Security Act (as redesignated by subparagraph (A)(i)) is amended by striking ''paragraph (5)'' and inserting ''paragraph (4)''.

(iv) Section 202(k)(2)(B) of the Social Security Act (42 U.S.C. 402(k)(2)(B)) is amended by striking ''or (f)(4)'' each place it appears and inserting ''or (f)(3)''.

(v) Section 202(k)(3)(A) of the Social Security Act (42 U.S.C. 402(k)(3)(A)) is amended by striking ''or (f)(3)'' and inserting ''or (f)(2)''.

(vi) Section 202(k)(3)(B) of the Social Security Act (42 U.S.C. 402(k)(3)(B)) is amended by striking ''or (f)(4)'' and inserting ''or (f)(3)''.

(vii) Section 226(e)(1)(A)(i) of the Social Security Act (42 U.S.C. 426(e)(1)(A)(i)) is amended by striking ''and 202(f)(5)'' and inserting ''and 202(f)(4)''.

(5) MOTHER'S AND FATHER'S INSURANCE BENEFITS.—Section 202(g) of the Social Security Act (42 U.S.C. 402(g)) is amended—

(A) in paragraph (2), by striking ''Except as provided in paragraph (4) of this subsection, such'' and inserting ''Such''; and

(B) by striking paragraph (4).

(c) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to applications for benefits under title II of the Social Security Act filed on or after the first day of the first month that begins after the date of enactment of this Act, except that such amendments shall not apply in connection with monthly periodic benefits of any individual based on earnings while in service described in section 202(k)(5)(A) of the Social Security Act (in the matter preceding clause (i) thereof) if the last day of such service occurs before July 1, 2004.

(2) TRANSITIONAL RULE.—In the case of any individual whose last day of service described in subparagraph (A) of section 202(k)(5) of the Social Security Act (as added by subsection (a) of this section) occurs within 5 years after the date of enactment of this Act—

(A) the 60-month period described in such subparagraph (A) shall be reduced (but not to less than 1 month) by the number of months of such service (in the aggregate and without regard to whether such months of service were continuous) which—

(i) were performed by the individual under the same retirement system on or before the date of enactment of this Act, and

(ii) constituted ''employment'' as defined in section 210 of the Social Security Act; and

(B) months of service necessary to fulfill the 60-month period as reduced by subparagraph (A) of this paragraph must be performed after the date of enactment of this Act.

SEC. 419. DISCLOSURE TO WORKERS OF EFFECT OF WINDFALL ELIMINATION PROVISION AND GOVERNMENT PENSION OFFSET PROVISION.

(a) INCLUSION OF NONCOVERED EMPLOYEES AS ELIGIBLE INDIVIDUALS ENTITLED TO SOCIAL SECURITY ACCOUNT STATEMENTS.—Section 1143(a)(3) of the Social Security Act (42 U.S.C. 1320b–13(a)(3)) is amended—

(1) by striking ''who'' after ''an individual'' and inserting ''who'' before ''has'' in each of subparagraphs (A) and (B);

(2) by inserting ''(i) who'' after ''(C)''; and

(3) by inserting before the period the following: '', or (ii) with respect to whom the Commissioner has information that the pattern of wages or self-employment income indicate a likelihood of noncovered employment''.

(b) EXPLANATION IN SOCIAL SECURITY ACCOUNT STATEMENTS OF POSSIBLE EFFECTS OF PERIODIC BENEFITS UNDER STATE AND LOCAL RETIREMENT SYSTEMS ON SOCIAL SECURITY BENEFITS.—Section 1143(a)(2) of the Social Security Act (42 U.S.C. 1320b–13(a)(2)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(E) in the case of an eligible individual described in paragraph (3)(C)(ii), an explanation, in language calculated to be understood by the average eligible individual, of the operation of the provisions under sections 202(k)(5) and 215(a)(7) and an explanation of the maximum potential effects of such provisions on the eligible individual's monthly retirement, survivor, and auxiliary benefits.''.

(c) TRUTH IN RETIREMENT DISCLOSURE TO GOVERNMENTAL EMPLOYEES OF EFFECT OF NONCOVERED EMPLOYMENT ON BENEFITS UNDER TITLE II.—Section 1143 of the Social Security Act (42 U.S..C. 1320b–13) is amended further by adding at the end the following:

''Disclosure to Governmental Employees of Effect of Noncovered Employment

''(d)(1) In the case of any individual commencing employment on or after January 1, 2005, in any agency or instrumentality of any State (or political subdivision thereof, as defined in section 218(b)(2)) in a position in which service performed by the individual does not constitute 'employment' as defined in section 210, the head of the agency or instrumentality shall ensure that, prior to the date of the commencement of the individual's employment in the position, the individual is provided a written notice setting forth an explanation, in language calculated to be understood by the average individual, of the maximum effect on computations of primary insurance amounts (under section 215(a)(7)) and the effect on benefit amounts (under section 202(k)(5)) of monthly periodic payments or benefits payable based on earnings derived in such service. Such notice shall be in a form which shall be prescribed by the Commissioner of Social Security.

''(2) The written notice provided to an individual pursuant to paragraph (1) shall include a form which, upon completion and signature by the individual, would constitute certification by the individual of receipt of the notice. The agency or instrumentality providing the notice to the individual shall require that the form be completed and signed by the individual and submitted to the agency or instrumentality and to the pension, annuity, retirement, or similar fund or system established by the governmental entity involved responsible for paying the monthly periodic payments or benefits, before commencement of service with the agency or instrumentality.''.

(d) EFFECTIVE DATES.—The amendments made by subsections (a) and (b) of this section shall apply with respect to social security account statements issued on or after January 1, 2007.

SEC. 420. POST-1956 MILITARY WAGE CREDITS.

(a) PAYMENT TO THE SOCIAL SECURITY TRUST FUNDS IN SATISFACTION OF OUTSTANDING OBLIGATIONS.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following:

''(n) Not later than July 1, 2004, the Secretary of the Treasury shall transfer, from amounts in the general fund of the Treasury that are not otherwise appropriated—

''(1) $624,971,854 to the Federal Old-Age and Survivors Insurance Trust Fund;

''(2) $105,379,671 to the Federal Disability Insurance Trust Fund; and

''(3) $173,306,134 to the Federal Hospital Insurance Trust Fund.

Amounts transferred in accordance with this subsection shall be in satisfaction of certain outstanding obligations for deemed wage credits for 2000 and 2001.''.

(b) CONFORMING AMENDMENTS.—

(1) REPEAL OF AUTHORITY FOR ANNUAL APPROPRIATIONS AND RELATED ADJUSTMENTS TO COMPENSATE THE SOCIAL SECURITY TRUST FUND FOR MILITARY WAGE CREDITS.—Section 229 of the Social Security Act (42 U.S.C. 429) is amended—

(A) by striking ''(a)''; and

(B) by striking subsection (b).

(2) AMENDMENT TO REFLECT THE TERMINATION OF WAGE CREDITS EFFECTIVE AFTER CALENDAR YEAR 2001 BY SECTION 8134 OF PUBLIC LAW 107–117.—Section 229(a)(2) of the Social Security Act (42 U.S.C. 429(a)(2)), as amended by paragraph (1), is amended by inserting ''and before 2002'' after ''1977''.

SEC. 420A. ELIMINATION OF DISINCENTIVE TO RETURN-TO-WORK FOR CHILDHOOD DISABILITY BENEFICIARIES.

(a) IN GENERAL.—Section 202(d)(6)(B) of the Social Security Act (42 U.S.C. 402(d)(6)(B)) is amended—

(1) by inserting ''(i)'' after ''began''; and

(2) by adding after ''such disability,'' the following: ''or (ii) after the close of the 84th month following the month in which his most recent entitlement to child's insurance benefits terminated because he ceased to be under such disability due to performance of substantial gainful activity,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to benefits payable for months beginning with the 7th month that begins after the date of enactment of this Act.

Subtitle C—Technical Amendments

SEC. 421. TECHNICAL CORRECTION RELATING TO RESPONSIBLE AGENCY HEAD.

Section 1143 of the Social Security Act (42 U.S.C. 1320b–13) is amended—

(1) by striking ''Secretary'' the first place it appears and inserting ''Commissioner of Social Security''; and

(2) by striking ''Secretary'' each subsequent place it appears and inserting ''Commissioner''.

SEC. 422. TECHNICAL CORRECTION RELATING TO RETIREMENT BENEFITS OF MINISTERS.

(a) IN GENERAL.—Section 211(a)(7) of the Social Security Act (42 U.S.C. 411(a)(7)) is amended by inserting '', but shall not include in any such net earnings from self-employment the rental value of any parsonage or any parsonage allowance (whether or not excluded under section 107 of the Internal Revenue Code of 1986) provided after the individual retires, or any other retirement benefit received by such individual from a church plan (as defined in section 414(e) of such Code) after the individual retires'' before the semicolon.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning before, on, or after December 31, 1994.

SEC. 423. TECHNICAL CORRECTIONS RELATING TO DOMESTIC EMPLOYMENT.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 3121(a)(7)(B) of the Internal Revenue Code of 1986 is amended by striking ''described in subsection (g)(5)'' and inserting ''on a farm operated for profit''.

(b) AMENDMENT TO SOCIAL SECURITY ACT.—Section 209(a)(6)(B) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended by striking ''described in section 210(f)(5)'' and inserting ''on a farm operated for profit''.

(c) CONFORMING AMENDMENT.—Section 3121(g)(5) of such Code and section 210(f)(5) of such Act (42 U.S.C. 410(f)(5)) are amended by striking ''or is domestic service in a private home of the employer''.

SEC. 424. TECHNICAL CORRECTIONS OF OUTDATED REFERENCES.

(a) CORRECTION OF CITATION RESPECTING THE TAX DEDUCTION RELATING TO HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—Section 211(a)(15) of the Social Security Act (42 U.S.C. 411(a)(15)) is amended by striking ''section 162(m)'' and inserting ''section 162(l)''.

(b) ELIMINATION OF REFERENCE TO OBSOLETE 20-DAY AGRICULTURAL WORK TEST.—Section 3102(a) of the Internal Revenue Code of 1986 is amended by striking ''and the employee has not performed agricultural labor for the employer on 20 days or more in the calendar year for cash remuneration computed on a time basis''.

