

SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF
1994

AUGUST 4, 1994.—Ordered to be printed

Mr. GIBBONS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 4277]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the “Social Security Independence and Program Improvements Act of 1994”.

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

Sec. 1. Short title and table of contents.

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

Sec. 101. Establishment of Social Security Administration as an independent agency.

Sec. 102. Commissioner and Deputy Commissioner; other officers.

Sec. 103. Social Security Advisory Board.

Sec. 104. Personnel; budgetary matters; seal of office.

Sec. 105. Transfers to the new Social Security Administration.

Sec. 106. Transition rules.

Sec. 107. Conforming amendments to titles II and XVI of the Social Security Act.

Sec. 108. Additional conforming amendments.

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TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

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

Sec. 202. Commission on childhood disability.

Sec. 203. Regulations regarding completion of plans for achieving self-support.

Sec. 204. SSI eligibility for students temporarily abroad.

Sec. 205. Disregard of cost-of-living increases for continued eligibility for work incentives.

Sec. 206. Expansion of the authority of the Social Security Administration to prevent, detect, and terminate fraudulent claims for OASDI and SSI benefits.

Sec. 207. Disability review required for SSI recipients who are 18 years of age.

Sec. 208. Continuing disability reviews.

Sec. 209. Exemption from adjustment in pass-along requirements.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

Sec. 301. Issuance of physical documents in the form of bonds, notes, or certificates to the social security trust funds.

Sec. 302. GAO study regarding telephone access to local offices of the Social Security Administration.

Sec. 303. Expansion of State option to exclude service of election officials or election workers from coverage.

Sec. 304. Use of social security numbers by States and local governments and Federal district courts for jury selection purposes.

Sec. 305. Authorization for all States to extend coverage to State and local police officers and firefighters under existing coverage agreements.

Sec. 306. Limited exemption for Canadian ministers from certain self-employment tax liability.

Sec. 307. Exclusion of totalization benefits from the application of the windfall elimination provision.

Sec. 308. Exclusion of military reservists from application of the government pension offset and windfall elimination provisions.

Sec. 309. Repeal of the facility-of-payment provision.

Sec. 310. Maximum family benefits in guarantee cases.

Sec. 311. Authorization for disclosure of social security information for purposes of public or private epidemiological and similar research.

Sec. 312. Misuse of symbols, emblems, or names in reference to Social Security Administration, Department of Health and Human Services, or Department of the Treasury.

Sec. 313. Increased penalties for unauthorized disclosure of social security information.

Sec. 314. Increase in authorized period for extension of time to file annual earnings report.

Sec. 315. Extension of disability insurance program demonstration project authority.

Sec. 316. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.

Sec. 317. Certain transfers to railroad retirement account made permanent.

Sec. 318. Authorization for use of social security account numbers by Department of Labor in administration of Federal workers' compensation laws.

Sec. 319. Coverage under FICA of Federal employees transferred temporarily to international organizations.

Sec. 320. Extension of the FICA tax exemption and certain tax rules to individuals who enter the United States under a visa issued under section 101 of the Immigration and Nationality Act.

Sec. 321. Technical and clerical amendments.

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

SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY.

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

“SOCIAL SECURITY ADMINISTRATION

“SEC. 701. (a) There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration (in this title referred to as the ‘Administration’).

“(b) It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.

SEC. 102. COMMISSIONER AND DEPUTY COMMISSIONER; OTHER OFFICERS.

Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

“COMMISSIONER; DEPUTY COMMISSIONER; OTHER OFFICERS

“Commissioner of Social Security

“SEC. 702. (a)(1) There shall be in the Administration a Commissioner of Social Security (in this title referred to as the ‘Commissioner’) who shall be appointed by the President, by and with the advice and consent of the Senate.

“(2) The Commissioner shall be compensated at the rate provided for level I of the Executive Schedule.

“(3) The Commissioner shall be appointed for a term of 6 years, except that the initial term of office for Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Commissioner’s term of office, such Commissioner may continue in office until the entry upon office of such a successor. A Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. An individual serving in the office of Commissioner may be removed from office only pursuant to a finding by the President of neglect of duty or malfeasance in office.

“(4) The Commissioner shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

“(5) The Commissioner may prescribe such rules and regulations as the Commissioner determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Commissioner shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

“(6) The Commissioner may establish, alter, consolidate, or discontinue such organizational units or components within the Ad-

ministration as the Commissioner considers necessary or appropriate, except that this paragraph shall not apply with respect to any unit, component, or provision provided for by this Act.

“(7) The Commissioner may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Commissioner may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Commissioner.

“(8) The Commissioner and the Secretary of Health and Human Services (in this title referred to as the ‘Secretary’) shall consult, on an ongoing basis, to ensure—

“(A) the coordination of the programs administered by the Commissioner, as described in section 701, with the programs administered by the Secretary under titles XVIII and XIX of this Act; and

“(B) that adequate information concerning benefits under such titles XVIII and XIX is available to the public.

“Deputy Commissioner of Social Security

“(b)(1) There shall be in the Administration a Deputy Commissioner of Social Security (in this title referred to as the ‘Deputy Commissioner’) who shall be appointed by the President, by and with the advice and consent of the Senate.

“(2) The Deputy Commissioner shall be appointed for a term of 6 years, except that the initial term of office for the Deputy Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Deputy Commissioner’s term of office, such Deputy Commissioner may continue in office until the entry upon office of such a successor. A Deputy Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

“(3) The Deputy Commissioner shall be compensated at the rate provided for level II of the Executive Schedule.

“(4) The Deputy Commissioner shall perform such duties and exercise such powers as the Commissioner shall from time to time assign or delegate. The Deputy Commissioner shall be Acting Commissioner of the Administration during the absence or disability of the Commissioner and, unless the President designates another officer of the Government as Acting Commissioner, in the event of a vacancy in the office of the Commissioner.

“Chief Financial Officer

“(c) There shall be in the Administration a Chief Financial Officer appointed by the Commissioner in accordance with section 901(a)(2) of title 31, United States Code.

“Inspector General

“(d) There shall be in the Administration an Inspector General appointed by the President, by and with the advice and consent of

the Senate, in accordance with section 3(a) of the Inspector General Act of 1978.”

SEC. 103. SOCIAL SECURITY ADVISORY BOARD.

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

“SOCIAL SECURITY ADVISORY BOARD

“Establishment of Board

“SEC. 703. (a) There shall be established a Social Security Advisory Board (in this section referred to as the ‘Board’).

“Functions of the Board

“(b) On and after the date the Commissioner takes office, the Board shall advise the Commissioner on policies related to the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI. Specific functions of the Board shall include—

“(1) analyzing the Nation’s retirement and disability systems and making recommendations with respect to how the old-age, survivors, and disability insurance program and the supplemental security income program, supported by other public and private systems, can most effectively assure economic security;

“(2) studying and making recommendations relating to the coordination of programs that provide health security with programs described in paragraph (1);

“(3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;

“(4) making recommendations with respect to the quality of service that the Administration provides to the public;

“(5) making recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;

“(6) increasing public understanding of the social security system;

“(7) making recommendations with respect to a long-range research and program evaluation plan for the Administration;

“(8) reviewing and assessing any major studies of social security as may come to the attention of the Board; and

“(9) making recommendations with respect to such other matters as the Board determines to be appropriate.

“Structure and Membership of the Board

“(c)(1) The Board shall be composed of 7 members who shall be appointed as follows:

“(A) 3 members shall be appointed by the President, by and with the advice and consent of the Senate. Not more than 2 of such members shall be from the same political party.

“(B) 2 members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Senate Committee on Finance.

“(C) 2 members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the House Committee on Ways and Means.

“(2) The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

“Terms of Appointment

“(d) Each member of the Board shall serve for a term of 6 years, except that—

“(1) a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term; and

“(2) the terms of service of the members initially appointed under this section shall begin on October 1, 1994, and expire as follows:

“(A) The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of—

“(i) 2 years;

“(ii) 4 years; and

“(iii) 6 years.

“(B) The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of—

“(i) 3 years; and

“(ii) 6 years.

“(C) The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of—

“(i) 4 years; and

“(ii) 5 years.

“Chairman

“(e) A member of the Board shall be designated by the President to serve as Chairman for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

“Expenses and Per Diem

“(f) Members of the Board shall serve without compensation, except that, 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.

“Meetings

“(g)(1) The Board shall meet at the call of the Chairman (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chairman in consultation with the other members of the Board.

“(2) Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for purposes of conducting business.

“Federal Advisory Committee Act

“(h) The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

“Personnel

“(i) The Board shall, without regard to the provisions of title 5, United States Code, relating to the competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code. The Board shall appoint such additional personnel as the Board determines to be necessary to provide adequate clerical support for the Board, and may compensate such additional personnel without regard to the provisions of title 5, United States Code, relating to the competitive service.

“Authorization of Appropriations

“(j) There are authorized to be appropriated, out of the Federal Disability Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund, and the general fund of the Treasury, such sums as are necessary to carry out the purposes of this section.”

SEC. 104. PERSONNEL; BUDGETARY MATTERS; SEAL OF OFFICE.

(a) IN GENERAL.—Section 704 of the Social Security Act (42 U.S.C. 904) is amended to read as follows:

“ADMINISTRATIVE DUTIES OF THE COMMISSIONER

“Personnel

“SEC. 704. (a)(1) The Commissioner shall appoint such additional officers and employees as the Commissioner considers necessary to carry out the functions of the Administration under this Act, and attorneys and experts may be appointed without regard to the civil service laws. Except as otherwise provided in the preceding sentence or in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

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

“(3) Notwithstanding any requirements of section 3133 of title 5, United States Code, the Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is substantially greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994 to the extent that the greater number of such authorized positions is specified in the comprehensive work force plan as established and revised by the Commissioner under subsection (b)(2). The total number of such positions authorized for the Administration shall not at any time be less than the number of such authorized positions as of immediately before such date.

“Budgetary Matters

“(b)(1) The Commissioner shall prepare an annual budget for the Administration, which shall be submitted by the President to the Congress without revision, together with the President’s annual budget for the Administration.

“(2)(A) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive work force plan, which shall be established and revised from time to time by the Commissioner.

“(B) Appropriations for administrative expenses of the Administration are authorized to be provided on a biennial basis.

“Employment Restriction

“(c) The total number of positions in the Administration (other than positions established under section 702) which—

“(1) are held by noncareer appointees (within the meaning of section 3132(a)(7) of title 5, United States Code) in the Senior Executive Service, or

“(2) have been determined by the President or the Office of Personnel Management to be of a confidential, policy-determining, policy-making, or policy-advocating character and have been excepted from the competitive service thereby, may not exceed at any time the equivalent of 20 full-time positions.

“Seal of Office

“(d) The Commissioner shall cause a seal of office to be made for the Administration of such design as the Commissioner shall approve. Judicial notice shall be taken of such seal.

“Data Exchanges

“(e)(1) Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code)—

“(A) the Secretary shall disclose to the Commissioner any record or information requested in writing by the Commissioner for the purpose of administering any program administered by the Commissioner, if records or information of such type were

disclosed to the Commissioner of Social Security in the Department of Health and Human Services under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994; and

“(B) the Commissioner shall disclose to the Secretary or to any State any record or information requested in writing by the Secretary to be so disclosed for the purpose of administering any program administered by the Secretary, if records or information of such type were so disclosed under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994.

“(2) The Commissioner and the Secretary shall enter into an agreement under which the Commissioner provides the Secretary data concerning the quality of the services and information provided to beneficiaries of the programs under titles XVIII and XIX and the administrative services provided by the Social Security Administration in support of such programs. Such agreement shall stipulate the type of data to be provided and the terms and conditions under which the data are to be provided.

“(3) The Commissioner and the Secretary shall periodically review the need for exchanges of information not referred to in paragraph (1) or (2) and shall enter into such agreements as may be necessary and appropriate to provide information to each other or to States in order to meet the programmatic needs of the requesting agencies.

“(4)(A) Any disclosure from a system of records (as defined in section 552a(a)(5) of title 5, United States Code) pursuant to this subsection shall be made as a routine use under subsection (b)(3) of section 552a of such title (unless otherwise authorized under such section 552a).

“(B) Any computerized comparison of records, including matching programs, between the Commissioner and the Secretary shall be conducted in accordance with subsections (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code.

“(5) The Commissioner and the Secretary shall each ensure that timely action is taken to establish any necessary routine uses for disclosures required under paragraph (1) or agreed to pursuant to paragraph (3).”.

(b) **REPORT ON SES POSITIONS UNDER COMPREHENSIVE WORK FORCE PLAN.**—Within 60 days after the establishment by the Commissioner of Social Security of the comprehensive work force plan required under section 704(b)(2) of the Social Security Act (as amended by this Act), the Director of the Office of Personnel Management shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report specifying the total number of Senior Executive Services positions authorized for the Social Security Administration in connection with such work force plan.

(c) **EFFECTIVE DATE AND TRANSITION RULE FOR CERTAIN DATA EXCHANGE PROVISIONS.**—

(1) *EFFECTIVE DATE.*—Section 704(e)(4) of the Social Security Act (as amended by subsection (a)) shall take effect March 31, 1996.

(2) *TRANSITION RULE.*—Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code), arrangements for disclosure of records or other information, and arrangements for computer matching of records, which were in effect immediately before the date of the enactment of this Act between the Social Security Administration in the Department of Health and Human Services and other components of such Department may continue between the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and such Department during the period beginning on the date of the enactment of this Act and ending March 31, 1996.

SEC. 105. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) *FUNCTIONS.*—

(1) *IN GENERAL.*—There are transferred to the Social Security Administration all functions of the Secretary of Health and Human Services with respect to or in support of the programs and activities the administration of which is vested in the Social Security Administration by reason of this title and the amendments made thereby. The Commissioner of Social Security shall allocate such functions in accordance with sections 701, 702, 703, and 704 of the Social Security Act (as amended by this title).

(2) *FUNCTIONS OF OTHER AGENCIES.*—

(A) *IN GENERAL.*—Subject to subparagraph (B), the Social Security Administration shall also perform—

(i) the functions of the Department of Health and Human Services, including functions relating to titles XVIII and XIX of the Social Security Act (including adjudications, subject to final decisions by the Secretary of Health and Human Services), that the Social Security Administration in such Department performed as of immediately before the date of the enactment of this Act, and

(ii) the functions of any other agency for which administrative responsibility was vested in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of this Act.

(B) *RULES GOVERNING CONTINUATION OF FUNCTIONS IN THE ADMINISTRATION.*—The Social Security Administration shall perform, on behalf of the Secretary of Health and Human Services (or the head of any other agency, as applicable), the functions described in subparagraph (A) in accordance with the same financial and other terms in effect on the day before the date of the enactment of this Act, except to the extent that the Commissioner and the Secretary (or other agency head, as applicable) agree to alter such terms pertaining to any such function or to terminate the

performance by the Social Security Administration of any such function.

(b) **PERSONNEL, ASSETS, ETC.—**

(1) **IN GENERAL.—**There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Commissioner of Social Security in the Social Security Administration—

(A) the personnel employed in connection with the functions transferred by this title and the amendments made thereby; and

(B) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) **UNEXPENDED FUNDS.—**Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally appropriated.

(3) **EMPLOYMENT PROTECTIONS.—**

(A) **IN GENERAL.—**During the 1-year period beginning March 31, 1995,—

(i) the transfer pursuant to this section of any full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such personnel to be separated or reduced in grade or compensation solely as a result of such transfer, and

(ii) except as provided in subparagraph (B), any such personnel who were not employed in the Social Security Administration in the Department of Health and Human Services immediately before the date of the enactment of this Act shall not be subject to directed reassignment to a duty station outside their commuting area.

(B) **SPECIAL RULES.—**

(i) In the case of personnel whose duty station is in the Washington, District of Columbia, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Baltimore, Maryland, commuting area after September 30, 1995.