SEC. 425. TECHNICAL CORRECTION RESPECTING SELF-EMPLOYMENT INCOME IN COMMUNITY PROPERTY STATES.

(a) SOCIAL SECURITY ACT AMENDMENT.—Section 211(a)(5)(A) of the Social Security Act (42 U.S.C. 411(a)(5)(A)) is amended by striking ''all of the gross income'' and all that follows and inserting ''the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the spouse carrying on such trade or business or, if such trade or business is jointly operated, treated as the gross income and deductions of each spouse on the basis of their respective distributive share of the gross income and deductions;''.

(b) INTERNAL REVENUE CODE OF 1986 AMENDMENT.—Section 1402(a)(5)(A) of the Internal Revenue Code of 1986 is amended by striking ''all of the gross income'' and all that follows and inserting ''the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the spouse carrying on such trade or business or, if such trade or business is jointly operated, treated as the gross income and deductions of each spouse on the basis of their respective distributive share of the gross income and deductions; and''.

SEC. 426. TECHNICAL AMENDMENTS TO THE RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT ACT OF 2001.

(a) QUORUM RULES.—Section 15(j)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(7)) is amended by striking ''entire Board of Trustees'' and inserting ''Trustees then holding office''.

(b) POWERS OF THE BOARD OF TRUSTEES.—Section 15(j)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(4)) is amended to read as follows:

''(4) POWERS OF THE BOARD OF TRUSTEES.—The Board of Trustees shall—

''(A) retain independent advisers to assist it in the formulation and adoption of its investment guidelines;

''(B) invest assets of the Trust in a manner consistent with such investment guidelines, either directly or through the retention of independent investment managers;

''(C) adopt bylaws and other rules to govern its operations;

''(D) employ professional staff, and contract with outside advisers, including the Railroad Retirement Board, to provide legal, accounting, investment advisory or management services (compensation for which may be on a fixed contract fee basis or on such other terms as are customary for such services), or other services necessary for the proper administration of the Trust;

''(E) sue and be sued and participate in legal proceedings, have and use a seal, conduct business, carry on operations, and exercise its powers within or without the District of Columbia, form, own, or participate in entities of any kind, enter into contracts and agreements necessary to carry out its business purposes, lend money for such purposes, and deal with property as security for the payment of funds so loaned, and possess and exercise any other powers appropriate to carry out the purposes of the Trust;

''(F) pay administrative expenses of the Trust from the assets of the Trust; and

''(G) transfer money to the disbursing agent or as otherwise provided in section 7(b)(4), to pay benefits payable under this Act from the assets of the Trust.''.

(c) STATE AND LOCAL TAXES.—Section 15(j)(6) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(6)) is amended to read as follows:

''(6) STATE AND LOCAL TAXES.—The Trust shall be exempt from any income, sales, use, property, or other similar tax or fee imposed or levied by a State, political subdivision, or local taxing authority. The district courts of the United States shall have original jurisdiction over a civil action brought by the Trust to enforce this subsection and may grant equitable or declaratory relief requested by the Trust.''.

(d) FUNDING.—Section 15(j)(8) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(8)) is repealed.

(e) TRANSFERS.—Section 15A(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(d)(2)) is amended—

(1) by inserting ''or the Railroad Retirement Account'' after ''National Railroad Retirement Investment Trust'' the second place it appears;

(2) by inserting ''or the Railroad Retirement Board'' after ''National Railroad Retirement Investment Trust'' the third place it appears;

(3) by inserting ''(either directly or through a commingled account consisting only of such obligations)'' after ''United States'' the first place it appears; and

(4) in the third sentence, by inserting before the period at the end the following: ''or to purchase such additional obligations''.

(f) CLERICAL AMENDMENTS.—Section 15(j)(5) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(5)) is amended—

(1) in subparagraph (B), by striking ''trustee's'' each place it appears and inserting ''Trustee's'';

(2) in subparagraph (C), by striking ''trustee'' and ''trustees'' each place it appears and inserting ''Trustee'' and ''Trustees'', respectively; and

(3) in the matter preceding clause (i) of subparagraph (D), by striking ''trustee'' and inserting ''Trustee''.

Subtitle D—Amendments Related to Title XVI

SEC. 430. EXCLUSION FROM INCOME FOR CERTAIN INFREQUENT OR IRREGULAR INCOME AND CERTAIN INTEREST OR DIVIDEND INCOME.

(a) INFREQUENT OR IRREGULAR INCOME.—Section 1612(b)(3) of the Social Security Act (42 U.S.C. 1382a(b)(3)) is amended to read as follows—

''(3) in any calendar quarter, the first—

''(A) $60 of unearned income, and

''(B) $30 of earned income,

of such individual (and such spouse, if any) which, as determined in accordance with criteria prescribed by the Commissioner of Social Security, is received too infrequently or irregularly to be included;''.

(b) INTEREST OR DIVIDEND INCOME.—Section 1612(b) of the Social Security Act (42 U.S.C. 1382a(b)) is amended—

(1) in paragraph (21), by striking ''and'' at the end;

(2) in paragraph (22), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(23) interest or dividend income from resources—

''(A) not excluded under section 1613(a), or

''(B) excluded pursuant to Federal law other than section 1613(a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to benefits payable for months in calendar quarters that begin more than 90 days after the date of the enactment of this Act.

SEC. 431. UNIFORM 9-MONTH RESOURCE EXCLUSION PERIODS.

(a) UNDERPAYMENTS OF BENEFITS.—Section 1613(a)(7) of the Social Security Act (42 U.S.C. 1382b(a)(7)) is amended—

(1) by striking ''6'' and inserting ''9''; and

(2) by striking ''(or to the first 9 months following such month with respect to any amount so received during the period beginning October 1, 1987, and ending September 30, 1989)''.

(b) ADVANCEABLE TAX CREDITS.—Section 1613(a)(11) of the Social Security Act (42 U.S.C. 1382b(a)(11)) is amended to read as follows:

''(11) for the 9-month period beginning after the month in which received—

''(A) notwithstanding section 203 of the Economic Growth and Tax Relief Reconciliation Act of 2001, any refund of Federal income taxes made to such individual (or such spouse) under

section 24 of the Internal Revenue Code of 1986 (relating to child tax credit) by reason of subsection (d) thereof; and

''(B) any refund of Federal income taxes made to such individual (or such spouse) by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit), and any payment made to such individual (or such spouse) by an employer under section 3507 of such Code (relating to advance payment of earned income credit);''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act, and shall apply to amounts described in paragraph (7) of section 1613(a) of the Social Security Act and refunds of Federal income taxes described in paragraph (11) of such section, that are received by an eligible individual or eligible spouse on or after such date.

SEC. 432. ELIMINATION OF CERTAIN RESTRICTIONS ON THE APPLICATION OF THE STUDENT EARNED INCOME EXCLUSION.

(a) IN GENERAL.—Section 1612(b)(1) of the Social Security Act (42 U.S.C. 1382a(b)(1)) is amended by striking ''a child who'' and inserting ''under the age of 22 and''.

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective with respect to benefits payable for months that begin on or after 1 year after the date of enactment of this Act.

SEC. 433. EXCEPTION TO RETROSPECTIVE MONTHLY ACCOUNTING FOR NONRECURRING INCOME.

(a) IN GENERAL.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(c)) is amended by adding at the end the following:

''(9)(A) Notwithstanding paragraphs (1) and (2), any nonrecurring income which is paid to an individual in the first month of any period of eligibility shall be taken into account in determining the amount of the benefit under this title of such individual (and his eligible spouse, if any) only for that month, and shall not be taken into account in determining the amount of the benefit for any other month.

''(B) For purposes of subparagraph (A), payments to an individual in varying amounts from the same or similar source for the same or similar purpose shall not be considered to be nonrecurring income.''.

(b) DELETION OF OBSOLETE MATERIAL.—Section 1611(c)(2)(B) of the Social Security Act (42 U.S.C. 1382(c)(2)(B)) is amended to read as follows:

''(B) in the case of the first month following a period of ineligibility in which eligibility is restored after the first day of such month, bear the same ratio to the amount of the benefit which would have been payable to such individual if eligibility had been restored on the first day of such month as the number of days in such month including and following the date of restoration of eligibility bears to the total number of days in such month.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to benefits payable for months that begin on or after 1 year after the date of enactment of this Act.

SEC. 434. REMOVAL OF RESTRICTION ON PAYMENT OF BENEFITS TO CHILDREN WHO ARE BORN OR WHO BECOME BLIND OR DISABLED AFTER THEIR MILITARY PARENTS ARE STATIONED OVERSEAS.

(a) IN GENERAL.—Section 1614(a)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended—

(1) by inserting ''and'' after ''citizen of the United States,''; and

(2) by striking '', and who,'' and all that follows and inserting a period.

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to benefits payable for months beginning after the date of enactment of this Act, but only on the basis of an application filed after such date.

SEC. 435. TREATMENT OF EDUCATION-RELATED INCOME AND RESOURCES.

(a) EXCLUSION FROM INCOME OF GIFTS PROVIDED FOR TUITION AND OTHER EDUCATION-RELATED FEES.—Section 1612(b)(7) of the Social Security Act (42 U.S.C. 1382a(b)(7)) is amended by striking ''or fellowship received for use in paying'' and inserting ''fellowship, or gift (or portion of a gift) used to pay''.

(b) EXCLUSION FROM RESOURCES FOR 9 MONTHS OF GRANTS, SCHOLARSHIPS, FELLOWSHIPS, OR GIFTS PROVIDED FOR TUITION AND OTHER EDUCATION-RELATED FEES.—Section 1613(a) of the Social Security Act (42 U.S.C. 1382b(a)) (as amended by section 101(c)(2)) is amended—

(1) in paragraph (13), by striking ''and'' at the end;

(2) in paragraph (14), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (14) the following:

''(15) for the 9-month period beginning after the month in which received, any grant, scholarship, fellowship, or gift (or portion of a gift) used to pay the cost of tuition and fees at any educational (including technical or vocational education) institution.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits payable for months that begin more than 90 days after the date of enactment of this Act.

SEC. 436. MONTHLY TREATMENT OF UNIFORMED SERVICE COMPENSATION.

(a) TREATMENT OF PAY AS RECEIVED WHEN EARNED.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(c)), as amended by section 435(a), is amended by adding at the end the following:

''(10) For purposes of this subsection, remuneration for service performed as a member of a uniformed service may be treated as received in the month in which it was earned, if the Commissioner of Social Security determines that such treatment would promote the economical and efficient administration of the program authorized by this title.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits payable for months that begin more than 90 days after the date of enactment of this Act.

MOTION OFFERED BY MR. SHAW

Mr. SHAW. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. SHAW moves that the House concur in the Senate amendment to H.R. 783.

The SPEAKER pro tempore. Pursuant to House Resolution 520, the gentleman from Florida (Mr. SHAW) and the gentleman from California (Mr. MATSUI) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to present to the House the Social Security Protection Act of 2003, bipartisan legislation that fights fraud and abuse in the Social Security programs.

In April, the House overwhelmingly passed this bipartisan bill by a vote of 396 to 28. In December, the Senate passed an amended version of the Protection Act unanimously. They did this by unanimous consent. Today, we have an opportunity to pass this essential legislation so that it be sent to the President and made law.

Workers, retirees, individuals with disabilities, survivors and their families have paid for and deserve better protection under Social Security and the enhanced vigilance against waste, fraud and abuse this bill provides.

First, this bill protects nearly 7 million beneficiaries who cannot manage their own affairs and rely on representative payees appointed by the Social Security Administration. It does this by raising payee standards, increasing oversight, and imposing stricter penalties on those who would mismanage the benefits entrusted to their care.

Second, this bill denies Social Security benefits to fugitive felons and probation/parole violators.

Third, it provides tools to further safeguard Social Security programs, including new civil monetary penalties for those who withhold information to get benefits and improving collection of overpaid benefits.

Fourth, this legislation closes a loophole in the law that has allowed an isolated group of public employees to receive full Social Security spouse and widow benefits that no other identical working spouse in America receives even when both pay into the Social Security program.

Finally, the bill helps people with disabilities by giving greater access to qualified representatives when applying for benefits, by improving work incentive programs, and by expanding eligibility for the Work Opportunity Tax Credit to encourage more employers to hire individuals with disabilities.

And, accompanying all of this, the taxpayers will save $800 million over the next 10 years.

I thank Senators Grassley and Baucus of the Senate Finance Committee who offered to work with the Committee on Ways and Means and, of course, the gentleman from California (Mr. MATSUI) as we have done this on a bipartisan basis as they developed their amendments to the House-passed bill.

This amendment made a number of enhancements to the bill.

First, it increased overpayment collection by authorized recovery across Social Security and Supplemental Social Security Income program lines.

It provides for a 5-year nationwide demonstration project providing direct fee withholding for qualified nonattorneys who help individuals through the complex disability application process.

It provides additional time for the Social Security Administration to test initiatives to help individuals with disabilities return to work as well as extended funding for services that help individuals with disabilities return to work and keep working.

It provides for the ability to restart disability benefits based on their parent's work if an individual disabled in childhood tries to work but must later stop.

Lastly, enhancement and simplification of the Supplemental Security Income program, especially for members of the military and their families.

This bipartisan legislation has support of many organizations because it does what is right for the Social Security program, the people who pay into it and the people who benefit. It was developed in cooperation with the Social Security Administration and the Social Security Inspector General. It is also supported by AARP, Citizens Against Government Waste, the National Conference of State Social Security Administrators, the Consortium for Citizens with Disabilities, the National Alliance for the Mentally Ill, the Association of Administrative Law Judges, and the National Organization of Social Security Claimants' Representatives.

□ 1415

This bill probably will not make the front page of your newspaper on kitchen tables tomorrow morning. That is unfortunate, as Social Security is one of our Nation's most important programs and constitutes our government's largest expense, consuming approximately one-quarter of our Federal budget and growing. It deserves our Nation's attention.

Protecting the most vulnerable beneficiaries and stopping Social Security from hemorrhaging precious dollars through fraud and benefit misuse is important and serves as a shining example of what Members of Congress can achieve for the American people when we work together.

I strongly urge my colleagues to vote ''yes'' and give workers and beneficiaries the protections that they deserve.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Today, we have before us the Social Security Protection Act. This legislation was developed over several years in conjunction with the Social Security Administration, its Inspector General, beneficiary representatives and others. The bill reflects a preconference agreement negotiated with the other body on a bipartisan basis and is supported by the Consortium for Seniors With Disabilities, the National Alliance for the Mentally Ill, the Association of Administrative Law Judges, the National Organization of Social Security Claimants' Representatives and others.

I would like to take a few moments to highlight several items in this bill. The first deals with representative payees. Nearly 8 million Social Security and SSI beneficiaries who are unable to manage their own benefits have representative payees, including children, the mentally impaired and the very frail elderly. Most payees work hard to ensure that the benefits are spent to meet the beneficiary's needs. However, in some instances SSA's screening process for determining who should serve as a payee has failed to prevent the misuse of these benefits. This legislation gives SSA the tools it needs to reissue benefits that are misused. It provides for penalties for those who would take advantage of some of our most vulnerable citizens. It also strengthens Social Security's oversight of these payees.

Second, the bill helps individuals with disabilities gain greater access to legal representation when filing for benefits. Social Security disability insurance beneficiaries already have this access, and the bill extends it to SSI claimants, as well, so they can get the needed help and ensure that their applications are fully considered.

Finally, and very importantly, the bill prohibits paying Social Security benefits to fugitive felons and to those who have violated probation or parole. It is my strong belief that we should not be supporting fugitives who are fleeing the law, and this bill will help bring them to justice.

Now, I would like to mention one provision in the bill that has generated some controversy. This is the provision that would modify an exemption to the government pension offset, or known as GPO, that is being used by some workers but is not available to all. My colleagues from Texas have discussed this specific provision in more detail during the debate on the rule and will discuss it further on this bill, but the larger issue here itself is the GPO. Across the country, people who have worked hard all their lives are unexpectedly faced with the loss of Social Security benefits that they had been counting on because of the GPO. The GPO, which was created in the 1970s and phased in during the 1980s, was designed to provide roughly equal treatment between people who work under Social Security and pay into the system and those who do not. It was designed to end a disparity between couples where in one couple, both members paid into the Social Security system and in another when one spouse paid into the system and the other spouse paid into a State retirement system. Unfortunately, we now know that the GPO often produces unfair results. It is a rough tool that clearly needs adjustments.

Let me illustrate my point. Research shows that a widow needs 80 percent of the income needed to support a couple. Because of the GPO, the couple's income from Social Security can drop to zero when the husband dies. On average, the reduction caused by the GPO is $421 per month, which cuts the average widow's benefit in half, jeopardizing her ability to keep up with fixed costs of housing, health care and others that still exist after the death of her spouse.

We tried to address some of these problems with the GPO during the committee markup last year, but we were rejected on party-line votes. We were also denied the opportunity to address the larger GPO problem in the Rules Committee when the bill came before the House last April. Finally today, my good friend from Texas (Mr. FROST) attempted to bring forward for debate a bill that would fully repeal the GPO, and he was denied that opportunity.

The will to solve the problem with the GPO is clearly an issue of priorities. My Democratic colleagues and I have been prevented from bringing this issue before the Congress over and over again, while my friends on the other side of the aisle have continued to push policies that benefit the wealthy at the expense of this important issue.

For example, the GPO affects 400,000 hardworking Americans every year and eliminating it would cost $31 billion over 10 years. Not $800 billion, not $1 trillion, but it would cost $31 billion over 10 years. In contrast, the 200,000 households that make more than $1 million each year will see $90 billion in tax cuts over that same period. That is half as many people being benefited at three times the cost. There are other examples of misplaced priorities. Congress could and should close corporate tax shelters and prevent companies from incorporating offshore. That would save $30 billion over a 10-year period and that amount would actually take care of dealing with the 10-year period of eliminating the GPO completely.

This is an issue that should not go unaddressed any longer, and I hope that the Congress will make it a priority for consideration this year. While I am disappointed that we are not addressing this important issue today, there are many other provisions in this bill that I mentioned that will strengthen the Social Security system, and I intend to support this bill; but it is my hope that we do address the issue of the government pension offset because it is creating a great deal of consternation and damage to many people who obviously lose their spouse. I support the legislation, but I just hope that we can take some action on the GPO in the future.

Mr. Speaker, I reserve the balance of my time.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I rise in strong support of the Social Security Program Protection Act. This bill contains important provisions to better protect disabled Americans, prevent fraud and abuse in Social Security programs, and help disabled beneficiaries return to work.

Over the years, the Committee on Ways and Means, on which I serve, has taken a number of steps to better protect Social Security recipients and other taxpayers. The bill we are considering today will make an important contribution to those continuing efforts.

I commend the gentleman from Florida (Mr. SHAW) for his leadership and persistence on this legislation over the course of several Congresses. I particularly want to thank him for including

provisions that will help bring criminals to justice, rather than subsidizing their flight, by preventing convicted fugitive felons and parole or probation violators from getting Social Security checks. These provisions build on my previous legislation that now has successfully blocked prisoners and fugitive felons from getting illegally millions of dollars in supplemental security income checks.

Please join me in supporting this legislation.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I rise today on behalf of the teachers in the State of Texas in strong opposition to this legislation.

H.R. 743 turns a 1-day loophole, which was a minor inconvenience, into a 5-year career deterrent. My office is flooded with letters from justifiably concerned teachers that do not want to be forced out of the classroom even one day earlier than when they are ready.

Mr. Speaker, I would like to know if the supporters of this bill are aware of the teaching shortage crippling our education system. Clearly they are not or they would not support the legislation before us today. They would not force teachers in Texas and Georgia to choose between retirement benefits and a career educating our children. If my colleagues were aware of these critical shortages, they would have surely stripped this provision from the legislation when they had an opportunity to do so almost a year ago. If they were aware of the growing teacher-student ratios in public schools, they would definitely honor our teachers with the retirement benefits they deserve by repealing the WEP and GPO. It could easily be done by passing H.R. 594. This bill, with 285 bipartisan cosponsors, would end this inequity not only for Texas teachers but for government employees throughout the country.