(ii) In the case of personnel whose duty station is in the Baltimore, Maryland, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Washington, District of Columbia, commuting area after September 30, 1995.

(4) **OFFICE SPACE.—**Notwithstanding section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606), and subject to available appropriations, the Administrator of General Services may, after consultation with the Commissioner of Social Security and under such terms and conditions as the Administrator finds to be in the interests of the United States—

(A) acquire occupiable space in the metropolitan area of Washington, District of Columbia, for housing the Social Security Administration, and

(B) renovate such space as necessary.

(c) **INTER-AGENCY TRANSFER ARRANGEMENT.**—The Secretary of Health and Human Services and the Commissioner of Social Security shall enter into a written inter-agency transfer arrangement (in this subsection referred to as the “arrangement”), which shall be effective March 31, 1995. Transfers made pursuant to this section shall be in accordance with the arrangement, which shall specify the personnel and resources to be transferred as provided under this section. The terms of such arrangement shall be transmitted not later than January 1, 1995, to the Committee on Ways and Means of the House of Representatives, to the Committee on Finance of the Senate, and to the Comptroller General of the United States. Not later than February 15, 1995, the Comptroller General shall submit a report to each such Committee setting forth an evaluation of such arrangement.

SEC. 106. TRANSITION RULES.

(a) **TRANSITION RULES RELATING TO OFFICERS OF THE SOCIAL SECURITY ADMINISTRATION.**—

(1) **APPOINTMENT OF INITIAL COMMISSIONER OF SOCIAL SECURITY.**—The President shall nominate for appointment the initial Commissioner of Social Security to serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) not later than 60 days after the date of the enactment of this Act.

(2) **ASSUMPTION OF OFFICE OF INITIAL COMMISSIONER BEFORE EFFECTIVE DATE OF NEW AGENCY.**—If the appointment of the initial Commissioner of Social Security pursuant to section 702 of the Social Security Act (as amended by this Act) is confirmed by the Senate pursuant to such section 702 before March 31, 1995, the individual shall take office as Commissioner immediately upon confirmation, and, until March 31, 1995, such Commissioner shall perform the functions of the Commissioner of Social Security in the Department of Health and Human Services.

(3) **TREATMENT OF INSPECTOR GENERAL AND OTHER APPOINTMENTS.**—At any time on or after the date of the enactment of this Act, any of the officers provided for in section 702 of the Social Security Act (as amended by this title) and any of the members of the Social Security Advisory Board provided for in section 703 of such Act (as so amended) may be nominated and take office, under the terms and conditions set out in such sections.

(4) **COMPENSATION FOR INITIAL OFFICERS AND BOARD MEMBERS BEFORE EFFECTIVE DATE OF NEW AGENCY.**—Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Commissioner of Social Security or the Social Security Administration by this title, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer or employee of the new Social Security Administration and of any member or staff of the

Social Security Advisory Board who takes office pursuant to this subsection before March 31, 1995, until such time as funds for that purpose are otherwise available.

(5) *INTERIM ROLE OF CURRENT COMMISSIONER AFTER EFFECTIVE DATE OF NEW AGENCY.*—*In the event that, as of March 31, 1995, an individual appointed to serve as the initial Commissioner of Social Security has not taken office, until such initial Commissioner has taken office, the officer serving on March 31, 1995, as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall, while continuing to serve as such Commissioner of Social Security (or Acting Commissioner of Social Security), serve as Commissioner of Social Security (or Acting Commissioner of Social Security, respectively) in the Social Security Administration established under such section 701 and shall assume the powers and duties under such Act (as amended by this Act) of the Commissioner of Social Security in the Social Security Administration as so established under such section 701. In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the office of Commissioner of Social Security in the Social Security Administration established under such section 701, then the individual serving as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the Social Security Administration as so established under such section 701.*

(6) *INTERIM INSPECTOR GENERAL.*—*The Commissioner of Social Security may appoint an individual to assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under section 701 of the Social Security Act for a period not to exceed 60 days. The Inspector General of the Department of Health and Human Services may, when so requested by the Commissioner, while continuing to serve as Inspector General in such Department, serve as Inspector General of the Social Security Administration established under such section 701 and shall assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under such section 701. The Social Security Administration shall reimburse the Office of Inspector General of the Department of Health and Human Services for costs of any functions performed pursuant to this subsection, from funds available to the Administration at the time the functions are performed. The authority under this paragraph to exercise the powers and duties of the Inspector General shall terminate upon the entry upon office of an Inspector General for the Social Security Administration under the Inspector General Act of 1978.*

(7) *ABOLISHMENT OF OFFICE OF COMMISSIONER OF SOCIAL SECURITY IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.*—*Effective when the initial Commissioner of Social Security of the Social Security Administration established under section 701 of the Social Security Act (as amended by this title)*

takes office pursuant to section 702 of such Act (as so amended)—

(A) the position of Commissioner of Social Security in the Department of Health and Human Services is abolished; and

(B) section 5315 of title 5, United States Code, is amended by striking the following:

“Commissioner of Social Security, Department of Health and Human Services.”

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements (and ongoing negotiations relating to such collective bargaining agreements), recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or the Secretary's delegate), and (B) which relate to functions which, by reason of this title, the amendments made thereby, and regulations prescribed thereunder, are vested in the Commissioner of Social Security; and

(2) which are in effect immediately before March 31, 1995, shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by such Commissioner, except that any collective bargaining agreement shall remain in effect until the date of termination specified in such agreement.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this title (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before March 31, 1995, with respect to functions vested (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) in the Commissioner of Social Security, except that such proceedings, to the extent that such proceedings relate to such functions, shall continue before such Commissioner. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Commissioner, by a court of competent jurisdiction, or by operation of law.

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

(1) the provisions of this title shall not affect suits commenced before March 31, 1995; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in such officer's official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this title. In any suit, action, or other proceeding pending immediately before March 31,

1995, the court or hearing officer may at any time, on the motion of the court or hearing officer or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(e) **CONTINUATION OF PENALTIES.**—This title shall not have the effect of releasing or extinguishing any civil or criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) is vested in the Commissioner of Social Security.

(f) **JUDICIAL REVIEW.**—Orders and actions of the Commissioner of Social Security in the exercise of functions vested in such Commissioner under this title and the amendments made thereby (other than functions performed pursuant to 105(a)(2)) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before March 31, 1995. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Commissioner shall continue to apply to the exercise of such function by such Commissioner.

(g) **EXERCISE OF FUNCTIONS.**—In the exercise of the functions vested in the Commissioner of Social Security under this title, the amendments made thereby, and regulations prescribed thereunder, such Commissioner shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Commissioner, and actions of such Commissioner shall have the same force and effect as when exercised by such Secretary.

SEC. 107. CONFORMING AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) **IN GENERAL.**—Title II of the Social Security Act (42 U.S.C. 401 et seq.) (other than section 201, section 231(c), section 226, and section 226A) and title XVI of such Act (42 U.S.C. 1382 et seq.) (other than section 1614(f)(2)(B)) are each amended—

(1) by striking, wherever it appears, “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”;

(2) by striking, wherever it appears, “Department of Health and Human Services” and inserting “Social Security Administration”;

(3) by striking, wherever it appears, “Department” (but only if it is not immediately succeeded by the words “of Health and Human Services”, and only if it is used in reference to the Department of Health and Human Services) and inserting “Administration”;

(4) by striking, wherever it appears, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): “Secretary”, “Secretary’s”, “his”, “him”, “he”, “her”, and “she”, and inserting (in the case of the word “Secretary”) “Commissioner of Social Security”, (in the case of the word “Secretary’s”) “Com-

missioner's", (in the case of the word "his") "the Commissioner's", (in the case of the word "him") "the Commissioner", (in the case of the word "her") "the Commissioner" or "the Commissioner's", as may be appropriate, and (in the case of the words "she" or "he") "the Commissioner"; and

(b) AMENDMENTS TO SECTION 201.—

(1) Subsections (a)(3), (a)(4), (b)(1), and (b)(2) of section 201 of such Act (42 U.S.C. 401) are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(2) Subsections (a)(3) and (b)(1) of section 201 of such Act (42 U.S.C. 401) are amended by striking "such Secretary" and inserting "such Commissioner".

(3) Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(A) in the first sentence, by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(B) in the fifth sentence, by striking "Commissioner of Social Security" and inserting "Deputy Commissioner of Social Security".

(4) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended—

(A) in clause (i), by striking "by him and the Secretary of Health and Human Services" and inserting "by the Managing Trustee, the Commissioner of Social Security, and the Secretary of Health and Human Services", and by striking "by the Department of Health and Human Services and the Treasury Department for the administration of titles II, XVI, and XVIII of this Act" and inserting "by the Department of Health and Human Services for the administration of title XVIII of this Act, and by the Department of the Treasury for the administration of titles II and XVIII of this Act";

(B) in clause (ii), by striking "method prescribed by the Board of Trustees under paragraph (4)" and inserting "applicable method prescribed under paragraph (4)", by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security", and by striking "the Department of Health and Human Services" and inserting "the Social Security Administration"; and

(C) in the matter following clause (ii), by striking "titles II, XVI, and XVIII" in the first sentence and inserting "titles II and XVIII", and by striking the last sentence and inserting the following: "There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible, the costs of title XVIII for which the Secretary of Health and Human Services is responsible, and the costs of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions

of the Internal Revenue Code of 1986 other than those referred to in clause (i) of the first sentence of this subparagraph.”

(4)(A) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is further amended by striking subparagraph (B) and inserting the following new subparagraphs:

“(B) After the close of each fiscal year—

“(i) the Commissioner of Social Security shall determine—

“(I) the portion of the costs, incurred during such fiscal year, of administration of this title, title XVI, and title XVIII for which the Commissioner is responsible and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)), which should have been borne by the general fund of the Treasury,

“(II) the portion of such costs which should have been borne by the Federal Old-Age and Survivors Insurance Trust Fund,

“(III) the portion of such costs which should have been borne by the Federal Disability Insurance Trust Fund,

“(IV) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

“(V) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund, and

“(ii) the Secretary of Health and Human Services shall determine—

“(I) the portion of the costs, incurred during such fiscal year, of the administration of title XVIII for which the Secretary is responsible, which should have been borne by the general fund of the Treasury,

“(II) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

“(III) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund.

“(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commissioner of Social Security and the Secretary shall each certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund of the Treasury, in order to ensure that each of the Trust Funds and the general fund of the Treasury have borne their proper share of the costs, incurred during such fiscal year, for—

“(i) the parts of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible,

“(ii) the parts of the administration of title XVIII for which the Secretary is responsible, and

“(iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)).

The Managing Trustee shall transfer any such amounts in accordance with any certification so made.

“(D) The determinations required under subclauses (IV) and (V) of subparagraph (B)(i) shall be made in accordance with the cost allocation methodology in existence on the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, until such time as the methodology for making the determinations required under such subclauses is revised by agreement of the Commissioner and the Secretary, except that the determination of the amounts to be borne by the general fund of the Treasury with respect to expenditures incurred in carrying out the functions of the Social Security Administration specified in section 232 shall be made pursuant to the applicable method prescribed under paragraph (4).”

(5) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended, in the second sentence, by striking “established and maintained by the Secretary of Health and Human Services” and inserting “maintained by the Commissioner of Social Security”, and by striking “Secretary shall furnish” and inserting “Commissioner of Social Security shall furnish”.

(6) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended to read as follows:

“(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as in effect immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, for determining the costs which should be borne by the general fund of the Treasury of carrying out the functions of the Commissioner, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). If at any time or times thereafter the Boards of Trustees of such Trust Funds consider such action advisable, they may modify the method of determining such costs.”

(7) Section 201(i)(1) of such Act (42 U.S.C. 401(i)(1)) is amended to read as follows:

“(i)(1) The Managing Trustee may accept on behalf of the United States money gifts and bequests made unconditionally to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund or to the Social Security Administration, the Department of Health and Human Services, or any part or officer thereof, for the benefit of any of such Funds or any activity financed through such Funds.”

(8) Subsections (j) and (k) of section 201 of such Act (42 U.S.C. 401) are each amended by striking “Secretary” each place it appears and inserting “Commissioner of Social Security”.

(9) Section 201(l)(3)(B)(iii)(II) of such Act (42 U.S.C. 401(l)(3)(B)(iii)(II)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(10) Section 201(m)(3) of such Act (42 U.S.C. 401(m)(3)) is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(c) AMENDMENT TO SECTION 231.—Section 231(c) of such Act (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Commissioner of Social Security and the Secretary jointly determine".

SEC. 108. ADDITIONAL CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE VII.—

(1) Title VII of the Social Security Act (42 U.S.C. 901 et seq.) is amended by adding at the end the following new section:

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 712. The Secretary shall perform the duties imposed upon the Secretary by this Act. The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures as may be necessary for carrying out the functions of the Secretary under this Act. The Secretary may appoint attorneys and experts without regard to the civil service laws."

(2) Section 706 of such Act (42 U.S.C. 907) is repealed. This paragraph shall not apply with respect to the Advisory Council for Social Security appointed in 1994.

(3) Paragraph (2) of section 709(b) of such Act (42 U.S.C. 910(b)) is amended by striking "(as estimated by the Secretary)" and inserting "(for amounts which will be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as estimated by the Commissioner, and for amounts which will be paid from the Federal Hospital Insurance Trust and the Federal Supplementary Medical Insurance Trust Fund, as estimated by the Secretary)".

(b) AMENDMENTS TO TITLE XI.—

(1) Section 1101(a) of such Act (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'Administration' means the Social Security Administration, except where the context requires otherwise."

(2) Section 1106(a) of such Act (42 U.S.C. 1306(a)) is amended—

(A) by inserting "(1)" after "(a)";

(B) by striking "Department of Health and Human Services" each place it appears and inserting "applicable agency";

(C) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(D) by adding at the end the following new paragraph:

"(2) For purposes of this subsection and subsection (b), the term 'applicable agency' means—

“(A) the Social Security Administration, with respect to matter transmitted to or obtained by such Administration or matter disclosed by such Administration, or

“(B) the Department of Health and Human Services, with respect to matter transmitted to or obtained by such Department or matter disclosed by such Department.”.

(3) Section 1106(b) of such Act (42 U.S.C. 1306(b)) is amended—

(A) by striking “Secretary” each place it appears and inserting “head of the applicable agency”; and

(B) by striking “Department of Health and Human Services” and inserting “applicable agency”.

(4) Section 1106(c) of such Act (42 U.S.C. 1306(c)) is amended—

(A) by striking “the Secretary” the first place it appears and inserting “the Commissioner of Social Security or the Secretary”; and

(B) by striking “the Secretary” each subsequent place it appears and inserting “such Commissioner or Secretary”.

(5) Section 1106(d) of such Act (added by section 311 of this Act) is amended—

(A) by striking “Secretary” the first place it appears and inserting “Commissioner of Social Security”;

(B) by striking “Secretary” the second place it appears and inserting “Commissioner”;

(C) by striking “Secretary” the third place it appears and inserting “Commissioner in consultation with the Secretary of Health and Human Services”; and

(D) by striking “Secretary” each subsequent place it appears and inserting “Commissioner”.

(6) Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended by striking “the Secretary of Health and Human Services” and inserting “the Commissioner of Social Security or the Secretary”.