In 2002, 376,000 public servants had their Social Security spousal benefits affected by the GPO. Forty percent of these were widows and widowers, and 73 percent were women. These are hard-working people who are relying on full spousal benefits to live comfortably in their retirement. Many learn of the GPO when it is too late to change their retirement plans.

Yesterday, my office had the pleasure of speaking with Mrs. Carolyn Martin, a school librarian at Gregory-Portland High School in the coastal bend of Texas. Mrs. Martin was understandably concerned about her own future, but much more focused on the future of a teacher at her school who recently lost her husband over the holidays. This teacher has two children in college and, if H.R. 743 passes, will not be able to collect her widow's benefits under Social Security if she wants to stay in the classroom.

Mrs. Martin characterized the issue best. She said, ''Social Security is the difference between a minimal standard of living and a dog-food diet in retirement.'' She was outraged, as am I, and again I quote, that ''millionaires can collect Social Security in this country but not Texas teachers.''

Mr. Speaker, I implore my colleagues to consider the consequences of this vote today. Vote against H.R. 743.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

I would like to point out at this time that even under this bill, the offset is only $2 for every $3 of pension received, whereas those of us who are going to depend on Social Security, those that depend on Social Security, the offset is a dollar for dollar. So the teachers that people are talking about and public employees that this might affect, they are still getting a much better deal than people who have paid into Social Security.

Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DELAY), the majority leader.

Mr. DELAY. Mr. Speaker, this is a very important bill, and I rise in strong support of its passage; but I want to take just a few minutes to speak to a particular provision in this bill and the unfortunately contentious debate that surrounds it.

There is a lot of misinformation out there about the government pension offset provision, and I want to make sure everyone understands what we are talking about today. Under Social Security, spouses of covered workers who do not work outside the home themselves are entitled to spousal benefits. But if both spouses work, their spousal benefits are reduced, or offset, one dollar for every dollar of Social Security benefits that they themselves earn. This is true for every single couple in America that is covered by Social Security.

In Texas, many of our school districts have opted out of the Social Security system, instead using the Texas teachers retirement system, so that those district teachers and staff pay into the TRS, not Social Security. As a matter of fairness, the law says that if you pay into a different retirement system, like TRS, then your Social Security spousal benefits are offset by the benefits that you accrue in the other system. This is only fair, and it has been the law for a generation.

Unfortunately, a loophole exists in that law that says even if you work your entire career in the teacher retirement system and then work for just one day in another school district that uses Social Security, you are suddenly entitled to full spousal benefits under Social Security, as if you only worked one day in your entire life.

That is simply unfair, Mr. Speaker.

The offset law is in place to protect the spirit of Social Security, and the loophole violates that spirit.

□ 1430

Opponents of this provision are correct, though, when they say Texas teachers have been targeted for unfair treatment. They have been targeted by their unions, Mr. Speaker, who have spread misinformation about the spousal benefit loophole. Not only has that misinformation been spread about this debate, but it is poisoning the retirement planning of deliberately misinformed Texas teachers.

In recent months some of our offices have gotten calls from single teachers who have been led to believe by their unions that they could qualify for the spousal benefit loophole when they have never even been married. That is the outrage, Mr. Speaker. Not this bipartisan effort to protect the Social Security system from waste, fraud, and abuse. Teachers in Texas and around the country will be just as protected by this bill as everyone else, which is the whole point of the Social Security system in the first place.

We are doing the right thing, and I urge my colleagues to vote yes.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, even though I hate to disagree with another Texan, particularly the majority leader, but let me tell the Members the real story. It is not the unions that are the problem. Congress made in 1983 Social Security participation by some local governments voluntary, school districts. In Texas, very few school districts participate in Social Security because they have a teacher retirement system. Some do. But the problem we need to address in this legislation that we are not and it makes it worse is that we have a widow's benefit under Social Security.

I do not care if they have never paid into Social Security at all. They receive a widow's benefit if they were married to someone for more than 10 years. And we have cases in Texas that educators, not just teachers, custodial staff, lunchroom staff, administrators, maybe even superintendents, the highest paid, but it covers so many people that they may work under that system their whole life. They are career educators, and yet they are married to someone who pays into Social Security for over 10 years, maybe 30 or 40 years, and when their spouse passes away, that person may be receiving teacher retirement then.

All of a sudden, they say, I should get my spousal benefit because I am a widow. Tough luck. That spouse they may have been married with for 30 years, they receive very little, in fact, almost nothing under their Social Security benefits.

That is what is wrong with the current law. That is why Texans innovatively have found a way, okay, we will go work a day. That is a loophole. Let me tell my colleagues I have watched lots of loopholes pass through this House in my six terms, but I am glad for one time maybe teachers are benefiting from it.

But that is why we need to reform the Government Pension Offset, and

that is why I wish the committee would deal with it. But, in all honesty, this is making a bad situation worse, because we will have Texan teachers who have committed their lives to our public schoolchildren and they will be retiring before this bill is effective if they have their magic number of years plus age, and they will retire because they will not want to lose their spousal benefits.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

I tell the gentleman from Texas that I know he feels passionate about this and I can agree with his motivation with regard to this, but the simple fact arises that there is an offset for those where we have a spouse and a worker both paying into Social Security. We simply bring them pretty close down to where some people who are paying into Social Security and work every single day and pay under the Social Security program, and still we give the people he is talking about a better deal than the people who have really labored under Social Security only.

Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, I rise on behalf of the 99 percent of the seniors in America who do not have a special loophole. I rise on behalf of the 99 percent of the widows in America who do not have a special loophole.

What we are discussing today is a situation where a very select few in America, sort of a second class, a higher class of citizens in America, get to keep a lot of Social Security, where their next-door neighbor who has paid into Social Security all their life get to keep much less.

What we are talking about here is a special loophole. The way it works today is that most of us pay into Social Security. My wife pays into Social Security. The husband pays into Social Security. But there are some who work for local governments or who are teachers like in Texas where they do not contribute to Social Security at work. They have a substitute, in this case a teacher retirement system. That is where their payroll taxes go. And very few of them have found a loophole in the law from 25 years ago that allows them to escape the formula that everyone else in America is applied to and receive much more in benefits than we will ever dream of receiving.

Here is the way the loophole works. In Texas, a teacher works their whole life, but they do not contribute to Social Security. Under this loophole, if they will take their last day and go to another school district and pay that school district to work for them, think about it, they pay $500 so they can work one day at minimum wage for a school district. And, in return for working that one day at minimum wage, contributing about $3 into Social Security, they receive on average $93,000 of Social Security retirement that no one else in America gets, literally no one else in America gets, the teacher in New York does not get, the nurse in Iowa does not get. The cleaning lady in our offices up here does not get this.

Let us compare how it works in real life so we can all see how it affects us and just what this loophole means. Take a look at the average Social Security recipient in America. The husband is getting about $1,000 a month for Social Security; the wife's monthly retirement is $700. For most of us, almost everyone who pays into Social Security, when that husband dies and the widow has her benefits, for 99 percent of America her benefits are going to be $1,000 a month, using this example, which, by the way, is exactly the average for Americans. For those who are in government pensions, the ones who do not pay into Social Security, they receive more. Those widows receive $1,233 more. They keep more of Social Security, having not paid into it, than those who have paid their whole life into it. That is the way the formula works.

But under the loophole we are closing today, it is even more outrageous. If we leave this loophole open, the teacher who only worked one day in Social Security will receive $1,700 in monthly benefits, far greater than the widow who worked her whole life in Social Security. Amazingly, the loophole permits a spouse who only contributed to Social Security for one day to receive so much more than the widow who worked her whole life in Social Security, her whole life, and who receives a pittance of what this loophole provides for 1/100 of 1 percent of all Americans.

We cannot have two classes of families in America, those who have loopholes for Social Security and those who do not. This loophole is unfair to working families. It drains hundreds of millions of dollars from the Social Security Trust Fund, which is why senior groups say close this loophole now. And it deserves to be closed.

Let me make a final point here. Under this loophole in Texas today, we have great teachers. We have wonderful teachers. My sister-in-law is one. We are here because of our teachers. But teachers are inherently fair, I think, like the rest of Americans; and if we look at loophole today, this college professor who worked one day in Social Security receives a ton of the money, but the cleaning lady in our offices receives a small fraction of it. If we leave the loophole open, the school superintendent who makes $200,000 a year keeps a ton of Social Security. The checkout lady at the grocery store who has worked her whole life and still working now, she gets a pittance of it. The teacher in Texas gets a ton of money. The teacher in Iowa and Ohio and New York and California gets a pittance.

Those who want to keep this loophole open want to create two classes in America. It is inherently unfair to do that. It is right to close this loophole. It is wrong to have two classes of families in America. It is time to make Social Security fair.

Mr. LAMPSON. Mr. Speaker, will the gentleman yield?

Mr. BRADY of Texas. I yield to the gentleman from Texas.

Mr. LAMPSON. Mr. Speaker, one quick, simple question. Who earns the benefits that the teacher's spouse, who ultimately goes off and takes advantage of that loophole, who earns the benefits he or she is trying to get?

Mr. BRADY of Texas. The husband.

Mr. LAMPSON. The spouse earns them. Those are earned dollars; right or not?

Mr. BRADY of Texas. Yes.

Mr. LAMPSON. They are earned dollars?

Mr. BRADY of Texas. Yes.

Mr. LAMPSON. Mr. Speaker, so what we are going to say is we will dilute what was earned by that family. Yes or no?

Mr. BRADY of Texas. No.

Mr. LAMPSON. Explain.

Mr. BRADY of Texas. Mr. Speaker, because in America when both spouses pay into Social Security, the formula, the way it works, is that if their husband passes away, which normally happens first, she keeps all of her Social Security. Then she keeps all of his minus hers. That is the formula. For those in government pensions, like teachers, it is almost the exact same formula. They keep their retirement plus their husband's minus only ⅔.

So I appreciate this is an issue dear to the gentleman from Texas's (Mr. LAMPSON) heart, but under the formula today, that teacher, that government worker already keeps more of their spouse's Social Security than the rest of America. And if we keep the loophole open, they gain nearly twice as much as the family that worked exactly the same hours, paid exactly the same money in, and whose husband died exactly at the same time. We are creating those two classes of families in America, and that is what we are trying to stop.

Mr. LAMPSON. But all paid in by the husband and spouse?

Mr. BRADY of Texas. Mr. Speaker, the husband paid in in one; the husband and wife paid in in both; and the husband and wife, the widow who paid her whole life, she gets less. Two classes of citizens in America. And nowhere do I know in America can one work one day, contribute $3, and take home $93,000 in their pocketbook that the widow next door who worked her whole life will never, ever see. It is time to close this loophole.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from the State of Maryland (Mr. CARDIN), member of the Committee on Ways and Means.

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me this time.

Let me concur in the comments that the gentleman from California (Mr. MATSUI) made earlier where I think he gave a very good explanation, the Government Pension Offset and the issues concerning it and then what is in this bill generally, which have very good things to help shore up a system that is very important to millions of Americans, our Social Security system.

I listened to debate about the Government Pension Offset and the problems in Texas, and I think the point that many of us are trying to raise is that there may be a problem in what is happening in Texas, but why are we not reforming the Government Pension Offset? The distinguished gentleman from Florida (Mr. SHAW) has a bill in to reform that. The gentleman from Louisiana (Mr. JEFFERSON) has a bill in to deal with it.

It is an issue that cries out for reform because we are not treating particularly our lower-wage workers appropriately with the Government Pension Offset. I think we have all acknowledged that this is an issue that we need to take up. This was an excellent opportunity for us to correct it, and we will lose that opportunity.

In regards to the underlying bill itself, I compliment the gentleman from Florida (Mr. SHAW) and the gentleman from California (Mr. MATSUI) and Commissioner Barnhart and our colleagues on the other side of the Capitol for working together to develop a bipartisan bill to strengthen Social Security, particularly as it relates to individuals who have disabilities who are collecting Social Security, ''representative payees.''

We know, we have reports, of people who are not able to manage their own money. We know that in 2,400 cases over $12 million dollars has been lost, and this bill will help clean that up, and that is important for us to deal with that.

We also know, in regards to the Ticket to Work law and the Work Incentives program that helped disabled individuals, that we are strengthening those programs. We are helping claimants who are applying for SSI to get the funds that they need.

So there are important provisions in this bill that have been worked out by Democrats and Republicans working together. That is the way we should work. It is a good bill. But we should have taken care of the Government Pension Offset, and we have not done that in this bill.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

In just a brief response to the gentleman from Maryland, he correctly described my intentions, but the bill has not yet been prepared. As soon as we get some figures back, I intend to work closely with the gentleman from California (Mr. MATSUI) and other members on our Committee on Ways and Means to make this a bipartisan effort on the Government Pension Offset, where it is still very much a work in progress, and we want to be sure that we can get it right. If it can be bipartisan, I think the gentleman from California (Mr. MATSUI) and I have both learned that we can accomplish a lot more by working together than working separately.

Mr. Speaker, I reserve the balance of my time.

□ 1445

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished ranking member and the chairman, and I thank my good friend from Texas as well. I will try to speak quickly. Many of us are managing a number of activities, and committees are going on as we speak.

I just quickly want to say that although we appreciate the work of this bill, we have to rename it. It is called the ''Forced Work Bill.''

I think what is going on on this floor is a lot of smoke and mirrors. There are good points to this bill. Someone got up on the floor and said you are asking the widows and others to do things and to get benefits that others are not. That is absolutely incorrect. If we had supported the Frost motion to fix this problem by stripping section 418, which would penalize firefighters, police officers and teachers, we would not be standing here saying vote ''no'' on this bill.

What this bill is doing is those who are in an independent pension system are now forbidden from getting their spousal benefit. It is the benefit that their spouse is owed. It is not that they are getting any monies that are not owed them; it is that they are prohibited from getting those monies because they are not in the Social Security system. If they are not in the Social Security system, they are forbidden from getting the money.

All we are asking to do is support teachers, police officers, firefighters and other public servants. The GPO affects many individuals, but it especially is harmful to these public servants. And we are not snatching anything from someone who has gotten this benefit. We are trying to get what is ours. The only reason we cannot get it if we happen to be a teacher, policeman or firefighter is because we are not in the Social Security system.

So this is a lot of smoke and mirrors; and if I have to stand with anyone, I am going to stand with the hard-working teachers, firefighters and police officers, who are merely trying to get what is theirs. If we do not remedy this problem, then you force those who have worked all of their lives and are due for retirement to work another 5 years in order to get equity for something that is owed to them.

I wish our colleagues would tell the truth and stand for teachers, firefighters and police officers, like the rest of us.

Mr. Speaker, I am saddened to have to come to the floor today to speak out yet again against H.R. 743, The Social Security Protection Act of 2003. There is much good in this bill. If the Majority Leadership would take out the small error that will hurt our teachers and firefighters and police, this bill could be in front of the President soon. That would be a great service.

Social Security represents a covenant between the U.S. Federal Government and the American people. It is a promise that if a person works hard, and contributes into this investment program, that when it comes time for them to retire—their government will ensure that a fair benefit is there for them. It seems that too often, criminals take advantage of the trust between the Social Security Administration and the seniors and disabled Americans it serves. They misuse Social Security benefits. Such activity is worse than just stealing, because it threatens the confidence that the American people have in their government. That confidence is the foundation of our democracy.

So last Congress, I joined with every voting Member of this House in support of the The Social Security Act of 2002. It was an excellent piece of bipartisan legislation, which would have made great strides towards cutting down on the abuse of the Social Security system. Most of the major provisions of the that bill are reflected in the bill before us today, and I still support them. The bills would both protect Social Security recipients by mandating reissue of funds when their payments are misused. Representative payees who misuse a person's benefits would be forced to reimburse those funds, plus would be subject to fines of up to $5,000 if they knowingly provided false or misleading information.

The bills would allow the Commissioner to withhold benefits from fugitive felons, and persons fleeing prosecution. The bills also provide for numerous improvements to the present system, which would reduce fraud and abuse of the program. Obviously there is a lot of good in the last bill and in this bill as well.

The last bill passed unanimously in the House in the 107th Congress, and similar legislation cleared the Senate. But unfortunately this important legislation got hung up at the end of 2002. With such support and progress, this should have been an easy piece of work to get through this year, and a score for the American taxpayers. Instead, a wrench has been thrown into the works, through the addition of a small section that has provoked a deluge of phone calls into my office from, it seems like, every schoolteacher in my district.

The Texas branch of the American Federation of Teachers describes Section 418 as ''poison for Texas school employees.'' That section relates to the Government Pension Offset. At present, if an individual receives a government pension based on work that was not covered by Social Security, his or her Social Security spousal or survivor benefit is reduced by an amount equal to two-thirds the government pension. This provision of current law is called the Government Pension Offset (GPO). However, under the ''last day rule,'' an individual is exempt from the GPO if he or she works in a job covered by Social Security on the last day of employment.

Many school districts offer teachers non-Social Security government pensions, so until now many teachers have been forced to take

advantage of the ''last day'' loophole. Just before they retire, they get a job in a business with a Social Security pension for a day, in order to receive their deserved benefits. This is a ridiculous system, and the appropriate way to fix it would have been to repeal the GPO. In fact, I have co-sponsored H.R. 594 with my colleague from California, BUCK MCKEON, and 285 others to do just that.

Instead, the bill before us today closes the loophole by forcing teachers to work for the last five years of their careers in an appropriate job. That may force many teachers to retire early from teaching. I am usually all for getting rid of loopholes, but now is no time to be ''sticking-it'' to teachers—just as we are trying to leave no child behind, just as we have a shortage of qualified teachers in many areas. This could drive many people away from careers in teaching.

For example, I received one call from a woman in my District who was a teacher earlier in her life. Her husband recently passed away and she has been contemplating going back into teaching. But she has been warned that she could actually jeopardize her financial future by going to work. As a widow, she will be entitled to her husband's social security benefits. However, if she starts to teach in a school district with a government non-Social Security pension, she could lose $360 per month in retirement benefits—over $4000 per year.

Why should she risk it? If H.R. 743 passes today, it won't be only she that loses. It will be our nation's children who lose—an experienced, intelligent teacher.

The GPO issue needs to be addressed, but not today. Right now, we are giving money to criminals who are beating our system and undermining confidence in the future of Social Security and the government as a whole. We need to protect Social Security, and we need to do it soon. But I will wait until we can do it without attacking our teachers, and penalizing our children.

I am proud to stand with my Democratic colleagues from Texas, to fight for our teachers. I will vote ''no'' on H.R. 743 unless the offending provision is taken out, and urge my colleagues to do the same.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would have to correct the previous speaker when she says they do not get any of their survivor benefits and advise her that, yes, under this bill, the teachers that she is referring to get one-third of the survivor benefits, even after the offset, whereas if you have a similar situation where a teacher teaching where there is not this loophole and pays into the Social Security system, generally in that same example they get zero. So I just want to be sure the record is correct on that.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me just quickly say I appreciate the attempt to correct some portions of this bill, but that is not enough.

Again, let me emphasize the one-third. What I am suggesting is that the only reason these individuals are penalized is because they are in a parallel system; they are not in the Social Security system, which in fact helps to relieve the Social Security system from the burden of more people being in it.

I would only say, do you not think if you worked a full-term and you are owed these benefits through your spouse that you deserve the full benefits and not one-third? Why penalize firefighters, police officers, and teachers? I will support these Texas public servants having full benefits.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BRADY) a member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, I would like to make two points. This bill does not address firefighters or police officers or teachers, and not even all the teachers in Texas. It applies to 1/100 of 1 percent of all Americans who have a special loophole.

The point my good friend from Houston was making is absolutely wrong. They do not receive less money because they do not pay into Social Security; they actually get more money than the widows and the families who have spent their whole life paying into Social Security. They already get this. Under this loophole, they would get, for $3 of work, 1 day, they receive $93,000 on average in retirement; and our widows in hospitals and widows that clean our offices and widows, like my mom, will never see that money.

This is about not creating two classes of citizens in America, those with a special loophole and those without.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to make an observation. I would not have so many problems with this were it not for the fact that there are many other loopholes that have actually been passed through this House over the last few years.

For example, if a corporation in the U.S. goes to Bermuda to avoid U.S. taxes, we tried time and time again to close that loophole. But the other side of the aisle, in fact the gentleman who just spoke, denies the ability for us to even bring such a bill to the floor.