(7) Section 1110 of such Act (42 U.S.C. 1310) is amended—

(A) by striking “he”, “his”, and “him” each place they appear (except in subsection (b)(2)(A)) and inserting “the Commissioner”, “the Commissioner’s”, and “the Commissioner”, respectively;

(B) in subsection (a)(2), by inserting “(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)” after “Secretary”;

(C) in subsection (b)(1)—

(i) by striking “Secretary” each place it appears in the first two sentences and inserting “Commissioner”;

(ii) by striking in the third sentence “determined by the Secretary,” and inserting “determined by the Commissioner with respect to the old-age, survivors, and disability insurance programs under title II and the supplemental security income program under title XVI, and by the Secretary with respect to other titles of this Act.”; and

(iii) by striking the fourth sentence and inserting the following new sentences: "If, in order to carry out a project under this subsection, the Commissioner requests a State to make supplementary payments (or the Commissioner makes them pursuant to an agreement under section 1616) to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not make such payments, the Commissioner shall reimburse such State for the non-Federal share of such payments from amounts appropriated to carry out title XVI. If, in order to carry out a project under this subsection, the Secretary requests a State to provide medical assistance under its plan approved under title XIX to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not provide such medical assistance, the Secretary shall reimburse such State for the non-Federal share of such assistance from amounts appropriated to carry out title XVI, which shall be provided by the Commissioner to the Secretary for this purpose.";

(D) in subsection (b)(2), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(E) in subsection (b), by striking paragraph (3).

(8) Subsections (b) and (c) of section 1127 of such Act (42 U.S.C. 1320a-6) are each amended by striking "Secretary" and inserting "Commissioner of Social Security".

(9) Section 1128(f) of such Act (42 U.S.C. 1320a-7(f)) is amended—

(A) in paragraph (1), by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively", and

(B) in paragraph (3), by inserting after "title II" the following: ", except that, in so applying such section and section 205(l), any reference therein to the Commissioner of Social Security shall be considered a reference to the Secretary".

(10)(A) Section 1129 of such Act (added by section 206(b) of this Act) is amended—

(i) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(ii) in subsection (a)(1)—

(I) by striking "exclude, as provided in section 1128," and inserting "recommend that the Secretary exclude, as provided in section 1128,"; and

(II) by striking "and to direct" and all that follows through "determines";

(iii) in subsection (g)—

(I) by striking "Secretary's" and inserting "Commissioner's"; and

(II) by striking "the provisions" and all that follows and inserting the following: "the Commissioner shall notify the Secretary of the final determination and the reasons therefor, and the Secretary shall then notify the entities described in section 1128A(h) of such final determination.";

(iv) in subsection (k), by inserting "based on a recommendation under subsection (a)" after "section 1128"; and

(v) in subsection (l) (added by section 206(e)(1)), by striking "Department of Health and Human Services" and inserting "Social Security Administration".

(B) Section 206(g) of this Act is amended—

(i) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security"; and

(ii) by striking "Secretary has exercised" and inserting "Commissioner has exercised".

(11) Section 1131 of such Act (42 U.S.C. 1320b-1) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (a)(1)(A), by adding "or" at the end;

(C) in subsection (a)(1)(B), by striking "or" at the end;

(D) by striking subsection (a)(1)(C);

(E) by redesignating subsection (a)(2) as subsection (a)(3);

(F) by inserting after subsection (a)(1) the following new paragraph:

"(2) the Secretary makes a finding of fact and a decision as to the entitlement under section 226 of any individual to hospital insurance benefits under part A of title XVIII, or"; and

(G) in the matter in subsection (a) following paragraph (3) (as so redesignated), by striking "he" and inserting "the Commissioner of Social Security", by striking "paragraph (1)" and inserting "paragraph (1) or (2)", by striking "paragraph (2)" and inserting "paragraph (3)", and by striking "paragraph (1) or (2)(A)" and inserting "paragraph (1), (2), or (3)(A)".

(12) Section 1140 of such Act (42 U.S.C. 1320b-10) (as amended by section 312 of this Act) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "or of the Department of Health and Human Services";

(iii) by striking "which the Secretary shall prescribe" and inserting "which the Commissioner of Social Security shall prescribe"; and

(iv) by adding at the end the following new subparagraph:

"(B) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.";

(B) in subsection (b), by striking "the Secretary" and inserting "the Commissioner or the Secretary (as applicable)";

(C) in subsection (c)(2), by striking "the Secretary" each place it appears and inserting "the Commissioner or the Secretary (as applicable)"; and

(D) in subsection (d), by striking "the Office of Inspector General of the Department of Health and Human Services" and inserting "the Office of the Inspector General of the Social Security Administration or the Office of the Inspector General of the Department of Health and Human Services (as appropriate)".

(13) Section 1141 of such Act (42 U.S.C. 1320b-11) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary's" each place it appears and inserting "Commissioner's";

(C) in the first sentence of subsection (a), by striking "under the direction of the Commissioner of Social Security,"; and

(D) in subsection (d)(6), by striking "Department of Health Services and inserting "Social Security Administration".

(14) Section 1155 of such Act (42 U.S.C. 1320c-4) is amended by striking "(to the same extent as is provided in section 205(b))" and all that follows and inserting "(to the same extent as beneficiaries under title II are entitled to a hearing by the Commissioner of Social Security under section 205(b)). For purposes of the preceding sentence, subsection (l) of section 205 shall apply, except that any reference in such subsection to the Commissioner of Social Security or the Social Security Administration shall be deemed a reference to the Secretary or the Department of Health and Human Services, respectively. Where the amount in controversy is \$2,000 or more, such beneficiary shall be entitled to judicial review of any final decision relating to a reconsideration described in this subsection."

(c) AMENDMENTS TO TITLE XVIII.—

(1) Section 1817 of such Act (42 U.S.C. 1395i) is amended—

(A) in subsection (a), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (b), by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(C) in subsection (f), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 1840(a) of such Act (42 U.S.C. 1395s(a)) is amended—

(A) in paragraph (1), by striking "Secretary" and inserting "Commissioner of Social Security", and by adding at the end the following new sentence: "Such regulations

shall be prescribed after consultation with the Secretary.”; and

(B) in paragraph (2), by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”.

(3) Section 1841(b) of such Act (42 U.S.C. 1395t) is amended by inserting “the Commissioner of Social Security,” before “the Secretary of the Treasury”.

(4) Section 1872 of such Act (42 U.S.C. 1395ii) is amended by inserting after “title II” the following: “, except that, in applying such provisions with respect to this title, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively”.

(5) Sections 1866(h)(1), 1869(b)(1), and 1881(g)(3) of such Act (42 U.S.C. 1395cc(h)(1), 1395ff(b)(1), 1395rr(g)(3)) are amended by inserting after “section 205(g)” the following: “, except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively”.

(6) Section 1876(c)(5)(B) of such Act (42 U.S.C. 1395mm(c)(5)(B)) is amended by adding at the end the following: “In applying sections 205(b) and 205(g) as provided in this subparagraph, and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively.”.

(d) AMENDMENTS TO TITLE XIX.—

(1) Section 1902(a)(10)(A)(ii)(XI) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XI)) is amended by striking “Secretary” and inserting “Commissioner of Social Security”.

(2) Section 1905(j) of such Act (42 U.S.C. 1396d(j)) is amended by striking “Secretary” and inserting “Commissioner of Social Security”.

(3) Section 1905(q)(2) of such Act (42 U.S.C. 1396d(q)(2)) is amended by striking “Secretary” and inserting “Commissioner of Social Security”.

(4) Section 1910(b)(2) of such Act (42 U.S.C. 1396i(b)(2)) is amended, in the first sentence, by inserting after “section 205(g)” the following: “, except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively”.

(5) Section 1918 of such Act (42 U.S.C. 1396q) is amended by inserting after “title II” the following: “, except that, in so applying such subsections, and in applying section 205(l) thereto, with respect to this title, any reference therein to the Commissioner of Social Security or the Social Security Administration

shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively”.

(e) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) by adding at the end of section 5312 the following new item:

“Commissioner of Social Security, Social Security Administration.”;

(2) by adding at the end of section 5313 the following new item:

“Deputy Commissioner of Social Security, Social Security Administration.”;

(3) by adding at the end of section 5315 the following new item:

“Inspector General, Social Security Administration.”;

(4) by striking “Secretary of Health, Education, and Welfare” each place it appears in section 8141 and inserting “Commissioner of Social Security”; and

(5) by striking “Secretary of Health and Human Services” in section 8347(m)(3) and inserting “Commissioner of Social Security”.

(f) AMENDMENTS TO FOOD STAMP ACT OF 1977.—

(1) Sections 6(c)(3) and 8(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(3) and 2017(e)(6)) are each amended by inserting “the Commissioner of Social Security and” before “the Secretary of Health and Human Services”.

(2) Sections 6(g), 11(j), and 16(e) of such Act (7 U.S.C. 2015(g), 2020(j), and 2025(e)) are each amended by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”.

(3) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding “, the Commissioner of Social Security” after “the Secretary”.

(g) AMENDMENT TO TITLE 14, UNITED STATES CODE.—Section 707(e)(3) of title 14, United States Code, is amended by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”.

(h) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) Subsections (c)(1), (c)(2)(E), (e)(2), (g)(1), (g)(2)(A), and (g)(2)(B) of section 1402 of the Internal Revenue Code of 1986 are amended by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”.

(2) Section 3121(b)(10)(B) of such Code is amended by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”.

(3) Section 3127 of such Code is amended by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”.

(4) Section 6050F(c)(1)(A) of such Code is amended by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”.

(5) Subsections (d) and (f) of section 6057 of such Code are amended by striking “Secretary of Health and Human Services”

each place it appears and inserting "Commissioner of Social Security".

(6) Section 6103(l)(5) of such Code is amended—

(A) by striking "DEPARTMENT OF HEALTH AND HUMAN SERVICES" in the heading and inserting "SOCIAL SECURITY ADMINISTRATION"; and

(B) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(7) Subsections (d)(3)(C) and (e) of section 6402 of such Code are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(8) Section 6511(d)(5) of such Code is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(9)(A) Subsections (b)(2) and (h) of section 9704 of such Code are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(B) Section 9706 of such Code is amended—

(i) by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(ii) in such section as amended by clause (i), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(iii) in subsection (d)(3), by striking "Secretary's" and inserting "Commissioner's".

(i) AMENDMENTS TO BLACK LUNG BENEFITS ACT.—

(1) Section 402(c) of the Black Lung Benefits Act (30 U.S.C. 902(c)) is amended by striking "where used in part B" and all that follows through "part C" and insert "where used in part C".

(2) Part B of such Act (30 U.S.C. 921 et seq.) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security, and by striking "Secretary" each place it otherwise appears in reference to the Secretary of Health and Human Services and inserting "Commissioner of Social Security".

(3) Section 426 of such Act (30 U.S.C. 936) is amended—

(A) in subsection (a), by striking "and the Secretary of Health, Education, and Welfare" and inserting ", the Commissioner of Social Security, and the Secretary of Health and Human Services"; and

(B) in subsection (b), by striking "the Secretary of Health, Education, and Welfare" and inserting "the Commissioner of Social Security".

(4) Section 435 of such Act (30 U.S.C. 945) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security".

(5) Section 508 of such Act (30 U.S.C. 957) is amended by striking "the Secretary of Health, Education, and Welfare," and inserting "the Secretary of Health and Human Services, the Commissioner of Social Security,".

(j) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) Section 901(b)(2) of title 31, United States Code, is amended by adding at the end the following:

“(H) The Social Security Administration.”.

(2) Section 3720A(f)(2) of such title is amended by striking “Secretary of Health and Human Services” each place it appears in and inserting “Commissioner of Social Security”.

(k) AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Section 5105 of title 38, United States Code, is amended—

(1) by striking “Secretary of Health and Human Services” each place it appears and inserting “Commissioner of Social Security”; and

(2) by striking the second sentence of subsection (b) and inserting the following new sentence: “A copy of each such application filed with either the Secretary or the Commissioner, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Secretary or the Commissioner with such application, and which may be needed by the other official in connection therewith, shall be transmitted by the Secretary or the Commissioner receiving the application to the other official.”.

(l) AMENDMENTS TO INSPECTOR GENERAL ACT OF 1978.—

(1) Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) by striking “and” at the end of such paragraph (V); and

(B) by adding at the end the following new subparagraph:

“(W) of the Social Security Administration, the functions of the Inspector General of the Department of Health and Human Services which are transferred to the Social Security Administration by the Social Security Independence and Program Improvements Act of 1994 (other than functions performed pursuant to section 105(a)(2) of such Act), except that such transfers shall be made in accordance with the provisions of such Act and shall not be subject to subsections (b) through (d) of this section; and”.

(2) Section 11 of such Act (5 U.S.C. App.) is amended—

(A) in paragraph (1), by inserting “; or the Commissioner of Social Security, Social Security Administration” before “; as the case may be”; and

(B) in paragraph (2), by inserting “, or the Social Security Administration” before “; as the case may be”.

(m) SECTION 505 OF THE SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980.—Section 505 of the Social Security Disability Amendments of 1980 is amended—

(1) in subsection (a), by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”;

(2) in subsection (a)(3), by amending the first sentence to read as follows: “In the case of any experiment or demonstration project under paragraph (1) which is initiated before June 10, 1996, the Commissioner may waive compliance with the benefit requirements of title II of the Social Security Act, and the Sec-

retary of Health and Human Services may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII of such Act, insofar as is necessary for a thorough evaluation of the alternative methods under consideration.”; and

(3) in subsections (a) and (c), by striking “Secretary” each place it otherwise appears and inserting “Commissioner”.

SEC. 109. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Department of Health and Human Services with respect to such Department’s functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Secretary of Health and Human Services with respect to such Secretary’s functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Commissioner of Social Security pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Commissioner of Social Security.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer or employee’s functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the officer or employee of the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 110. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this title, this title, and the amendments made by such title, shall take effect March 31, 1995.

(b) TRANSITION RULES.—Section 106 shall take effect on the date of the enactment of this Act.

(c) EXCEPTIONS.—The amendments made by section 103, subsections (b)(4) and (c) of section 105, and subsections (a)(1), (e)(1), (e)(2), (e)(3), and (l)(2) of section 108 shall take effect on the date of the enactment of this Act.

TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

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

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

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

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

(i) by inserting “(A)” after “(j)(1)”;

(ii) in the last sentence, by inserting “, if the interest of the individual under this title would be served thereby,” after “alternative representative payee or”; and

(iii) by adding at the end the following new subparagraph:

“(B) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is under a disability, certification of payment of such benefits to a representative payee shall be deemed to serve the interest of such individual under this title. In any case in which such certification is so deemed under this subparagraph to serve the interest of an individual, the Secretary shall include, in such individual’s notification of entitlement, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary’s determination of such individual’s disability and that the Secretary is therefore required to make a certification of payment of such individual’s benefits to a representative payee.”

(B) CONFORMING AMENDMENT.—Section 205(j)(2)(D)(ii)(II) of such Act (42 U.S.C. 402(j)(2)(D)(ii)(II)) is amended by striking “or under the age of 15” and inserting “, under the age of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is under a disability) is eligible for benefits under this title by reason of disability.”

(C) 90-DAY DELAY IN DEFERRAL OR SUSPENSION OF BENEFITS FOR CURRENT BENEFICIARIES.—In the case of an individual who, as of 180 days after the date of the enactment of this Act, has been determined to be under a disability, if alcoholism or drug addiction is a contributing factor material to the determination of the Secretary of Health and Human Services that the individual is under a disability, the Secretary may, notwithstanding clauses (i) and (ii) of section 205(j)(2)(D) of the Social Security Act, make direct payment of benefits to such individual during the 90-day period commencing with the date on which such individual is provided the notice described in subparagraph (D)(ii) of this paragraph, until such time during such period as the

selection of a representative payee is made pursuant to section 205(j) of such Act.

(D) EFFECTIVE DATE.—

(i) **GENERAL RULE.**—Except as provided in clause (ii), the amendments made by this paragraph shall apply with respect to benefits paid in months beginning after 180 days after the date of the enactment of this Act.

(ii) **TREATMENT OF CURRENT BENEFICIARIES.**—In any case in which—

(I) an individual is entitled to benefits based on disability (as defined in section 205(j)(7) of the Social Security Act, as amended by this section),

(II) the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and

(III) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, the amendments made by this paragraph shall apply with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that the Secretary is therefore required to make a certification of payment of such individual's benefits to a representative payee.