I guess that is where the frustration lies, is when we close loopholes, we pick on the people that are firefighters and teachers; but we let large corporations who avoid U.S. taxes go from that.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this is a complex issue and one that touches an awful lot of us in different kinds of ways. While I certainly support the efforts that this committee has made in developing this bill, and I know how important the bill is, I am still going to vote against it and will oppose it and ask my colleagues to do so.

There are some 50,000 teachers across the State of Texas who will indeed be adversely affected by this legislation. The bill includes provisions which I consider to be catastrophic for Texas teachers. Provisions in the legislation would, in effect, reduce the amount of combined benefits that Texas teachers could depend upon after retirement.

There are many Texas teachers who have worked and paid into Social Security in other jobs. My wife and my daughter are two who have done just that. They have moved, and they have paid into the teacher retirement system now. Susan has paid into the Social Security system for many years in other jobs that she held before she decided to teach. Because of her involvement in the teacher retirement system and because she has paid into her pension fund, she will be adversely affected by the government pension offset. Those are benefits that I earned because of my payment into Social Security.

Teachers do not make a great deal of money in the State of Texas, and in most other places as well; and it is hard to entice them to stay in the classroom. This legislation is going to have broad implications for those teachers and will most likely force many of them to leave this profession early, most likely, from our public schools. What impetus does an experienced teacher have to stay in the classroom and continue teaching, if the government is in effect going to significantly reduce his or her retirement payment potential after this year?

This bill fails to address a larger issue for public servants in this country. The government pension offset unfairly penalizes teachers and many other government workers, the employees who mostly pay into a public pension plan. How can we sit by idly while our public service employees are being penalized for serving their communities? Where is our loyalty to the first responders that so many of my colleagues have praised on this floor? When push comes to shove, are we willing to allow the firefighters and police officers in our hometowns to suffer?

The government pension offset is a deterrent to public service across this Nation; and if we are to attract the best and the brightest into public service, such as our teachers, such as my wife, Susan, and my daughter Stephanie, fire fighters and police officers, we must repeal this unfair provision. This is money that hardworking American citizens have earned and are indeed entitled to.

I truly wish, and I intended to make the point the gentleman from California (Mr. MATSUI) made a minute ago, I wish we would work as hard in repealing the loophole that has allowed corporations to avoid the payment of $40 billion in taxes each year by moving their corporations offshore.

I urge my colleagues to consider a ''no'' vote on this bill, as I am going to vote against H.R. 743. Our public servants deserve our support.

Mr. SHAW. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, again I thank our ranking member on our Subcommittee on Social Security and also the chairman of the Subcommittee on Social Security. I know we have a difference of opinion on this issue; and I guess it is frustrating, because with what is happening with our general budget, this year, this Congress and this government will take $155 billion and borrow it from the Social Security trust fund, and what is it paying for? A lot of folks will say it is paying for the war in Iraq. No, it is also paying for tax cuts that this House passed on two different occasions. But by this bill today, we are going to take away these same Social Security trust funds that are for these widows and people who paid into Social Security.

Again, let me explain to my colleagues, these are people who may never have paid into Social Security. If they did, they are subject to government pension offset, like everyone. But these people never paid in. They were educators or firefighters or police officers in a system that was not part of Social Security, but they paid into their own pension fund; and if their spouses die and they have been married for less than 10 years, we will not pay them their spousal benefit.

I do not know how much harder this Congress can get. When we talk about giving tax cuts to everybody in the world, and we let companies move their headquarters overseas as a sham, and yet we are going to remove the Social Security benefits from a widowed educator, and typically 80 percent of them are women, and her only problem was that she taught school or worked in the cafeteria or helped clean up schools. Because their husband was a Social Security beneficiary, he paid into Social Security, maybe for their whole work life, and so you remove it.

It is just frustrating that this bill is going to make a bad system even worse. That is why I rise in opposition to H.R. 743 and urge my colleagues to join in voting against it.

In many ways, 743 is a good bill, and I know there are some good parts in it, and I heard my colleagues on both sides. It would help stem fraud and abuse in the Social Security system. Well, I support that. I agree that fugitive felons should not collect Social Security benefits. And I support a number of other provisions. But, in all honesty, if we have a fugitive felon getting Social Security benefits, why are they still a fugitive?

Unfortunately, this has been wrapped up in an explosive issue that has caused serious harm to educators who are widowed by someone who has paid into Social Security.

We are all familiar with the unfair government pension offset; 285 Members of this House have cosponsored legislation to reform the GPO. This provision of current law keeps public employees from collecting full spousal benefits if they receive a pension based on State, local, or Federal Government employment not covered by Social Security. This provision is unfair and targets government workers at the Federal, State, and local levels. Again, 285 of us think it ought to be reformed.

The GPO is a problem for many public servants, but it is especially bad for women. Eighty percent of the Texas school teachers and retirees are women, sixty percent of that group are married, and almost all of them are eligible for Medicare through their husbands; but none of them are eligible for their spousal benefit because of the GPO under this bill.

After a lifetime of being underpaid as teachers, they depend on their Social Security widow's benefit to make up for their retirement, but the GPO takes that benefit away. That is why, again, the repeal of H.R. 594 is so popular.

The bill by our colleagues, the gentleman from California (Mr. MCKEON) and the gentleman from California (Mr. BERMAN), have, again, garnered 285 bipartisan cosponsors. We had an opportunity to address this in H.R. 743; but instead of fixing the GPO, this bill makes it harder for Texas teachers to collect the full spousal benefit. Again, 285 members agree the GPO is unfair and should be repealed. We should not penalize Texas teachers for figuring out a way to do what this Congress will not do.

I urge my colleagues to stand for public servants everywhere and vote against H.R. 743.

□ 1500

Mr. MATSUI. Mr. Speaker, may I inquire as to how much time I have remaining.

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman from California (Mr. MATSUI) has 7½ minutes remaining; the gentleman from Florida (Mr. SHAW) has 12½ minutes remaining.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. TURNER), the ranking member of the Committee on Homeland Security.

Mr. TURNER of Texas. Mr. Speaker, it does not happen very often on the floor of this House where a bill comes forward that has many good provisions in it, but there is one provision that is so damaging and so harmful and so unfair that it causes us to oppose an otherwise good bill. But as my colleagues have heard over and over again today in this debate, public school teachers in places like my State of Texas and other government employees feel very strongly that the government pension offset is wrong, that it must be corrected, the law must be changed; and this bill provided an opportunity to correct that injustice.

I know from personal experience how deeply this issue is felt by public school teachers. It was a couple of years ago in my office that I had a lady come to see me, and I really did not know why it was she really wanted to come see me, but my staff had said this lady really wants to talk to you, she needs to see you. So I said, well, let her come on, I would be glad to visit with her. I had no idea what it would be about.

She came and she began to tell me a story that quickly turned to tears in her eyes when she told me about how her husband had passed away just a few months before. After his death, she learned that she would not be able to collect any of the survivor benefits that she believed, rightfully, her husband had earned by a lifetime of contributions to the Social Security system. She explained to me that the law apparently said that because she was a public school teacher, an honorable profession, that somehow the law said that she could not qualify for survivor benefits that her husband had contributed for years to ensure that she would get. She told me, she said, if I had done anything else, if I had just worked in a private company, they tell me that I could get the survivor benefit; but because I am a teacher and receiving a benefit from the teacher retirement system, that I am disqualified. Her tears turned to anger as she said to me, this is wrong. And as I have learned over the years since, teachers all across my State of Texas feel very strongly about the unfairness of this provision of the Social Security law.

So I think with an overwhelming majority of this House having signed on to a bill to eliminate this offset, that we should have, in good conscience, taken the opportunity in this legislation to have corrected that unfair provision of the Social Security law.

I recognize that there are some who have logical arguments as to why this should not be changed, but I will tell my colleagues that after listening to this widow with tears in her eyes, I became convinced that she had the better side of the argument. Oh, I know it is going to have a cost to the Social Security trust fund to provide this benefit to all of these public school teachers who have had spouses who have passed away before them, but the reality is that getting it fixed is the right thing to do.

I would urge my colleagues today to take what will be perhaps somewhat of a difficult step and join with those of us who have stood on this floor arguing about this point for this entire hour of debate and vote against a bill that is otherwise a good bill, to give us the opportunity to correct what we believe, and many, many public employees believe, is a very unfair provision of the Social Security law.

I want to commend the gentleman from Florida for his leadership on Social Security. I know that he differs with us on this issue, but I hope that the Members who have joined on in supporting the McKeon bill to correct

this problem will also join with us today to vote against this bill so that once and for all we can do what is right for our teachers and for our public employees.

Mr. MATSUI. Mr. Speaker, I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in looking at what is right, it is right to protect beneficiaries from representative payees who would misuse these benefits. We all agree on that, whether you are from Texas, Georgia, California, or New York. It is right to deny Social Security benefits to fugitive felons and probation parole violators. We can all agree on that. It is right for this Congress to pass a bill that deters waste, fraud, and abuse. That is in this bill, and that is the right thing to do. It helps individuals with disabilities gain access to representation, and it encourages disabled beneficiaries to return to work. That is the right thing to do.

Now we get to the hard question: Is it right to close a loophole that enables some teachers in Georgia and Texas to contribute just a few dollars to Social Security to receive nearly $100,000 in additional lifetime spousal benefits? I strongly believe this loophole should be closed.

Let me give an example which I think would be very helpful to the Members in deciding how they are going to vote on this issue. Any worker, corporate, executive, otherwise, or school teacher who pays into both Social Security and a retirement plan will receive both benefits based upon their work. However, no worker will receive a full spouse or widower benefit; those benefits are reduced or eliminated dollar for dollar by the earned Social Security benefit. Public employees who contribute to a public employee pension plan instead of Social Security actually face a lower, a lower offset under this bill of their spouse or widow benefits than workers who paid into Social Security their whole career. And that is only $2 for every $3. So these people who did not pay into Social Security are getting a better deal than people who paid into Social Security their whole working lives.

Also, this bill has bipartisan support and the support of key stakeholders, and it does save us money. This same identical bill was passed, almost identical bill, was passed by the House by a vote of 396 to 28. It passed. And then it passed by unanimous consent in the Senate with some minor changes, which is the reason we are back here today.

If we were to look at the arguments that have been made today as to what is fair and what is not fair and apply those same arguments as to spousal benefits, surviving spouse benefits to people who have paid into Social Security all their working life, it would cost the Social Security Administration $1 trillion and would bankrupt the system. This is what we are facing: basic fairness. I say, apply the law as this bill outlines it. It is fair. It is the right thing to do. I urge passage of the bill.

Mr. STARK. Mr. Speaker, today I rise in support of the Social Security Program Protection Act.

This legislation makes a strong Social Security program even stronger for the millions of Americans who rely on its benefits for stability through old age, disability or loss of a loved one. And this bill will help to protect the promise of economic security for future generations—a promise we must keep.

I strongly support the protections this legislation provides for some of the most vulnerable recipients of Social Security. Today, many beneficiaries are unable to manage their own benefits so a representative payee is often appointed to do so on their behalf. While this is undoubtedly necessary, too many seniors and people with disabilities have fallen victim to fraud and abuse.

This bill makes dramatic improvements to the representative payee system to help protect beneficiaries. It does so by initiating strict oversight of representative payees and expanding the ability of the Social Security Administration to repay benefits that have been misused or stolen. For many, this puts real financial security back in Social Security.

Despite the strengths of this bill, I am disappointed, however, that Republicans refused to accept an amendment I offered to this bill in the Ways and Means Committee to reduce the Government Pension Offset penalty. This penalty unfairly reduces or even eliminates Social Security benefits for millions of teachers, firefighters, police officers and others who serve the public.

I urge my colleagues to vote for the Social Security Program Protection Act to extend the promise of retirement security for every American, today and tomorrow.

Mr. PAUL. Mr. Speaker, I intend to vote for H.R. 743, the Social Security Protection Act, because it contains an important provision that was not included in previous versions of this bill. This provision takes a first step toward ensuring that non-citizens who are unauthorized to work in the United States do not receive Social Security benefits. Giving Social Security benefits to illegal immigrants is a slap in the faces of Americans who pay their entire working lives into the Social Security system and now face the possibility that there will be nothing left when it is their turn to retire. This is why, at the beginning of the 108th Congress, I introduced legislation, the Social Security for American Citizens Only Act (H.R. 489), which ensures no non-citizen can receive Social Security benefits. Therefore, I am pleased to see Congress beginning at last to address this issue.

However, I wish to make clear my continued opposition to a provision in the bill that removes the only means by which many widowed Texas public school teachers can receive the same personal Social Security benefits, as does every other American. As I am sure my colleagues are aware, widowed public school employees in Texas, like public employees throughout the nation, have their spousal Social Security benefits reduced if they receive a government pension. The Government Pension Offset even applies if the public employee in question worked all the quarters necessary to qualify for full Social Security benefits either before or after working in the public school system.

The Government Pension Offset punishes people for teaching in public schools. However, current law provides widowed Texas public school teachers a means of collecting a full Social Security spousal benefits. Unfortunately, this bill takes that option away from Texas teachers. I have twice voted against H.R. 743 because of my strong opposition to the provision removing the only way Texas teachers can avoid the Government Pension Offset.

Instead of repealing the only means Texas teachers have of avoiding the Government Pension Offset, Congress should pass H.R. 594, the Social Security Fairness Act that repeals both the Government Pension Offset and the Windfall Elimination Provision, another provision that denies public employees full Social Security benefits.

Congress should also be encouraging good people to enter the education profession by passing my Teacher Tax Cut Act (H.R. 613) that provides every teacher with a $1,000 tax credit, as well as my Professional Educators Tax Credit Act (H.R. 614), which provides a $1,000 tax credit to counselors, librarians, and all school personnel.

In conclusion, Mr. Speaker, I will support H.R. 743 because it restricts the ability of illegal immigrants to raid the Social Security Trust Fund. However, I remain opposed to the provision that punishes teachers by denying them Social Security benefits for which they would be eligible if they were not teachers. Instead of punishing teachers, Congress should be enacting pro-teacher legislation, such as the Social Security Fairness Act and the Teacher Tax Cut Act.

Mr. HOLT. Mr. Speaker, I rise in support of H.R. 743, the Social Security Protection Act. This bill will protect the integrity of the Social Security program for the nearly eight million Social Security and Supplemental Security Income (SSI) beneficiaries who are unable to manage their own financial affairs and must have a ''representative payee'' designated to receive and manage their benefits on their behalf.

I would, however, like to take this opportunity to discuss an important Social Security issue that this bill fails to address, the Government Pension Offset (GPO). This unjust, arcane law prevents government retirees from collecting a government pension and the Social Security benefits entitled to them through their spouse's history of employment.

The GPO current affects 335,000 people, a number that is growing by 15,000 each year. The people hit hardest by the GPO are State and municipal workers. Public employees like educators, police officers, and firefighters should not suffer a penalty for dedicating their lives to public service.

Take, for example, a teacher who has worked for 30 years and with her husband has managed to raise a family. After her husband passes away, the law prevents her from receiving most, if not all, of the Social Security benefits that her husband earned and rightfully belong to her. She would lose the benefits simply because she worked for the government making a modest salary.

Mr. Speaker, Congressman BUCK MCKEON has introduced H.R. 594, which would address the Government Pension Offset issue. Even though the bill currently has 285 cosponsors,

the House leadership has failed to bring it up for a vote.

Mr. Speaker, I have heard countless people say that teachers, police officers and firefighters deserve to be paid better for their public service. Fixing the GPO is our chance to say thanks to these selfless individuals whose work has helped make this country what it is today. I ask my colleagues on both sides of the aisle to urge the leadership to bring this issue to the floor during this session of Congress.

Mr. REYES. Mr. Speaker, I rise in strong opposition to H.R. 743, the Social Security Protection Act. I support provisions in the bill to better protect Social Security beneficiaries from fraud. However, I cannot support the legislation because it would also seriously harm the retirement of teachers, firefighters, police officers, and other State and local government workers in my congressional district of El Paso, Texas by subjecting them to the government pension offset.

Some public employees in my State have found a way to protect their retirement benefits from the unfair government pension offset, which targets public servants by refusing them their full spousal benefits under Social Security. The bill before us today would block these employees from protecting their benefits, subjecting them to the government pension offset and denying them the spousal benefits they rightfully deserve.

Among those hardest hit by this legislation will be women, and particularly widows, who very often rely on spousal benefits to make ends meet in their retirement. Many are not aware of the government pension offset, and will only learn of it as they prepare for retirement, when it is too late to make alternative plans.

We need to do more to support those who have dedicated their working lives to serving the public, rather than undermining their opportunity for a secure retirement with this bill. Therefore, I have cosponsored H.R. 594, the Social Security Fairness Act, which would allow all public employees to collect full spousal benefits.

Mr. Speaker, I urge my colleagues to show their support for teachers, and all of our hardworking public servants, by opposing this terribly unfair bill.

Mr. DELAHUNT. Mr. Speaker, I rise today to highlight the inexplicable failure of the U.S. Congress to address the inequities of the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). For more than 20 years, the GPO and WEP have created enormous burdens for many public service retirees.

More than half of the Members of this House want change; no fewer than 285 of my colleagues have co-sponsored bipartisan legislation for outright repeal of the GPO and WEP. But the House leadership won't even allow debate on the question.

The legislation before this chamber today will help protect many vulnerable beneficiaries from fraud and contains many other important provisions. However, once again, the House missed a perfect opportunity to repeal both the GPO and WEP.

Both the GPO and WEP unfairly reduce Social Security benefits for retirees who otherwise qualify, simply because they at some point worked in jobs covered by another government pension. In particular, the GPO and WEP penalize those who had short or intermittent careers, or who blended private jobs with stints in public service.

Often, these are people already losing out in their overall earnings because they chose to make a meaningful contribution to society in roles that just don't pay well. Think of those in your community who teach your children, fight your fires and keep your streets safe. Chances are, you're thinking of people who are suffering the impact of the GPO or WEP.

Because most paid Social Security taxes somewhere along the way, these people planned for retirement fully anticipating both pension and Social Security benefits. But when these teachers, police officers, and firefighters retired, they discovered all or much of their expected Social Security benefits wiped out by the WEP or GPO. In the case of the WEP, the Social Security benefit is reduced by up to 60 percent. If the GPO is triggered, it reduces a retiree's spousal benefit by two-thirds.

A Barnstable teacher wrote to me about her circumstances:

> I am a recently divorced woman, age 56, who has worked in the school district for five years. Before taking this job I was an at-home mother. Although I get very minimal alimony (which I don't always receive) I face the grim reality of what I will live on when—and if—I can retire. Having paid the Social Security system for many years before having children, the GPO and WEP would not permit me to collect on what I paid into the system. I also understand that if my ex-husband were to die, the amount I would be able to collect from his Social Security would also be cut.

Countless heart-wrenching personal stories dramatically illustrate the impact of these unfair benefit reductions. In my home state of Massachusetts, over 18,000 retirees are being penalized by the WEP. When it comes to the GPO, almost 15,000 are affected—and over a third are widows or widowers.

Consider this letter I received from a widow in Hull, MA:

> I am being punished because I worked for the Town for the past 23 years. My husband passed away after only receiving Social Security disability for six months. He worked 40 years toward his Social Security. Many people do not know about this penalty and find out when they go to collect their Social Security that they cannot receive what they totally deserve . . .

From a Marshfield, MA teacher:

> If my husband should pre-decease me, I am not eligible for his Social Security and would suffer a serious financial burden. I stayed at home to raise four children, while my husband worked six days a week and long hours and contributed the maximum to Social Security. I reentered the workforce late in life (to help pay for college tuitions) and made the mistake of getting employment with our local municipality.

From a 10-year employee of the town of Duxbury, MA:

> As I have been a part-time employee, my pension will be quite small, about $300 a month. I worked many years under Social Security with full and part-time jobs. As my Social Security would be reduced from $600 to $400 it does not leave much to live on, never mind paying for medical insurance.

From a Sagamore Beach widow:

> I recently had two more friends die after waiting since 1983 to receive help on the Government Pension Offset issue. If Congress waits much longer, they won't have many of us left to help.