(E) STUDY REGARDING FEASIBILITY, COST, AND EQUITY OF REQUIRING REPRESENTATIVE PAYEES FOR ALL DISABILITY BENEFICIARIES SUFFERING FROM ALCOHOLISM OR DRUG ADDICTION.—

(i) **STUDY.**—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of the representative payee program. In such study, the Secretary shall examine—

(I) the feasibility, cost, and equity of requiring representative payees for all individuals entitled to benefits based on disability under title II or XVI of the Social Security Act who suffer from alcoholism or drug addiction, irrespective of whether the alcoholism or drug addiction was material in any case to the Secretary's determination of disability,

(II) the feasibility, cost, and equity of providing benefits through non-cash means, including (but not limited to) vouchers, debit cards, and electronic benefits transfer systems,

(III) the extent to which child beneficiaries are afflicted by drug addiction or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and

(IV) the extent to which children's representative payees are afflicted by drug addiction or alco-

holism, and methods to identify children's representative payees afflicted by drug addiction or alcoholism and to ensure that benefits continue to be provided to beneficiaries appropriately.

(ii) REPORT.—Not later than December 31, 1995, the Secretary shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report setting forth the findings of the Secretary based on such study. Such report shall include such recommendations for administrative or legislative changes as the Secretary considers appropriate.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 205(j)(2)(C) of such Act (42 U.S.C. 405(j)(2)(C)) is amended by adding at the end the following new clause:

“(v) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, when selecting such individual's representative payee, preference shall be given to—

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

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

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

“(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.”.

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 205(j)(4)(A) of such Act (42 U.S.C. 405(j)(4)) is amended—

(I) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(II) by inserting “(i)” after “(4)(A)”;

(III) by striking subclause (II) (as redesignated by subclause (I) of this clause) and inserting the following:

“(II) \$25.00 per month (\$50.00 per month in any case in which the individual is entitled to benefits based on disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability).”;

(IV) by inserting, after and below subclause (II) (as amended), the following new sentence:

“The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of \$1.00 shall be rounded to the nearest multiple of \$1.00.”; and

(V) by adding at the end the following new clause:

“(ii) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom all past-due benefits have not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).”

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 205(j)(4)(B) of such Act (42 U.S.C. 405(j)(4)(B)) is amended—

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

(II) by striking “representative payee and which,” and inserting “representative payee, if such agency,”;

(III) by striking “, and” at the end of clause (ii) and inserting a period; and

(IV) by striking clause (iii).

(iii) RETROACTIVE REPEAL OF SUNSET.—Effective July 1, 1994, section 205(j)(4) of such Act (42 U.S.C. 405(j)(4)) is amended by striking subparagraph (D).

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

“(7) For purposes of this subsection, the term ‘benefit based on disability’ of an individual means a disability insurance benefit of such individual under section 223 or a child’s, widow’s, or widower’s insurance benefit of such individual under section 202 based on such individual’s disability.”

(D) EFFECTIVE DATE.—Except as provided in subparagraph (B)(iii), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

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

(i) by striking the heading and inserting the following:

“ADDITIONAL RULES RELATING TO BENEFITS BASED ON DISABILITY

“Suspension of Benefits”;

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

“Continued Payments During Rehabilitation Program”;

and

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

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

“(c)(1)(A) In the case of any individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that such individual is under a disability, such individual shall comply with the provisions of this subsection. In any case in which an individual is required to comply with the provisions of this subsection, the Secretary shall include, in such individual’s notification of entitlement, a notice informing such individual of such requirement.

“(B) Notwithstanding any other provision of this title, if an individual who is required under subparagraph (A) to comply with the provisions of this subsection is determined by the Secretary not to be in compliance with the provisions of this subsection, such individual’s benefits based on disability shall be suspended for a period—

“(i) commencing with the first month following the month in which such individual is notified by the Secretary of the determination of noncompliance and that the individual’s benefits will be suspended, and

“(ii) ending with the month preceding the first month, after the determination of noncompliance, in which such individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in paragraph (3).

“(2)(A) An individual described in paragraph (1) is in compliance with the requirements of this subsection for a month if in such month—

“(i) such individual undergoes substance abuse treatment which is appropriate for such individual’s condition diagnosed as alcoholism or drug addiction and for the stage of such individual’s rehabilitation and which is conducted at an institution or facility approved for purposes of this subsection by the Secretary, and

“(ii) such individual complies in such month with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under paragraph (5).

“(B) An individual described in paragraph (1) may be determined as failing to comply with the requirements of this subsection for a month only if treatment meeting the requirements of subparagraph (A)(i) is available for that month, as determined pursuant to regulations of the Secretary.

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

“(A) 2 consecutive months, in the case of a first determination that an individual is not in compliance with the requirements of this subsection,

“(B) 3 consecutive months, in the case of the second such determination with respect to the individual, or

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

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

“(5)(A) The Secretary shall provide for the monitoring and testing of individuals who are receiving benefits under this title and who as a condition of payment of such benefits are required to be undergoing treatment under paragraph (1) and complying with the terms, conditions, and requirements thereof as described in paragraph (2)(A), in order to assure such compliance.

“(B) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

“(i) defining appropriate treatment for alcoholics and drug addicts who are subject to appropriate substance abuse treatment required under this subsection, and

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

“(C)(i) For purposes of carrying out the requirements of subparagraphs (A) and (B), the Secretary shall provide for the establishment of one or more referral and monitoring agencies for each State.

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

“(I) identify appropriate placements, for individuals residing in such State who are entitled to benefits based on disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that they are under a disability, where they may obtain treatment described in paragraph (2)(A),

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

“(III) monitor compliance with the requirements of paragraph (2)(A) by individuals who are referred by the agency to such placements and promptly report failures to comply to the Secretary.

“(D) There are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund such sums as are necessary to carry out the requirements of this paragraph for referral, monitoring, and testing.

“(6)(A) In the case of any individual who is entitled to a benefit based on disability for any month, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is under a disability, payment of any past-due

monthly insurance benefits under this title to which such individual is entitled shall be made in any month only to the extent that the sum of—

“(i) the amount of such past-due benefit paid in such month, and

“(ii) the amount of any benefit for the preceding month under such current entitlement which is payable in such month, does not exceed, subject to subparagraph (B), twice the amount of such individual’s benefit for the preceding month (determined without applying any reductions or deductions under this title).

“(B)(i) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom any amount of past-due benefits has not been paid, for purposes of subparagraph (A), such individual’s monthly insurance benefit for such individual’s last month of entitlement shall be treated as such individual’s benefit for the preceding month.

“(ii) For the first month in which an individual’s past-due benefits referred to in subparagraph (A) are paid, the amount of the limitation provided in subparagraph (A) shall be increased by the amount of any debts of such individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for such individual.

“(C) Upon the death of an individual to whom payment of past-due benefits has been limited under subparagraph (A), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 204.

“(D) In the case of an individual who would be entitled to benefits based on disability but for termination of such benefits under paragraph (4) or (7), such individual shall be entitled to payment of past-due benefits under this paragraph as if such individual continued to be entitled to such terminated benefits.

“(7)(A) Subject to subparagraph (B), in the case of any individual entitled to benefits based on disability, if—

“(i) alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that such individual is under a disability, and

“(ii) as of the end of the 36-month period beginning with such individual’s first month of entitlement, such individual would not otherwise be disabled but for alcoholism or drug addiction,

the month following such 36-month period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), the termination month with respect to such entitlement. Such individual whose entitlement is terminated under this paragraph may not be entitled to benefits based on disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that such individual is under a disability.

“(B) In determining whether the 36-month period referred to in subparagraph (A) has elapsed—

“(i) a month shall not be taken into account unless the Secretary determines, under regulations of the Secretary, that

treatment required under this subsection is available to the individual for the month, and

“(ii) any month for which a suspension is in effect for the individual under paragraph (1)(B) shall not be taken into account.

“(8) Monthly insurance benefits under this title which would be payable to any individual (other than the disabled individual to whom benefits are not payable by reason of this subsection) on the basis of the wages and self-employment income of such disabled individual but for the provisions of paragraph (1), (4), or (7) shall be payable as though such paragraph did not apply.

“(9) For purposes of this subsection, the term ‘benefit based on disability’ of an individual means a disability insurance benefit of such individual under section 223 or a child’s, widow’s, or widower’s insurance benefit of such individual under section 202 based on the disability of such individual.”.

(B) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary’s activities under paragraph (5) of section 225(c) of the Social Security Act (as amended by subparagraph (A)). Such report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of such paragraph.

(C) SUNSET OF 36-MONTH RULE.—Section 225(c)(7) of the Social Security Act (added by subparagraph (A)) shall cease to be effective with respect to benefits for months after September 2004.

(D) PRESERVATION OF MEDICARE BENEFITS.—

(i) Section 226 of such Act (42 U.S.C. 426) is amended by adding at the end the following:

“(i) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.”.

(ii) Section 226A of such Act (42 U.S.C. 426A) is amended by adding at the end the following:

“(c) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.”.

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to benefits based on disability (as defined in section 225(c)(9) of the Social Security Act, added by this section) which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this

paragraph not later than 180 days after the date of the enactment of this Act.

(ii) *REFERRAL AND MONITORING AGENCIES.*—Section 225(c)(5) of the Social Security Act (added by this subsection) shall take effect 180 days after the date of the enactment of this Act.

(iii) *TERMINATION AFTER 36 MONTHS.*—Section 225(c)(7) of the Social Security Act (added by this subsection) shall apply with respect to benefits based on disability (as so defined) for months beginning after 180 days after the date of the enactment of this Act.

(F) *TRANSITION RULES FOR CURRENT BENEFICIARIES.*—In any case in which an individual is entitled to benefits based on disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability—

(i) *TREATMENT REQUIREMENT.*—Paragraphs (1) through (4) of section 225(c) of the Social Security Act (added by this subsection) shall apply only with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that such individual is therefore required to comply with the provisions of section 225(c) of such Act.

(ii) *TERMINATION AFTER 36 MONTHS.*—

(I) *IN GENERAL.*—For purposes of section 225(c)(7) of the Social Security Act (added by this subsection), the first month of entitlement beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of entitlement to such benefits.

(II) *CONCURRENT BENEFICIARIES CURRENTLY UNDER TREATMENT.*—In any case in which the individual is also entitled to benefits under title XVI and, as of 180 days after the date of the enactment of this Act, such individual is undergoing treatment required under section 1611(e)(3) of the Social Security Act (as in effect immediately before the date of the enactment of this Act), the Secretary of Health and Human Services shall notify such individual of the provisions of section 225(c)(7) of the Social Security Act (added by this subsection) not later than 180 days after the date of the enactment of this Act.

(III) *CONCURRENT BENEFICIARIES NOT CURRENTLY UNDER TREATMENT.*—In any case in which the individual is also entitled to benefits under title XVI but, as of 180 days after the date of the enactment of this Act, such individual is not undergoing treatment described in subclause (II), sec-

tion 225(c)(7) (added by this subsection) shall apply only with respect to benefits for months after the month in which treatment required under section 1611(e)(3) of the Social Security Act (as amended by subsection (b)) is available, as determined under regulations of the Secretary of Health and Human Services, and the Secretary notifies such individual of the availability of such treatment and describes in such notification the provisions of section 225(c)(7) of the Social Security Act (added by this subsection).

(4) IRRELEVANCE OF LEGALITY OF SERVICES PERFORMED IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY.—

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

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

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

“(B) In determining under subparagraph (A) when services performed or earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity, the Secretary shall apply the criteria described in subparagraph (A) with respect to services performed by any individual without regard to the legality of such services.”

(B) CONFORMING AMENDMENT RELATING TO TRIAL WORK.—Section 222(c)(2) of such Act (42 U.S.C. 422(c)(2)) is amended by inserting “(whether legal or illegal)” after “activity”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

(b) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME BENEFITS UNDER TITLE XVI OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

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

(i) in clause (ii)—

(I) by inserting “(I)” after “(ii)”; and

(II) by striking “or in the case of any individual or eligible spouse referred to in section 1611(e)(3)(A),”; and

(III) by adding after and below the end the following:

“(II) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled, the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual under this title. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Secretary shall include, in the individual’s notification of such eligibility, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual

is disabled and that the Secretary is therefore required to pay the individual's benefits to a representative payee." and

(ii) in clause (iii), by striking "to the individual or eligible spouse or to an alternative representative payee of the individual or eligible spouse" and inserting "to an alternative representative payee of the individual or eligible spouse or, if the interest of the individual under this title would be served thereby, to the individual or eligible spouse".

(B) CONFORMING AMENDMENT.—Section 1631(a)(2)(B)(viii)(II) of such Act (42 U.S.C. 1383(a)(2)(B)(viii)(II)) is amended by striking "15 years" and all that follows and inserting "of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled) is eligible for benefits under this title by reason of disability."

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply with respect to months beginning after 180 days after the date of the enactment of this Act.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)), as amended by paragraph (1)(B) of this subsection, is amended—

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

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

"(vii) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, when selecting such individual's representative payee, preference shall be given to—

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

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

"(III) a State or local government agency with fiduciary responsibilities; or

"(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.";

(iii) in clause (viii) (as so redesignated), by striking "clause (viii)" and inserting "clause (ix)";

(iv) in clause (ix) (as so redesignated), by striking "(vii)" and inserting "(viii)";

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

(I) by striking "(xi)" and inserting "(xii)"; and

(II) by striking "(x)" and inserting "(xi)".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended—

(I) in clause (i)—

(aa) by striking subclause (II) and inserting the following:

“(II) \$25.00 per month (\$50.00 per month in any case in which an individual is eligible for benefits under this title by reason of disability and alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled).”; and

(bb) by inserting after the 1st sentence the following:

“The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) of this clause under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of \$1.00 shall be rounded to the nearest multiple of \$1.00.”; and

(II) by adding at the end the following:

“(v) In the case of an individual who is no longer eligible for benefits under this title but to whom any amount of past-due benefits under this title has not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).”.

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 1631(a)(2)(D)(ii) of such Act (42 U.S.C. 1383(a)(2)(D)(ii)) is amended—

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

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

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

(IV) in subclause (II)—

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

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

(cc) by striking item (cc).

(iii) RETROACTIVE REPEAL OF SUNSET.—

(I) REPEAL.—Effective July 1, 1994, section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by striking clause (iv).

(II) CONFORMING AMENDMENT.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by redesignating clause (v) (as added

by clause (i)(II) of this subparagraph) as clause (iv).

(C) **EFFECTIVE DATE.**—Except as provided in subparagraph (B)(iii)(I), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) **NONPAYMENT OR TERMINATION OF BENEFITS.**—

(A) **IN GENERAL.**—Section 1611(e)(3)(A) of such Act (42 U.S.C. 1382(e)(3)(A)) is amended to read as follows:

“(A)(i)(I) In the case of any individual eligible for benefits under this title solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled, the individual shall comply with the provisions of this subparagraph. In any case in which an individual is required to comply with the provisions of this subparagraph, the Secretary shall include in the individual’s notification of such eligibility a notice informing the individual of such requirement.

“(II) Notwithstanding any other provision of this title, if an individual who is required under subclause (I) to comply with the requirements of this subparagraph is determined by the Secretary not to be in compliance with the provisions of this subparagraph, the individual’s benefits under this title by reason of disability shall be suspended for a period—

“(aa) commencing with the first month following the month in which the individual is notified by the Secretary of the determination of noncompliance and that the individual’s benefits will be suspended; and

“(bb) ending with the month preceding the first month, after the determination of noncompliance, in which the individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in clause (iii).

“(ii)(I) An individual described in clause (i) is in compliance with the requirements of this subparagraph for a month if in such month—

“(aa) the individual undergoes substance abuse treatment, which is appropriate for the individual’s condition diagnosed as alcoholism or drug addiction and for the stage of the individual’s rehabilitation and which is conducted at an institution or facility approved for purposes of this subparagraph by the Secretary; and

“(bb) the individual complies in such month with the terms, conditions, and requirements of the treatment and with requirements imposed by the Secretary under this paragraph.

“(II) An individual described in clause (i) may be determined as failing to comply with the requirements of this subparagraph for a month only if treatment meeting the requirements of subclause (I)(aa) is available for the month, as determined pursuant to regulations of the Secretary.

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

“(I) 2 consecutive months, in the case of a 1st determination that an individual is not in compliance with the requirements of this subparagraph;

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

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

“(iv) An individual who is not in compliance with this paragraph for 12 consecutive months shall not be eligible for supplemental security income benefits under this title. The preceding sentence shall not be construed to prevent the individual from reapplying and becoming eligible for such benefits.

“(v)(I) In the case of any individual eligible for benefits under this title by reason of disability, if—

“(aa) alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled; and

“(bb) as of the end of the 36-month period beginning with the 1st month for which such benefits by reason of disability are payable to the individual, the individual would not otherwise be disabled but for alcoholism or drug addiction,

the individual shall not be eligible for such benefits by reason of disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction would be a contributing factor material to the Secretary’s determination that the individual is disabled, notwithstanding section 1619(a).

“(II) An individual whose entitlement to benefits under title II based on disability has been terminated by reason of section 225(c)(7) shall not be eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled, for any month after the individual’s termination month (within the meaning of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202, as applicable) with respect to such benefits.

“(III) Any month for which a suspension is in effect for the individual under clause (i)(II) shall not be taken into account in determining whether any 36-month period referred to in this clause has elapsed.

“(vi)(I) In the case of any individual who is eligible for benefits under this title for any month solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that the individual is disabled, payment of any benefits under this title the payment of which is past due shall be made in any month only to the extent that the sum of—

“(aa) the amount of the past-due benefit paid in the month; and

“(bb) the amount of any benefit under this title which is payable to the individual for the month, does not exceed twice the maximum benefit payable under this title to an eligible individual for the preceding month.

“(II) For the first month in which an individual’s past-due benefits referred to in subclause (I) are paid, the amount of the limitation provided in subclause (I) shall be increased by the amount of any debts of the individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for the individual.

“(III) Upon the death of an individual to whom payment of past-due benefits has been limited under subclause (I), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 1631(b)(1)(A).

“(IV) As used in this clause, the term ‘benefits under this title’ includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

“(V) In the case of an individual who would be eligible for benefits under this title by reason of disability but for termination of such benefits under clause (iv) or (v), the individual shall be eligible for payment of past-due benefits under this clause as if the individual continued to be eligible for such terminated benefits.

“(VI) Subclause (I) shall not apply to payments under section 1631(g).”.

(B) REFERRAL, MONITORING, AND TREATMENT.—

(i) IN GENERAL.—Section 1611(e)(3)(B) of such Act (42 U.S.C. 1382(e)(3)(B)) is amended—

(I) by inserting “(i)” after “(B)”;

(II) by striking the 2nd sentence; and

(III) by adding after and below the end following:

“(i) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

“(I) defining appropriate treatment for alcoholics and drug addicts who are subject to required appropriate substance abuse treatment under this subparagraph; and

“(II) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress expected to be achieved by participants in such programs.

“(iii)(I) For purposes of carrying out the requirements of clauses (i) and (ii), the Secretary shall provide for the establishment of 1 or more referral and monitoring agencies for each State.

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

“(aa) identify appropriate placements, for individuals residing in the State who are eligible for benefits under this title by reason of disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that they are disabled, where they may obtain treatment described in subparagraph (A)(ii)(I);

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

“(cc) monitor compliance with the requirements of subparagraph (A) by individuals who are referred by the agency to such placements, and promptly report to the Secretary any failure to comply with such requirements.”.

(ii) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary’s activities under section 1611(e)(3)(B) of the Social Security Act. The report shall include the number and percentage of individuals

referred to in such paragraph who have not received regular drug testing since the effective date of the amendments made by clause (i) of this subparagraph.

(C) **SUNSET OF 36-MONTH RULE.**—Section 1611(e)(3)(A)(v) of the Social Security Act (added by subparagraph (A) of this paragraph) shall cease to be effective with respect to benefits four months after September 2004.

(D) **PRESERVATION OF MEDICAID BENEFITS.**—Section 1634 of such Act (42 U.S.C. 13283c) is amended by adding at the end the following:

“(e) Each person to whom benefits under this title by reason of disability are not payable for any month solely by reason of clause (i) or (v) of section 1611(e)(3)(A) shall be treated, for purposes of title XIX, as receiving benefits under this title for the month.”.

(E) **EFFECTIVE DATE.**—

(i) **IN GENERAL.**—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this paragraph not later than 180 days after such date of enactment.

(ii) **REFERRAL AND MONITORING AGENCIES.**—The amendments made by subparagraph (B) shall take effect 180 days after the date of the enactment of this Act.

(iii) **TERMINATION AFTER 36 MONTHS.**—Clause (v) of section 1611(e)(3)(A) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph) shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability for months beginning after 180 days after the date of the enactment of this Act.

(F) **TRANSITION RULES FOR CURRENT BENEFICIARIES.**—
In any case in which an individual is eligible for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, for purposes of section 1611(e)(3)(A)(v) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph)—

(i) the first month of such eligibility beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of such eligibility; and

(ii) the Secretary shall notify the individual of the requirements of the amendments made by this paragraph no later than 180 days after the date of the enactment of this Act.

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

(A) **IN GENERAL.**—Section 1614(a)(3)(D) of such Act (42 U.S.C. 1382c(a)(3)(D)) is amended by adding at the end the following: “The Secretary shall make determinations under this title with respect to substantial gainful activity, without regard to the legality of the activity.”

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

(c) **DEMONSTRATION PROJECTS.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services shall develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches with respect to—

(A) individuals who are entitled to disability insurance benefits or child’s, widow’s, or widower’s insurance benefits based on disability under title II of the Social Security Act, and

(B) individuals who are eligible for supplemental security income benefits under title XVI of such Act based solely on disability,

in cases in which alcoholism or drug addiction is a contributing factor material to the Secretary’s determination that individuals are under a disability. The Secretary may include in such demonstration projects individuals who are not described in either subparagraph (A) or subparagraph (B) if the inclusion of such individuals is necessary to determine the efficacy of various monitoring, referral, and treatment approaches for individuals described in subparagraph (A) or (B).

(2) **SCOPE.**—The demonstration projects developed under paragraph (1) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative approaches under consideration while giving assurance that the results derived from the projects will obtain generally in the operation of the programs involved without committing such programs to the adoption of any particular system either locally or nationally.

(3) **FINAL REPORT.**—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than December 31, 1997, a final report on the demonstration projects carried out under this subsection, together with any related data and materials which the Secretary may consider appropriate. The authority under this section shall terminate upon the transmittal of such final report.

SEC. 202. COMMISSION ON CHILDHOOD DISABILITY.

(a) **ESTABLISHMENT OF COMMISSION.**—The Secretary of Health and Human Services (in this section referred to as the “Secretary”)

shall appoint a Commission on the Evaluation of Disability in Children (in this section referred to as the "Commission").

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

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

(i) the evaluation and treatment of disability in children;

(ii) the study of congenital, genetic, or perinatal disorders in children; or

(iii) the measurement of developmental milestones and developmental deficits in children; and

(B) recognized experts in the fields of—

(i) psychology;

(ii) education and rehabilitation;

(iii) law;

(iv) the administration of disability programs; and

(v) social insurance (including health insurance); and

(C) other fields of expertise that the Secretary determines to be appropriate.

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

(3) Members appointed under this subsection shall serve for a term equivalent to the duration of the Commission.

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

(c) ADMINISTRATIVE PROVISIONS.—(1) Service as a member of the Commission by an individual who is not otherwise a Federal employee shall not be considered service in an appointive or elective position in the Federal Government for the purposes of title 5, United States Code.

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

(3) While away from their homes or regular places of business on the business of the Commission, each member who is not a full-time Federal employee 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 employed intermittently in the Government service.

(d) ASSISTANCE TO COMMISSION.—The Commission may engage individuals skilled in medical and other aspects of childhood disability to provide such technical assistance as may be necessary to carry out the functions of the Commission. The Secretary shall make available to the Commission such secretarial, clerical, and other assistance as the Commission may require to carry out the functions of the Commission.

(e) **STUDY BY THE COMMISSION.**—(1) *The Commission shall conduct a study, in consultation with the National Academy of Sciences, of the effects of the definition of “disability” under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.) in effect on the date of enactment of this Act, as such definition applies to determining whether a child under the age of 18 is eligible to receive benefits under such title, the appropriateness of such definition, and the advantages and disadvantages of using any alternative definition of disability in determining whether a child under age 18 is eligible to receive benefits under such title.*

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

(A) *whether the need by families for assistance in meeting high costs of medical care for children with serious physical or mental impairments, whether or not they are eligible for disability benefits under title XVI of the Social Security Act, might appropriately be met through expansion of Federal health assistance programs;*

(B) *the feasibility of providing benefits to children through noncash means, including but not limited to vouchers, debit cards, and electronic benefit transfer systems;*

(C) *the extent to which the Social Security Administration can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity;*

(D) *alternative ways and providing retroactive supplemental security income benefits to disabled children, including the desirability and feasibility of conserving some portion of such benefits to promote the long-term well-being of such children;*

(E) *the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity;*

(F) *the effects of the supplemental security income program on disabled children and their families; and*

(G) *such other issues that the Secretary determines to be appropriate.*

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

SEC. 203. REGULATIONS REGARDING COMPLETION OF PLANS FOR ACHIEVING SELF-SUPPORT.

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

“(d) The Secretary shall establish by regulation criteria for time limits and other criteria related to individuals’ plans for achieving self-support, that take into account—

“(1) the length of time that the individual will need to achieve the individual’s employment goal (within such reasonable period as the Secretary may establish); and

“(2) other factors determined by the Secretary to be appropriate.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 204. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD.

(a) **IN GENERAL.**—Section 1611(f) of the Social Security Act (42 U.S.C. 1382(f)) is amended—

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

(2) by adding after and below the end the following:

“(2) For a period of not more than 1 year, the first sentence of paragraph (1) shall not apply to any individual who—

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

“(B) demonstrates to the satisfaction of the Secretary that the absence of the individual from the United States will be—

“(i) for not more than 1 year; and

“(ii) for the purpose of conducting studies as part of an educational program that is—

“(I) designed to substantially enhance the ability of the individual to engage in gainful employment;

“(II) sponsored by a school, college, or university in the United States; and

“(III) not available to the individual in the United States.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 205. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES.

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

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to eligibility determinations for months after December 1994.

SEC. 206. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS.

(a) **PREVENTION OF FRAUD BY TRANSLATORS OF FOREIGN LANGUAGES.**—

(1) **OASDI PROGRAMS.**—Section 205(c) of the Social Security Act (42 U.S.C. 405(c)) is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following:

“(8) A translation into English by a third party of a statement made in a foreign language by an applicant for or beneficiary of

monthly insurance benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

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

“(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.”

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

“(4) A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

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

“(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to translations made on or after October 1, 1994.

(b) CIVIL MONETARY PENALTIES, ASSESSMENTS, AND EXCLUSIONS FOR TITLES II AND XVI.—

(1) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1128B the following:

“SEC. 1129. CIVIL MONETARY PENALTIES AND ASSESSMENTS FOR TITLES II AND XVI.

“(a)(1) Any person (including an organization, agency, or other entity) who 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—

“(A) monthly insurance benefits under title II, or

“(B) benefits or payments under title XVI,

that the person knows or should know is false or misleading or knows or should know omits a material fact or makes such a statement with knowing disregard for the truth 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 statement or representation. Such person also shall be subject to an assessment, in lieu of damages sustained by the United States because of such statement or representation, of not more than twice the amount of benefits or payments paid as a result of such a statement or representation. In addition, the Secretary may make a determination in the same proceeding to exclude, as provided in section 1128, such a person who is a medical provider or physician from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program permanently or for such period as the Secretary determines.

“(2) For purposes of this section, a material fact is one which the Secretary may consider in evaluating whether an applicant is entitled to benefits under title II or eligible for benefits or payments under title XVI.

“(b)(1) The Secretary may initiate a proceeding to determine whether to impose a civil money penalty or assessment, or whether to recommend exclusion under subsection (a) only as authorized by the Attorney General pursuant to procedures agreed upon by the Secretary and the Attorney General. The Secretary may not initiate an action under this section with respect to any violation described in subsection (a) later than 6 years after the date the violation was committed. The Secretary may initiate an action under this section by serving notice of the action in any manner authorized by Rule 4 of the Federal Rules of Civil Procedure.

“(2) The Secretary shall not make a determination adverse to any person under this section until the person has been given written notice and an opportunity for the determination to be made on the record after a hearing at which the person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the person.

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

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

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

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

“(4) The official conducting a hearing under this section may sanction a person, including any party or attorney, for failing to comply with an order or procedure, for failing to defend an action, or for such other misconduct as would interfere with the speedy, orderly, or fair conduct of the hearing. Such sanction shall reasonably relate to the severity and nature of the failure or misconduct. Such sanction may include—

“(A) in the case of refusal to provide or permit discovery, drawing negative factual inference or treating such refusal as an admission by deeming the matter, or certain facts, to be established;

“(B) prohibiting a party from introducing certain evidence or otherwise supporting a particular claim or defense;

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

“(D) staying the proceedings;

“(E) dismissal of the action;

“(F) entering a default judgment;

“(G) ordering the party or attorney to pay attorneys’ fees and other costs caused by the failure or misconduct; and

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

“(c) In determining pursuant to subsection (a) the amount or scope of any penalty or assessment, or whether to recommend an exclusion, the Secretary shall take into account—

“(1) the nature of the statements and representations referred to in subsection (a) and the circumstances under which they occurred;

“(2) the degree of culpability, history of prior offenses, and financial condition of the person committing the offense; and

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

“(d)(1) Any person adversely affected by a determination of the Secretary under this section may obtain a review of such determination in the United States Court of Appeals for the circuit in which the person resides, or in which the statement or representation referred to in subsection (a) was made, by filing in such court (within 60 days following the date the person is notified of the Secretary’s determination) a written petition requesting that the determination be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the determination of the Secretary and enforcing the same to the extent that such order is affirmed or modified. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

“(2) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive in the review described in paragraph (1). If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify such findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and the Secretary shall file with the court such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole shall be conclusive, and the Secretary’s recommendations, if any, for the modification or setting aside of the Secretary’s original order.

“(3) Upon the filing of the record and the Secretary’s original or modified order with the court, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

“(e)(1) Civil money penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered—

“(A) in a civil action in the name of the United States brought in United States district court for the district where the statement or representation referred to in subsection (a) was made, or where the person resides, as determined by the Secretary;

“(B) by means of reduction in tax refunds to which the person is entitled, based on notice to the Secretary of the Treasury

as permitted under section 3720A of title 31, United States Code;

“(C)(i) by decrease of any payment of monthly insurance benefits under title II, notwithstanding section 207, or

“(ii) by decrease of any payment under title XVI for which the person is eligible, notwithstanding section 207, as made applicable to title XVI by reason of section 1631(d)(1);

“(D) by authorities provided under the Debt Collection Act of 1982, as amended, to the extent applicable to debts arising under the Social Security Act;

“(E) by deduction of the amount of such penalty or assessment, when finally determined, or the amount agreed upon in compromise, from any sum then or later owing by the United States to the person against whom the penalty or assessment has been assessed; or

“(F) by any combination of the foregoing.

“(2) Amounts recovered under this section shall be recovered by the Secretary and shall be disposed of as follows:

“(A) In the case of amounts recovered arising out of a determination relating to title II, the amounts shall be transferred to the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Secretary, and such amounts shall be deposited by the Managing Trustee into such Trust Fund.

“(B) In the case of amounts recovered arising out of a determination relating to title XVI, the amounts shall be deposited by the Secretary into the general fund of the Treasury as miscellaneous receipts.