It is particularly heartbreaking that retired women comprise over 70 percent of those penalized by the GPO reduction of spousal benefits. Many sacrificed to stay home and raise children in the 1940s, 1950s and 1960s—then went to work later in life. In retirement, they are hit especially hard. Not only did they face the challenges of a workplace that paid them far less than their male counterparts; now they face similarly diminished opportunities to enjoy their senior years. Many are widows with meager pensions, who now face drastically reduced financial support with the death of a spouse—and must also contend with reduced spousal Social Security benefits.

During this 108th Congress, we had strong support for bills that would have modified or repealed the WEP and GPO. We had significant bipartisan endorsement and literally hundreds of senior organizations calling for action.

In May of last year, we heard compelling testimony about the impact of these provisions in the House Ways and Means Social Security Subcommittee hearing. Chuck Canterbury, National President of the Fraternal Order of Police described why police officers in particular are penalized by the WEP:

> Owing to the physical demands of the job, a law enforcement officer is likely to retire between the ages of 45 and 60. After 20 or 25 years on the job, many law enforcement officers are likely to begin second careers and hold jobs that do pay into the Social Security system. Even more officers are likely to ''moonlight,'' that is, hold second or even third jobs throughout their law enforcement career in order to augment their income. This creates an unjust situation that too many of our members find themselves in: they are entitled to a State or local retirement benefit because they worked 20 or more years keeping their streets and neighborhoods safe, and also working at a job or jobs in which they paid into Social Security, entitling them to that benefit as well. However, because of the WEP, if their second career resulted in less than twenty (20) years of substantial earnings, upon reaching the age they are eligible to collect Social Security, they will discover that they lose sixty percent (60%) of the benefit for which they were taxed! Actuarially speaking, I doubt many officers will live long enough to ''break even''—that is collect the money they paid into the system, let alone receive any ''windfall.''

Even if the personal circumstances of today's public sector retirees fail to move you, consider the fact that it gets harder every day to recruit and retain people for public service jobs. Compared with the private sector, public services jobs offer significantly less pay and benefits. Personal satisfaction, while a powerful motivator, begins to fade when you realize you won't be able to put food on the table during retirement. We'll never attract the best possible candidates to public service unless we remove the stark disincentives characterized by the WEP and GPO.

Today this Congress failed to address the needs of almost one million former government employees who have already lost retirement dollars due to the GPO and WEP. Millions more face losses in the future. These are people we need, in every community, doing jobs that often keep us safe and secure in an era of unparalleled uncertainty.

Mr. SHAW. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate having expired, pursuant to

House Resolution 520, the previous question is ordered.

The question is on the motion offered by the gentleman from Florida (Mr. SHAW).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GREEN of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Without objection, further proceedings on this motion will be postponed.

There was no objection.

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of the Senate amendment to H.R. 743.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

SURFACE TRANSPORTATION EXTENSION ACT OF 2004

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3783) to provide an extension of highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century.

The Clerk read as follows:

H.R. 3783

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Surface Transportation Extension Act of 2004''.

SEC. 2. ADVANCES.

(a) IN GENERAL.—Section 2(a) of the Surface Transportation Extension Act of 2003 (23 U.S.C. 104 note; 117 Stat. 1110) is amended by inserting ''and the Surface Transportation Extension Act of 2004'' after ''as amended by this Act''.

(b) PROGRAMMATIC DISTRIBUTIONS.—

(1) ADMINISTRATION OF FUNDS.—Section 2(b)(3) of such Act (117 Stat. 1110) is amended by striking ''the amendment made under subsection (d)'' and inserting ''section 1101(c) of the Transportation Equity Act for the 21st Century''.

(2) SPECIAL RULES FOR MINIMUM GUARANTEE.—Section 2(b)(4) of such Act is amended by striking ''$1,166,666,667'' and inserting $2,100,000,000.

(3) EXTENSION OF OFF-SYSTEM BRIDGE SETASIDE.—Section 144(g)(3) of title 23, United States Code, is amended by striking ''February 29'' inserting ''June 30''.

(c) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 1101(c)(1) of the Transportation Equity Act for the 21st Century (117 Stat. 1111) is amended by striking ''$13,483,458,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$24,270,225,000 for the period of October 1, 2003, through June 30, 2004''.

(d) LIMITATION ON OBLIGATIONS.—Section 2(e) of the Surface Transportation Extension Act of 2003 (117 Stat. 1111) is amended to read as follows:

''(e) LIMITATION ON OBLIGATIONS.—

''(1) DISTRIBUTION OF OBLIGATION AUTHORITY.—Subject to paragraph (2), for the period of October 1, 2003, through June 30, 2004, the Secretary shall distribute the obligation limitation made available for Federal-aid highways and highway safety construction programs under the heading '(LIMITATION ON OBLIGATIONS)' under the heading 'FEDERAL-AID HIGHWAYS' in the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (division F of Public Law 108–199) in accordance with section 110 of such Act; except that the amount of obligation limitation to be distributed for such period for each program, project, and activity specified in sections 110(a)(1), 110(a)(2), 110(a)(4), 110(a)(5), and 110(g) of such Act shall equal the greater of—

''(A) the funding authorized for such program, project, or activity in this Act and the Surface Transportation Extension Act of 2004 (including any amendments made by this Act and such Act); or

''(B) 9/12 of the funding provided for or limitation set on such program, project, or activity in the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004.

''(2) LIMITATION ON TOTAL AMOUNT OF AUTHORITY DISTRIBUTED.—The total amount of obligation limitation distributed under paragraph (1) for the period of October 1, 2003, through June 30, 2004, shall not exceed $25,232,250,000; except that this limitation shall not apply to $479,000,000 in obligations for minimum guarantee for such period.

''(3) TIME PERIOD FOR OBLIGATIONS OF FUNDS.—A State shall not obligate after June 30, 2004, any funds for any Federal-aid highway program project made available by this Act and the Surface Transportation Extension Act of 2004 (including any amendments made by this Act and such Act), until the date of enactment of a law reauthorizing the Federal-aid highway program.

''(4) TREATMENT OF OBLIGATIONS.—Any obligation of obligation authority distributed under this subsection shall be considered to be an obligation for Federal-aid highways and highway safety construction programs for fiscal year 2004 for the purposes of the matter under the heading '(LIMITATION ON OBLIGATIONS)' under the heading 'FEDERAL-AID HIGHWAYS' in the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004.''.

SEC. 3. TRANSFERS OF UNOBLIGATED APPORTIONMENTS.

Section 3 of the Surface Transportation Extension Act of 2003 (117 Stat. 1112–1113) is amended by adding at the end the following:

''(e) PROHIBITION OF TRANSFERS.—Notwithstanding any other provision of this section, no funds may be transferred after February 29, 2004, by a State under subsection (a)—

''(1) from amounts apportioned to the State for the congestion mitigation and air quality improvement program; and

''(2) from amounts apportioned to the State for the surface transportation program and that are subject to any of paragraphs (1), (2), and (3)(A)(i) of section 133(d) of title 23, United States Code.''.

SEC. 4. ADMINISTRATIVE EXPENSES.

Section 4(a) of the Surface Transportation Extension Act of 2003 (117 Stat. 1113) is amended by striking ''$187,500,000'' and inserting ''$337,500,000''.

SEC. 5. OTHER FEDERAL-AID HIGHWAY PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS UNDER TITLE I OF TEA21.—

(1) FEDERAL LANDS HIGHWAYS.—

(A) INDIAN RESERVATION ROADS.—Section 1101(a)(8)(A) of the Transportation Equity Act for the 21st Century (112 Stat. 112; 117 Stat. 1113) is amended—

(i) in the first sentence by striking ''$114,583,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$206,250,000 for the period of October 1, 2003, through June 30, 2004''; and

(ii) in the second sentence by striking ''$5,416,667'' and inserting ''$9,750,000''.

(B) PUBLIC LANDS HIGHWAYS.—Section 1101(a)(8)(B) of such Act (112 Stat. 112; 117 Stat. 1113) is amended by striking ''$102,500,000 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$184,500,000 for the period of October 1, 2003, through June 30, 2004''.

(C) PARK ROADS AND PARKWAYS.—Section 1101(a)(8)(C) of such Act (112 Stat. 112; 117 Stat. 1113) is amended by striking ''$68,750,000 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$123,750,000 for the period of October 1, 2003, through June 30, 2004'' .

(D) REFUGE ROADS.—Section 1101(a)(8)(D) of such Act (112 Stat. 112; 117 Stat. 1113) is amended by striking ''$8,333,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$15,000,000 for the period of October 1, 2003, through June 30, 2004''.

(2) NATIONAL CORRIDOR PLANNING AND DEVELOPMENT AND COORDINATED BORDER INFRASTRUCTURE PROGRAMS.—Section 1101(a)(9) of such Act (112 Stat. 112; 117 Stat. 1114) is amended by striking ''$58,333,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$105,000,000 for the period of October 1, 2003, through June 30, 2004''.

(3) CONSTRUCTION OF FERRY BOATS AND FERRY TERMINAL FACILITIES.—

(A) IN GENERAL.—Section 1101(a)(10) of such Act (112 Stat. 113; 117 Stat. 1114) is amended by striking ''$15,833,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$28,500,000 for the period of October 1, 2003, through June 30, 2004''.

(B) SET ASIDE FOR ALASKA, NEW JERSEY, AND WASHINGTON.—Section 5(a)(3)(B) of the Surface Transportation Extension Act of 2003 (117 Stat. 1114) is amended—

(i) in clause (i) by striking ''$4,166,667'' and inserting ''$7,500,000'';

(ii) in clause (ii) by striking ''$2,083,333'' and inserting ''$3,750,000''; and

(iii) in clause (iii) by striking ''$2,083,333'' and inserting ''$3,750,000''.

(4) NATIONAL SCENIC BYWAYS PROGRAM.—Section 1101(a)(11) of the Transportation Equity Act for the 21st Century (112 Stat. 113; 117 Stat. 1114) is amended by striking ''$11,458,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$20,625,000 for the period of October 1, 2003, through June 30, 2004'' .

(5) VALUE PRICING PILOT PROGRAM.—Section 1101(a)(12) of such Act (112 Stat. 113; 117 Stat. 1114) is amended by striking ''$4,583,333 for the period of October 1, 2003, through February 29, 2004'' and inserting ''$8,250,000 for the period of October 1, 2003, through June 30, 2004''.