“(f) A determination pursuant to subsection (a) by the Secretary to impose a penalty or assessment, or to recommend an exclusion shall be final upon the expiration of the 60-day period referred to in subsection (d). Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (d) may not be raised as a defense to a civil action by the United States to collect a penalty or assessment imposed under this section.

“(g) Whenever the Secretary’s determination to impose a penalty or assessment under this section with respect to a medical provider or physician becomes final, the provisions of section 1128A(h) shall apply.

“(h) Whenever the Secretary has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Secretary may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty and assessment if any such penalty were to be imposed or to seek other appropriate relief.

“(i)(1) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Secretary may delegate

the authority granted by section 205(d) (as made applicable to this section) to the Inspector General for purposes of any investigation under this section.

"(2) The Secretary may delegate authority granted under this section to the Inspector General.

"(j) For purposes of this section, the term 'State agency' shall have the same meaning as in section 1128A(i)(1).

"(k) A principal is liable for penalties and assessments under subsection (a), and for an exclusion under section 1128, for the actions of the principal's agent acting within the scope of the agency."

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

(A) in subsection (b)(7), by striking "or section 1128B" and inserting ", 1128B, or 1129";

(B) in subsection (b)(8)(B)(ii), by inserting "or 1129" after "section 1128A"; and

(C) in subsection (f)(3), by inserting ", 1129," after "sections 1128A".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(c) SSI FRAUD CONSIDERED A FELONY.—

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

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

"(b)(1) If a person or entity violates subsection (a) in the person's or entity's role as, or in applying to become, a representative payee under section 1631(a)(2) on behalf of another individual (other than the person's eligible spouse), and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to such other individual.

"(2) Any person or entity convicted of a violation of subsection (a) of this section or of section 208 may not be certified as a representative payee under section 1631(a)(2)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(d) AUTHORITY TO REDETERMINE ELIGIBILITY IF FRAUD IS INVOLVED, AND TO TERMINATE BENEFITS IF THERE IS INSUFFICIENT RELIABLE EVIDENCE.—

(1) OASDI PROGRAMS.—Section 205 of the Social Security Act (42 U.S.C. 405) is amended by adding at the end the following:

"(u)(1)(A) The Secretary shall immediately redetermine the entitlement of individuals to monthly insurance benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing,

that there is a substantial risk that such action by the Secretary with regard to beneficiaries in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

“(B) When redetermining the entitlement, or making an initial determination of entitlement, of an individual under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

“(2) For purposes of paragraph (1), similar fault is involved with respect to a determination if—

“(A) an incorrect or incomplete statement that is material to the determination is knowingly made; or

“(B) information that is material to the determination is knowingly concealed.

“(3) If, after redetermining pursuant to this subsection the entitlement of an individual to monthly insurance benefits, the Secretary determines that there is insufficient evidence to support such entitlement, the Secretary may terminate such entitlement and may treat benefits paid on the basis of such insufficient evidence as overpayments.”

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by adding at the end the following:

“(6)(A)(i) The Secretary shall immediately redetermine the eligibility of an individual for benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to recipients in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

“(ii) When redetermining the eligibility, or making an initial determination of eligibility, of an individual for benefits under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

“(B) For purposes of subparagraph (A), similar fault is involved with respect to a determination if—

“(i) an incorrect or incomplete statement that is material to the determination is knowingly made; or

“(ii) information that is material to the determination is knowingly concealed.

“(C) If, after redetermining the eligibility of an individual for benefits under this title, the Secretary determines that there is insufficient evidence to support such eligibility, the Secretary may terminate such eligibility and may treat benefits paid on the basis of such insufficient evidence as overpayments.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1994, and shall apply to determinations made before, on, or after such date.

(e) AVAILABILITY OF RECIPIENT IDENTIFYING INFORMATION FROM THE INSPECTOR GENERAL.—

(1) *IN GENERAL.*—Section 1129 of the Social Security Act (added by subsection (b) of this section) is amended by adding at the end the following:

“(1) As soon as the Inspector General, Department of Health and Human Services, has reason to believe that fraud was involved in the application of an individual for monthly insurance benefits under title II or for benefits under title XVI, the Inspector General shall make available to the Secretary information identifying the individual, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that making the information so available in a particular investigation or re-determining the eligibility of the individual for such benefits would jeopardize the criminal prosecution of any person who is a subject of the investigation from which the information is derived.”.

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

(f) *AUTHORITY TO USE AVAILABLE PREADMISSION IMMIGRANT AND REFUGEE MEDICAL INFORMATION.*—

(1) *IN GENERAL.*—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) as amended by subsection (d)(2) of this section, is amended by adding at the end the following:

“(7)(A) The Secretary shall request the Immigration and Naturalization Service or the Centers for Disease Control to provide the Secretary with whatever medical information, identification information, and employment history either such entity has with respect to any alien who has applied for benefits under title XVI to the extent that the information is relevant to any determination relating to eligibility for such benefits under title XVI.

“(B) Subparagraph (A) shall not be construed to prevent the Secretary from adjudicating the case before receiving such information.”.

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

(g) *ANNUAL REPORTS ON REVIEWS OF OASDI AND SSI CASES.*—The Secretary of Health and Human Services shall annually 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 extent to which the Secretary has exercised his authority to review cases of entitlement to monthly insurance benefits under title II of the Social Security Act and supplemental security income cases under title XVI of such Act, and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

SEC. 207. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.

(a) *DISABILITY REVIEW REQUIREMENT.*—

(1) *IN GENERAL.*—The applicable State agency or the Secretary of Health and Human Services (as may be appropriate) shall redetermine the eligibility of a qualified individual for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

(2) *WHEN CONDUCTED.*—The redetermination required by paragraph (1) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

(3) *MINIMUM NUMBER OF REVIEWS.*—The Secretary shall conduct redeterminations under paragraph (1) with respect to not less than $\frac{1}{3}$ of qualified individuals in each of fiscal years 1996, 1997, and 1998.

(4) *QUALIFIED INDIVIDUAL DEFINED.*—As used in this paragraph, the term “qualified individual” means a recipient of supplemental security income benefits under title XVI of the Social Security Act by reason of disability who attains 18 years of age in or after the 9th month after the month in which this Act is enacted.

(5) *SUBSTITUTE FOR A CONTINUING DISABILITY REVIEW.*—A redetermination under paragraph (1) of this subsection shall be considered a substitute for a review required under section 1614(a)(3)(G) of the Social Security Act.

(6) *SUNSET.*—Paragraph (1) shall have no force or effect after October 1, 1998.

(b) *REPORT TO THE CONGRESS.*—Not later than October 1, 1998, the Secretary of Health and Human Services 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 activities conducted under subsection (a).

SEC. 208. CONTINUING DISABILITY REVIEWS.

(a) *TEMPORARY ANNUAL MINIMUM NUMBER OF REVIEWS.*—During each year of the 3-year period that begins on October 1, 1995, the Secretary of Health and Human Services shall apply section 221(i) of the Social Security Act in making disability determinations under title XVI of such Act with respect to at least 100,000 recipients of supplemental security income benefits under such title.

(b) *REPORT TO THE CONGRESS.*—Not later than October 1, 1998, the Secretary of Health and Human Services 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 activities conducted under subsection (a).

SEC. 209. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS.

(a) *IN GENERAL.*—Section 1618(b) of the Social Security Act (42 U.S.C. 1382g(b)) is amended—

(1) by inserting “(1)” after “(b)”; and

(2) by adding at the end the following:

“(2) For purposes of determining under paragraph (1) whether a State’s expenditures for supplementary payments in the 12-month period beginning on the effective date of any increase in the level of supplemental security income benefits are not less than the State’s expenditures for such payments in the preceding 12-month period, the Secretary, in computing the State’s expenditures, shall disregard, pursuant to a 1-time election of the State, all expenditures by the State for retroactive supplementary payments that are required to be made in connection with the retroactive supplemental

security income benefits referred to in section 5041 of the Omnibus Budget Reconciliation Act of 1990.”

(b) **APPLICABILITY.**—The amendments made by subsection (a) shall apply with respect to increases in the level of supplemental security income benefits under title XVI of the Social Security Act whether occurring before, on, or after the date of the enactment of this Act.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

SEC. 301. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS.

(a) **REQUIREMENT THAT OBLIGATIONS ISSUED TO THE OASDI TRUST FUNDS BE EVIDENCED BY PAPER INSTRUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES OF INDEBTEDNESS SETTING FORTH THEIR TERMS.**—Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended by inserting after the fifth sentence the following new sentence: “Each obligation issued for purchase by the Trust Funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury setting forth the principal amount, date of maturity, and interest rate of the obligation, and stating on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.”

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

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply with respect to obligations issued, and payments made, after 60 days after the date of the enactment of this Act.

(2) **TREATMENT OF OUTSTANDING OBLIGATIONS.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as applicable, a paper instrument, in the form of a bond, note, or certificate of indebtedness, for each obligation which has been issued to the Trust Fund under section 201(d) of the Social Security Act and which is outstanding as of such date. Each such document shall set forth the principal amount, date of maturity, and interest rate of the obligation, and shall state on its face that the obligation shall be in-

contestable in the hands of the Trust Fund to which it was issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.

SEC. 302. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) *STUDY.*—*The Comptroller General of the United States shall conduct a study of telephone access to local offices of the Social Security Administration.*

(b) *MATTERS TO BE STUDIED.*—*In conducting the study under this section, the Comptroller General shall make an independent assessment of the Social Security Administration's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local offices of the Administration. Such study shall include—*

(1) *an assessment of the aggregate impact of such technology on public access to the local offices, and*

(2) *a separate assessment of the impact of such technology on public access to those local offices to which access was restricted on October 1, 1989.*

(c) *REPORT.*—*Not later than January 31, 1996, the Comptroller General shall submit a report on the results of the study conducted pursuant to this section to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.*

SEC. 303. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

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

(1) *AMENDMENT TO SOCIAL SECURITY ACT.*—*Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "\$100" and inserting "\$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".*

(2) *AMENDMENT TO FICA.*—*Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "\$100" and inserting "\$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".*

(b) *CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—*

(1) **AMENDMENT TO SOCIAL SECURITY ACT.**—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking “\$100” and inserting “\$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year”.

(2) **AMENDMENT TO FICA.**—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking “\$100” and inserting “\$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year”.

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

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

(2) by striking “\$100” and inserting “\$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under subparagraph (B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year”;

and

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

(d) **INDEXATION OF EXEMPT AMOUNT.**—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

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

(2) by adding at the end the following new subparagraph: “(B) For each year after 1999, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

“(i) for purposes of this subparagraph, 1997 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

“(ii) such amount as so adjusted, if not a multiple of \$100, shall be rounded to the next higher multiple of \$100 where such amount is a multiple of \$50 and to the nearest multiple of \$100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not

later than November 1 preceding the year for which the adjustment is made.”

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

SEC. 304. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) **IN GENERAL.**—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

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

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

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

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

“(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

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

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

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

“(II) Identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

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

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

(b) **CONFORMING AMENDMENT.**—Section 1140(a)(2) of such Act (42 U.S.C. 1320b-10(a)(2)) is amended by striking “205(c)(2)(E)” and inserting “205(c)(2)(F)”.

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

SEC. 305. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS.

(a) **IN GENERAL.**—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking “(1)” after “(l)”, and by striking “the State of” and all that follows through “prior to the date of enactment of this subsection” and inserting “a State entered into pursuant to this section”; and

(2) by striking paragraph (2).

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

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

SEC. 306. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, if—

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

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada,

then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

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

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

(d) **RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.**—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services (prior to March 31, 1995) or the Commissioner of Social Security (after March 30, 1995) shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 307. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) **IN GENERAL.**—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking “but excluding” and all that follows through “1937” and inserting “but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233”; and

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

(b) **CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.**—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking “but excluding” and all that follows through “1937” and inserting “but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after December 1994.

SEC. 308. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

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

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

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

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

“(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)).”.

(b) **EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.**—Section 215(a)(7)(A) of such Act (as amended by section 307(a) of this Act) and section 215(d)(3) of such Act (as amended by section 307(b) of this Act) are each further amended—

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

(2) by striking “section 233” and inserting “section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security

Act) with respect to benefits payable for months after December 1994.

SEC. 309. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

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

(b) **COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.**—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking “section 222(b). Whenever” and inserting the following: “section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

“(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

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

“(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section, shall be made before the suspension under subsection (h)(3). Whenever”.

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

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

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

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

“(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

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

The Secretary may grant”.

(d) **CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.**—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) **EFFECTIVE DATES.**—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1995.

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

SEC. 310. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

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

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

“(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual’s primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

“(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual’s primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

“(B) In any case in which—

“(i) the total monthly benefits with respect to such individual’s primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

“(ii) the individual’s primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual’s entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

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

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

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

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after December 1995.

SEC. 311. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

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

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

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

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

“(d) Notwithstanding any other provision of this section, in any case in which—

“(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

“(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

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

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

(1) by striking “for the purpose of” and inserting “for the purpose of—”;

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

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

(3) by striking “program.” and inserting “program; or”; and

(4) by adding at the end the following new subparagraph:

“(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.”

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

SEC. 312. MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION OR DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) **PROHIBITION OF UNAUTHORIZED REPRODUCTION, REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OFFICIAL PUBLICATIONS.**—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

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

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

(3) by adding at the end the following new paragraph:

“(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration or of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.”

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

(1) in subparagraph (A) (as redesignated), by striking “‘Administration’, the letters ‘SSA’ or ‘HCFA’,” and inserting “‘Administration’, ‘Department of Health and Human Services’, ‘Health and Human Services’, ‘Supplemental Security Income Program’, or ‘Medicaid’, the letters ‘SSA’, ‘HCFA’, ‘DHHS’, ‘HHS’, or ‘SSI.’”; and

(2) in subparagraph (B) (as amended by section 304 and as redesignated), by striking “Social Security Administration” each place it appears and inserting “Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services”, by striking “or of the Health Care Financing Administration”, and by inserting “or the Medicare card,” after “205(c)(2)(F)”.

(c) **EXEMPTION FOR USE OF WORDS, LETTERS, SYMBOLS, AND EMBLEMS OF STATE AND LOCAL GOVERNMENT AGENCIES BY SUCH AGENCIES.**—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: “The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.”

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

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

“(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.”

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

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

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

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

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

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

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

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

(i) **PENALTIES RELATING TO SOCIAL SECURITY ADMINISTRATION DEPOSITED IN OASI TRUST FUND, AND PENALTIES RELATED TO HEALTH CARE FINANCING ADMINISTRATION DEPOSITED IN THE HI AND SMI TRUST FUNDS.**—Section 1140(c)(2) of such Act (42 U.S.C. 1320b-10(c)(2)) is amended in the second sentence by striking “United States.” and inserting “United States, except that (A) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivors Insurance Trust Fund, and (B) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Department of Health and Human Services, such amounts shall be deposited into the Federal Hospital Insurance Trust Fund or the Federal Supplementary Medical Insurance Trust Fund, as appropriate.”

(j) **ENFORCEMENT.**—Section 1140 of such Act (42 U.S.C. 1320b-10) is amended by adding at the end the following new subsection:
 “(d) The preceding provisions of this section may be enforced through the Office of the Inspector General of the Department of Health and Human Services.”

(k) **REPORTS.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services and the Commissioner of Social Security shall each submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate 3 reports on the operation of section 1140 of the Social Security Act with respect to the Social Security Administration or the Department of Health and Human Services during the period covered by the report, which shall specify—

(A) the number of complaints of violations of such section received by the Social Security Administration or the Department of Health and Human Services during the period,

(B) the number of cases in which the Social Security Administration or the Department, during the period, sent a notice of violation of such section requesting that an individual cease activities in violation of such section,

(C) the number of cases in which the Social Security Administration or the Department formally proposed a civil money penalty in a demand letter during the period,

(D) the total amount of civil money penalties assessed by the Social Security Administration or the Department under this section during the period,

(E) the number of requests for hearings filed during the period by the Social Security Administration or the Department pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act,

(F) the disposition during the period of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act, and

(G) the total amount of civil money penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance Trust Fund or the Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period.

(2) **WHEN DUE.**—The reports required by paragraph (1) shall be submitted not later than December 1, 1995, not later than December 1, 1997, and not later than December 1, 1999, respectively.

(l) **PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.**—

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

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

“(a) **GENERAL RULE.**—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or

product, whether alone or with other words, letters, symbols, or emblems—

“(1) the words ‘Department of the Treasury’, or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

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

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

“(4) the words ‘United States Savings Bond’ or the name of any other obligation issued by the Department of the Treasury,

“(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

“(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

“(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

“(c) CIVIL PENALTY.—

“(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

“(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed \$5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting ‘\$25,000’ for ‘\$5,000’.

“(3) TIME LIMITATIONS.—

“(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

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

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

“(d) CRIMINAL PENALTY.—

“(1) **IN GENERAL.**—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than \$10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting ‘\$50,000’ for ‘\$10,000’.

“(2) **TIME LIMITATIONS.**—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

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

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

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

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

(m) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations occurring after March 31, 1995.

(2) **PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.**—Subsection (l)(3) shall take effect on the date of the enactment of this Act, and the amendments made by paragraphs (1) and (2) of subsection (l) shall apply with respect to violations occurring after such date.

SEC. 313. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

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

- (1) by striking “misdemeanor” and inserting “felony”;
- (2) by striking “\$1,000” and inserting “\$10,000 for each occurrence of a violation”; and
- (3) by striking “one year” and inserting “5 years”.

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

- (1) by inserting “social security account number,” after “information as to the”;
- (2) by striking “misdemeanor” and inserting “felony”;
- (3) by striking “\$1,000” and inserting “\$10,000 for each occurrence of a violation”; and

(4) by striking "one year" and inserting "5 years".

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

SEC. 314. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

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

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

SEC. 315. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

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

(1) in paragraph (3) of subsection (a), by striking "June 10, 1993" and inserting "June 10, 1996";

(2) in paragraph (4) of subsection (a), by striking "1992" and inserting "1995"; and

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

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

SEC. 316. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) **SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.**—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of in-

investigation of violations of other Federal laws or enforcement of such laws.

“(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

“(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.”

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

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

“(2) SHARING OF INFORMATION AND SAFEGUARDS.—

“(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

“(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.”;

(2) in paragraph (3), by striking “by the Secretary of Agriculture pursuant to this subsection” and inserting “pursuant to

this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 317. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 318. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS.

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

"(ix) In the administration of the provisions of chapter 81 of title 5, United States Code, and the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.), the Secretary of Labor may require by regulation that any person filing a notice of injury or a claim for benefits under such provisions provide as part of such notice or claim such person's social security account number, subject to the requirements of this clause. No officer or employee of the Department of Labor shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such provisions. The Secretary of Labor shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of such provisions. The Secretary of Labor shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers."

SEC. 319. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS.

(a) **TREATMENT OF SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—**

(1) **IN GENERAL.—**Section 3121 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following new subsection:

"(y) **SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—**

"(1) **IN GENERAL.—**For purposes of this chapter, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such

international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' under subsection (b) for purposes of the taxes imposed by sections 3101(a) and 3111(a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) FEDERAL AGENCY.—The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) INTERNATIONAL ORGANIZATION.—The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) CONTRIBUTIONS BY FEDERAL AGENCY.—Section 3122 of such Code (relating to Federal service) is amended by inserting after the first sentence the following new sentence: "In the case of the taxes imposed by this chapter with respect to service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable, the determination of the amount of remuneration for such service, and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency from which the transfer was made."

(3) COLLECTION OF EMPLOYEE CONTRIBUTIONS.—Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—In the case of any payments of wages for service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable—

"(1) subsection (a) shall not apply,

"(2) the head of the Federal agency from which the transfer was made shall separately include on the statement required under section 6051—

"(A) the amount determined to be the amount of the wages for such service, and

"(B) the amount of the tax imposed by section 3101 on such payments, and

"(3) the tax imposed by section 3101 on such payments shall be paid by the employee."

(4) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Paragraph (2)(C) of section 1402(c) of such Code (defining trade or business) is amended by adding at the end the following: "except service which constitutes 'employment' under section 3121(y)."

(5) CONFORMING AMENDMENT.—Paragraph (15) of section 3121(b) of such Code is amended by inserting ", except service which constitutes 'employment' under subsection (y)" after "organization".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 210 of the Social Security Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

“SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES

“(r)(1) For purposes of this title, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute ‘employment’ if—

“(A) immediately before such transfer, such individual performed service with a Federal agency which constituted ‘employment’ as defined in subsection (a), and

“(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

“(2) For purposes of this subsection:

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

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

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

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

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

SEC. 320. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT.

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

(1) The following provisions of the Internal Revenue Code of 1986 are each amended by striking “(J), or (M)” each place it appears and inserting “(J), (M), or (Q)”:

(A) Section 871(c).

(B) Section 1441(b).

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

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

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

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

(3) Paragraph (5) of section 7701(b) of such Code is amended by striking "subparagraph (J)" in subparagraphs (C)(i) and (D)(i)(II) and inserting "subparagraph (J) or (Q)".

(b) AMENDMENT TO SOCIAL SECURITY ACT.—Paragraph (19) of section 210(a) of the Social Security Act is amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)".

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect with the calendar quarter following the date of the enactment of this Act.

SEC. 321. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end, and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101-624;

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101-624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101-624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

“Representative Payees”.

(11) *The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:*

“Notice Requirements”.

(12) *Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking “subsection (g)” and inserting “subsection (a)(7)”.*

(13) *Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking “section 105(e)(2)” and inserting “section 104(e)(2)”.*

(14) *Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—*

(A) *in paragraph (13), by striking “and” at the end; and*

(B) *in paragraph (14), by striking the period and inserting “; and”.*

(15) *Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking “section” the first place it appears and inserting “sections”.*

(16) *Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking “subsection” the second place it appears and inserting “subsections”.*

(17) *Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after “1990”.*

(18) *Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.*

(19) *Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:*

“Limitation on Payments to Prisoners”.

(b) RELATED AMENDMENTS.—

(1) *Section 603(b)(5)(A) of Public Law 101-649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting “under” before “paragraph (1),” and by striking “(17), or (18)” and inserting “(17), (18), or (19)”, effective as if this paragraph were included in such section 603(b)(5)(A).*

(2) *Section 10208(b)(1) of Public Law 101-239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking “230(b)(2)(A)” and “430(b)(2)(A)” and inserting “230(b)(2)” and “430(b)(2)”, respectively, effective as if this paragraph were included in such section 10208(b)(1).*

(c) CONFORMING, CLERICAL AMENDMENTS UPDATING, WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVENUE CODE.—

(1)(A)(i) *Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—*

(I) *in subparagraph (A)(i), by striking “and subchapter E” and all that follows through “1954” and inserting “and chapters 2 and 21 of the Internal Revenue Code of 1986”;*

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1995.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(2) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(3) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(4)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(5) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(6) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking "paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage

index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years."

(2) CONFORMING AMENDMENTS.—

(A) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(B) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977."

(C) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(D) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(E) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(F) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking “SSA average wage index” and inserting “national average wage index (as defined in section 209(k)(1))”; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(G) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

“(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).”.

(H) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding “and” at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

“(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).”.

(f) TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—

(1) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(A) in subparagraph (A), by striking “(in a case to which clause (ii)(II) does not apply)”; and

(B) by striking subparagraph (B)(ii) and inserting the following:

“(ii) the individual is now able to engage in substantial gainful activity; or”.

(2) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—

(A) TITLE II AMENDMENTS.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(i) by striking “Section 205(j)(5)” and inserting “Section 205(j)(6)”; and

(ii) by redesignating the paragraph (5) as amended thereby as paragraph (6).

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

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

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

“(E) RESTITUTION.—In cases where the negligent failure of the Secretary to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Secretary shall make payment to the beneficiary or the beneficiary’s representative payee of an amount equal to such misused benefits. The Secretary shall make a good faith effort to obtain restitution from the terminated representative payee.”.

(3) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(A) CALCULATION OF FEE OF CLAIMANT’S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

“(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase ‘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 parenthetical phrase contained therein; and”.

(B) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(i) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

(I) by inserting “(A)” after “(b)(1)”; and

(II) by adding at the end the following new subparagraph:

“(B) For purposes of this paragraph—

“(i) the term ‘past-due benefits’ excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

“(ii) amounts of past-due benefits shall be determined before any applicable reduction under section 1127(a).”.

(ii) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a-6(a)) is amended by striking “section 206(a)(4)” and inserting “subsection (a)(4) or (b) of section 206”.

(4) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

“(C) In any case involving—

“(i) an agreement described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

“(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement only if the total fee or fees specified in such agreement does not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).”.

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking “paragraph (2)(C)” and inserting “paragraph (2)(D)”.

(5) EFFECTIVE DATE.—Each amendment made by this subsection shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates, except that the amendments made by paragraph (3)(B) shall apply with respect to favorable judgments made after 180 days after the date of the enactment of this Act.

(g) ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.—

(1) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(A) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) \$60,600, and

“(2) the ratio of (A) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the national average wage index (as so defined) for 1992.”.

(B) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking “(except that)” and all that follows through the end and inserting “(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to \$45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a cal-

endar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).”.

(C) **ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.**—Section 215(a)(1)(C)(ii) of such Act is amended by striking “(except that” and all that follows through the end and inserting “(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to \$45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).”.

(2) **ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.**—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

“(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995, and the ratio of—

“(I) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

“(II) the national average wage index (as so defined) for 1992,

with such product, if not a multiple of \$10, being rounded to the next higher multiple of \$10 where such product is a multiple of \$5 but not of \$10 and to the nearest multiple of \$10 in any other case.”.

(3) **EFFECTIVE DATES.**—

(A) The amendments made by paragraph (1) shall be effective with respect to the determination of the contribution and benefit base for years after 1994.

(B) The amendment made by paragraph (2) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1994.

(h) **TECHNICAL AMENDMENTS TO TITLE XVI.**—(1) Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended—

(A) in the 1st subsection (n), by striking “subsection” and inserting “title”; and

(B) by redesignating the 2nd subsection (n) as subsection (o).

(2) Section 1613(a) of such Act (42 U.S.C. 1382b(a)) is amended—

(A) by striking “and” at the end of paragraph (9);

(B) by striking the period at the end of the 1st paragraph (10) and inserting “; and”; and

(C) by redesignating the 2nd paragraph (10) as paragraph (11).

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

And the Senate agree to the same.

SAM GIBBONS,
DAN ROSTENKOWSKI,
J.J. PICKLE,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BILL ARCHER,
JIM BUNNING,
RICK SANTORUM,

Managers on the Part of the House.

DANIEL P. MOYNIHAN,
MAX BAUCUS,
JOHN BREAUX,
BOB PACKWOOD,
BOB DOLE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

1. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

(Sec. 101–110 of the House bill, secs. 101–204 of the Senate amendment, and secs. 101–110 of the conference agreement)

a. Status of Agency

Present law

The Social Security Administration (SSA) is a component of the Department of Health and Human Services (HHS).

House bill

SSA would be made an independent agency in the executive branch of the Federal government, with responsibility for administration of the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with amendments providing that SSA would continue to perform its current functions in administering the Coal Industry Retirees Health Benefits Act and Part B of the Black Lung Benefits Act.

b. Agency Leadership and Management

Present law

The Secretary of HHS has responsibility for administration of the OASDI and SSI programs. Administration of these programs has been delegated to the Commissioner of Social Security. The Commissioner is appointed by the President with the advice and consent of the Senate, but reports to the Secretary.

House bill

SSA would be governed by a three-member, full-time Board, appointed by the President with the advice and consent of the Senate. The Board members would serve 6-year terms, with no more than 2 members being from the same political party. Board members would be chosen on the basis of their integrity, impartiality, and good judgment, and would be individuals who, by reason of education, experience, and attainments, are exceptionally qualified to perform the duties of the Board. Board members could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office. The terms of the first members would expire after two, four and six years.

Recommendations for persons to serve on the Board would be made by the Chairman of the House Committee on Ways and Means and the Senate Committee on Finance. A member could, at the request of the President, serve for up to a year after the member's term expires until a successor has taken office. A member could be appointed for additional terms.

The President would appoint one of the members to be a chairperson of the Board for a 4-year term. The chairperson or two members could call a meeting of the Board with any two members constituting a quorum. Any member alone would be permitted to hold a hearing.

Each member of the Board would be compensated at the rate provided in level II of the Executive Schedule. No member would be permitted to engage in any other business, vocation, profession, or employment.

The Board would:

- Govern OASDI and SSI by regulation;
- Establish the agency and oversee its efficient and effective operation;
- Establish policy and devise long-range plans for the agency;
- Appoint an Executive Director to act as the agency's chief operating officer;
- Constitute three members of a new seven-member Board of Trustees of the Social Security Trust Funds, with the chairperson of the agency's Board serving as chairperson of the Board of Trustees (the Secretary of Labor would be dropped as a member of the Board of Trustees);
- Prepare an annual budget, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency;
- Study and make recommendations to the Congress and President on the most effective methods of providing economic

security through social insurance, SSI, and related programs, as well as on matters related to OASDI and SSI administration;

Provide the Congress and President with ongoing actuarial and other analyses; and

Conduct policy analysis and research.

The Board would be authorized to prescribe rules and regulations. It would also be authorized to establish, alter, consolidate, or discontinue organizational units and components of the agency (other than those provided by statute). Further, it would be permitted to assign duties and delegate (or authorize successive redelegations of) authority to act and to render decisions to such officers and employees as it deems necessary.

Senate amendment

SSA would be governed by a Commissioner appointed by the President, with the advice and consent of the Senate, for a 4-year term coinciding with the term of the President (or until the appointment of a successor). The Commissioner would be compensated at the rate for level I of the Executive Schedule (equivalent to Cabinet officer pay). The Commissioner would be responsible for the exercise of all powers and the discharge of all duties of SSA, have authority and control over all personnel and activities of the agency, and serve as a member of the 5-member Board of Trustees.

The President would be required to appoint a Commissioner within 60 days of the enactment. Upon such appointment and confirmation by the Senate, the Commissioner appointed under this title would assume the duties of the HHS Commission of Social Security until SSA is established as an independent agency.

The Commissioner would be authorized to prescribe rules and regulations; establish, alter, consolidate, or discontinue organizational units and components of the agency (except for those prescribed by law); and assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Commissioner may find necessary.

The Commissioner and the Secretary of Health and Human Services would be directed to consult with one another on an ongoing basis to assure: (1) the coordination of the Social Security, SSI, and Medicare and Medicaid programs and (2) that adequate information concerning Medicare and Medicaid benefits would be available to the public.

Conference agreement

The conference agreement follows the Senate amendment, modified to provide that the Commissioner would serve a fixed six-year term, except that the initial term of office would terminate January 19, 2001. As in the case of the Board members in the House bill, the Commissioner could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office.

In providing that a single administrator, rather than a bipartisan board, will head the independent agency, the conferees place

high priority on management efficiency, which they see as essential in enabling the independent SSA to address the problems that confront it. At the same time, the conferees are concerned by the high rate of turnover, and resulting instability, that has characterized SSA's top management in recent years. A number of problems in service delivery associated with this instability has been documented in studies by the General Accounting Office and in hearings by the House Committee on Ways and Means and the Senate Committee on Finance. A description of these studies and hearings is contained in both Committees' reports on this legislation.

The conferees expect that the key features of SSA's leadership structure as established in the conference agreement—i.e., independent status, a six-year term and the limitation on removal by the President, and a bipartisan advisory board—will be effective in assuring that policy errors resulting from inappropriate influence from outside the agency such as those occurring in the early 1980s do not recur in the future.

(1) Board of Trustees

Present law

The Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds consists of the Secretary of the Treasury, the Secretary of Labor, the Secretary of Health and Human Services, and two public trustees. The Commissioner of Social Security serves as the Secretary of the Board.

House bill

The provision would expand the Board of Trustees and alter its membership. As restructured, the Board would consist of the 3 members of the independent agency's board of directors, the Secretary of the Treasury, the Secretary of Health and Human Services, and the two public trustees. The Secretary of Labor would be dropped from the Board. Also, the chairperson of SSA's board of directors would serve as the chairperson of the Board of Trustees. The Executive Director would serve as the Secretary of the Board.

Senate amendment

The Commissioner of the independent agency would serve as a member of the Board of Trustees, and the Secretary of Labor would be dropped from the Board. The Deputy Commissioner would serve as the Secretary of the Board.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Secretary of Labor would continue to serve as a member of the Board.

(2) SSA Budget

Present law

SSA's annual budget request is submitted to Congress by the President, as part of his proposal for the overall budget for the executive branch.

House bill

SSA's board of directors would be required to prepare an annual budget for the agency, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the budget would be prepared and forwarded to the President by the Commissioner, rather than the Board.

(3) Advisory Board

Present law

No provision.

House bill

No provision.

Senate amendment

A 7-member part-time Advisory Board would be appointed for 6-year terms, made up as follows: 3 appointed by the President (no more than 1 from the same political party); 2 each (no more than 1 from the same political party) by the Speaker of the House (in consultation with the Chairman and Ranking Minority Member of the Committee on Ways and Means) and the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority member of the Committee on Finance). Presidential appointees would be subject to Senate confirmation. Board members would serve staggered terms. The chairman of the Board would be appointed by the President for a 4-year term, coincident with the term of the President, or until the designation of a successor. The Board would meet at least 6 times each year and generally would be responsible for giving advice on policies related to the OASDI and SSI programs.

Compensation of members would be set at a rate equal to 25 percent of the rate for level III of the Executive Schedule (in addition, on meeting days compensation would be equivalent to that of the daily rate of level III of the Executive Schedule). Other benefits (except for health benefits) would not accrue. The Board would be required to appoint a staff director (paid at a rate equivalent to a rate for the Senior Executive Service) and would be authorized to hire necessary staff. The Board would be exempt from the provisions of the Federal Advisory Committee Act.

Specific functions of the Board would include:

Analyzing the nation's retirement and disability system and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the

OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and long-term;

Making recommendations to the President of candidates to consider in selecting nominees for the position of Commissioner and Deputy Commissioner;

Reviewing and assessing the quality of service that the Administration provides to the public;

Reviewing and making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the Social Security system;

In consultation with the Commissioner, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of Social Security that may come to the attention of the Board; and

Conducting such other reviews and assessments as the Board determines to be appropriate.

Conference agreement

The conference agreement generally follows the Senate amendment, except that Advisory Board members would serve fixed terms, meet at least four times a year (four members, not more than three from the same political party, would constitute a quorum), and serve without compensation, except that, 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.

Specific functions of the Board include:

Analyzing the nation's retirement and disability systems and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and the long term;

Making recommendations with respect to the quality of service that the Administration provides to the public;

Making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the social security system;

Making recommendations with respect to a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of social security that may come to the attention of the Board; and

Making recommendations with respect to such other matters as the Board determines to be appropriate.

In general, it is expected that the scope of the Advisory Board would be broadly focused, as indicated by its statutory mandate. This would be in contrast to the focus of recent Advisory Councils, which have tended to focus on specific aspects of the program. While the Advisory Board is required to review and assess the quality of service to the public provided by the Administration, the conferees expect that the performance of this or any other duty shall not serve as a basis for the Advisory Board to become involved in the day-to-day operation or management of the agency. Moreover, the conferees do not see the Board's role in evaluating SSA's policies and regulations as extending to the Board any special status with respect to the requirements and procedures related to the Administrative Procedures Act.

While the Board will appoint a staff director and hire required clerical support personnel, any additional staff required by the Board will be provided by the Commissioner of Social Security, who will detail employees to the Board, as agreed by the Commissioner and the Board. It is the intention of the conferees that the Board's staff director and clerical support staff not fall under the cap imposed by the conference agreement on positions that may be exempted from the competitive service at SSA.

To carry out its duties, the Advisory Board must have access to the records of the Social Security Administration. Therefore, it is expected that SSA will furnish information requested by the Advisory Board that, in the Board's judgment, is required for the performance of its duties.

The conferees believe that it is important to emphasize that the Board is advisory in nature, and that its members will meet on a part-time basis rather than serve as a standing body. It is expected that the Commissioner will consider the advice of the Board when formulating agency policy. The conferees anticipate that the Board will be effective in enhancing public confidence in the Social Security system. They believe that the Board's independent status and bipartisan membership make it especially well-suited for this important task.

(4) Executive Director

Present law

No provision.

House bill

An Executive Director would be appointed by the Board to serve as the agency's chief operating officer for a 4-year term. The individual would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board). The Board would be permitted to appoint the Executive Director for additional terms. An Executive Director could be removed from office before completion of his or her term only for

cause found by the Board. Compensation would be set at the rate provided in level II of the Executive Schedule.

The Executive Director would:

Be the chief operating officer responsible for administration;

Maintain an efficient and effective administrative structure;

Implement the long-term plans of the Board;

Report annually to the Board on the program costs of OASDI and SSI; make annual budgetary recommendations for the administrative costs of the agency and defend such recommendations before the board;

Advise the Board and Congress of effects on administration of proposed legislative changes;

Serve as Secretary of the Board of Trustees (for OASDI);

Report to the Board in December of each year, for transmittal to Congress; on administrative endeavors and accomplishments; and

Carry out any additional duties assigned by the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

c. Deputy Commissioner of Social Security

Present law

Under current SSA practice, there are six deputy commissioners (for operations; programs; finance, assessment and management; policy and external affairs; systems; and human resources). None of these is a statutory position. In addition, a non-statutory Principal Deputy Commissioner is designated to serve as Acting Commissioner in the absence of the Commissioner.

House bill

A Deputy Director of Social Security would be appointed by, and serve at the pleasure of, the Executive Director.

The Deputy Director would perform such duties and exercise such powers as are assigned by the Executive Director, and serve as Acting Executive Director during the absence or disability of the Executive Director. The Deputy Director would also serve as Acting Executive Director in the event of a vacancy in the office of Executive Director unless the Board designates another official to fill the post. He or she would be compensated at the rate provided in level III of the Executive Schedule.

Senate amendment

A Deputy Commissioner would be appointed by the President, with the advice and consent of the Senate, for a 4-year term coincident with the term of the Commissioner or until appointment of a qualified successor.

The Deputy Commissioner would perform such duties and exercise such powers as are assigned by the Commissioner, and serve as Acting Commissioner during the absence or disability of the Commissioner (or vacancy of the office) unless the President designates someone else. He or she would be compensated at the rate provided for level II of the Executive Schedule. In addition, the Deputy Commissioner would serve as the Secretary of the Board of Trustees of the OASDI Trust Funds.

Conference agreement

The conference agreement follows the Senate amendment, except that the Deputy Commissioner would serve a six-year, rather than a four-year, term. The Deputy Commissioner's term would coincide with that of the Commissioner.

d. General Counsel

Present law

SSA receives legal services from the Office of General Counsel of HHS through a component headed by a Chief Counsel for Social Security.

House bill

A General Counsel would be appointed by and serve at the pleasure of the Board as SSA's principal legal officer. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision). The conferees anticipate that the agency officers will include a General Counsel.

e. Inspector General

Present law

The Inspector General of HHS is responsible for oversight of SSA.

House bill

An Office of Inspector General would be created within SSA, to be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

The Inspector General Act of 1978 would be amended to authorize establishment, under that act, of an Inspector General of SSA.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Inspector General would be compensated at the rate provided in level IV of the Executive Schedule.

In addition, the conference agreement provides the Commissioner of the independent agency with authority to appoint an interim Inspector General to serve for up to 60 days. If the Commissioner does not make this appointment, the Inspector General of HHS may, if requested by the Commissioner, serve as SSA's Inspector General (while continuing to serve as the Inspector General of HHS) until an Inspector General is appointed for the independent agency.

The bill does not establish in the Administration any positions other than the Commissioner, Deputy Commissioner, Inspector General and Chief Financial Officer. The conferees believe that it is preferable to give the Commissioner the authority to determine the most efficient administrative organization for an independent SSA. However, the conferees believe that an essential element in any administrative organization for SSA is the position of Chief Actuary. While such a position is not mandated legislatively, it is expected that SSA will continue to have a Chief Actuary, and that the Chief Actuary will remain available to consult with the Chairman of the Senate Committee on Finance and the Chairman of the House Ways and Means Committee.

The conferees wish to emphasize the very important role of the Office of the Actuary in assessing the financial condition of the Social Security trust funds and in developing estimates of the financial effects of potential legislative and administrative changes in the Social Security program. The Office of the Actuary has a unique role within the agency in that it serves both the Administration and the Congress. While the conferees expect that the Chief Actuary will report to the Commissioner, this office often must work with the committees of jurisdiction in the development of legislation.

Beginning with the appointment of the first Chief Actuary in 1936, the tradition was for a close and confidential working relationship between the individual who held that office and the committees of jurisdiction in the Congress, a relationship which the Committees value highly. It is important to emphasize that both the Senate Committee on Finance and the House Committee on Ways and Means rely on their ability to seek estimates on a confidential basis from the Chief Actuary, especially when developing new legislation. Thus, the independence of the Office of the Chief Actuary with respect to providing assistance to the Congress is vital in maintaining a trusting and useful relationship.

The conferees believe that it is important for the Office of the Chief Actuary to receive adequate staffing and support from the agency. In this regard, the conferees are concerned that fewer actuarial studies and notes have been published in recent years and that various informal reports and actuarial memoranda that were available in the past are no longer circulated. The conferees consider independent analyses by the Office of the Chief Actuary to be consistent with the general role and responsibilities of the actuarial profession, and in the past have found these analyses to be very

helpful in understanding the factors underlying estimates and trends in the Social Security program.

With respect to adequate staffing, the conferees wish to note that it is essential that the strength of the Office of the Actuary be maintained. The conferees strongly urge that the actuarial staff at SSA be enhanced on an ongoing basis. Toward that end, the conferees believe that, in formulating a comprehensive workforce plan, the Commissioner of Social Security should carefully evaluate the needs of the Office of the Actuary and consider the need for additional Senior Executive Service positions in this office.

Although the conferees have not legislatively established a position of Chief Actuary in the independent agency, the conferees recognize the important role of the Office of the Chief Actuary and expect that in the independent SSA the office will be permitted to function with a high degree of independence and professionalism.

f. Chief Financial Officer

Present law

No provision.

House bill

No provision.

Senate amendment

A Chief Financial Officer would be appointed by the Commissioner in accordance with amendments to Title 31 of the U.S. Code made by the Chief Financial Officers Act of 1990.

Conference agreement

The conference agreement follows the Senate Amendment.

g. Beneficiary Ombudsman

Present law

No formal position of this nature exists within SSA.

House bill

An Office of Beneficiary Ombudsman, headed by a beneficiary ombudsman appointed by the Board, would be created within SSA. The term of office would be 5 years, except for the first ombudsman whose term would end September 30, 2000. The ombudsman would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board), and could be appointed for additional terms. The ombudsman could be removed from office before completion of his or her term only for cause found by the Board. Compensation would be set at the rate provided in level V of the Executive Schedule.

The beneficiary ombudsman would:

- Represent the interests and concerns of program beneficiaries within SSA's decision-making process;
- Review SSA's policies and procedures for possible adverse effects on beneficiaries;

Recommend within SSA's decision-making process changes in policies which have caused problems for beneficiaries;

Help resolve problems for individual beneficiaries in unusual or difficult circumstances, as determined by the Administration; and

Represent the views of beneficiaries within SSA's decision-making process in the design of forms and issuance of instructions.

The Board would assure that the Office of Beneficiary Ombudsman is sufficiently staffed in regional offices, program centers, and the central office.

The annual report of the Board would include a description of the activities of the beneficiary ombudsman.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

h. Office of Chief Administrative Law Judge

Present law

The Social Security Act requires SSA to conduct hearings to consider appeals of SSA decisions by beneficiaries and applicants for benefits. These hearings are conducted by administrative law judges (ALJs). Although not required by law, the agency follows the procedures of the Administrative Procedures Act (APA) with respect to the appointment of ALJs and the conduct of hearings. The ALJs are located organizationally within the Office of Hearings and Appeals, headed by an associate commissioner who reports to the deputy commissioner for programs.

House bill

An Office of Chief Administrative Law Judge, headed by a chief ALJ appointed by the Board, would be created within SSA to administer the affairs of SSA's ALJs in a manner so as to ensure that hearings and other business are conducted by the ALJs in accordance with applicable law and regulations. The chief ALJ would report directly to the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

i. Interim Authority of the Commissioner

Present law

No provision.

House bill

The President would be required to nominate appointments to the Board not later than April 1, 1995. If all members of the Board are not in office by October 1, 1995, the person then serving as Commissioner of Social Security would continue to serve as head of SSA within HHS, and serve as the head of the newly-established SSA, assuming the powers and duties of the Board and Executive Director.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill by providing that the existing Commissioner of Social Security in the Department of HHS would continue to serve in that post until a Commissioner is nominated by the President pursuant to this statute and is confirmed by the Senate. Nomination by the President must occur within 60 days of enactment. Upon confirmation by the Senate (whether before or after the general effective date of this statute), the President's nominee would assume the position of Commissioner of Social Security.

In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the Office of Commissioner of Social Security, the individual serving as Commissioner of Social Security in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the independent SSA.

j. Personnel; Budgetary Matters; Facilities and Procurement; Seal of Office

(1) Appointment of Employees by the Commissioner

Present law

No provision.

House bill

The Board would appoint additional officers and employees as it deems necessary (with compensation fixed in accordance with title 5 of the U.S. Code, except as otherwise provided by law), and could procure services of experts and consultants.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(2) Allotment of Senior Executive Service (SES) Employees

Present law

No provision.

House bill

The Director of the Office of Personnel Management (OPM) would be required to give SSA an allotment of Senior Executive Service (SES) positions that exceeds the number authorized for SSA immediately before enactment of this Act to the extent a larger number is specified in a comprehensive work plan developed by the Board. The total number of such positions could not be reduced at any time below the number SSA held immediately before enactment of this Act.

Senate amendment

The Senate amendment includes the same provision, except that the number of SES positions allotted to SSA must be "substantially" greater than the number allotted to SSA before enactment of this Act.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment requiring the Director of OPM to inform the Committee on Ways and Means and the Committee on Finance of the number of SES positions allotted to SSA within 60 days of the transmittal of the comprehensive work plan to the Director of OPM.

In agreeing to this provision, the conferees wish to note that, at present, the number of SES positions in SSA is low in proportion to the agency's responsibilities and the size of the agency's staff. The conferees expect that SSA's allotment will increase as an independent agency, commensurate with the agency's increased stature and responsibilities.

(3) Executive Level Positions

Present law

No provision.

House bill

In addition to the 8 Executive Schedule positions established by this Act, SSA also would be authorized 6 positions at level IV and 6 positions at level V of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

(4) Positions Exempted From the Competitive Service

Present law

No provision.

House bill

No provision.

Senate amendment

The number of positions which may be excepted from the competitive service because of their confidential or policy-determining character could not exceed the equivalent of 10 full-time positions.

Conference agreement

The conference agreement generally follows the Senate amendment, except that the limit would be set at 20 and would apply only to non-career Senior Executive Service (SES) and schedule C positions. The four SSA positions authorized by this statute—Commissioner, Deputy Commissioner, Inspector General, and Chief Financial Officer—would not be counted toward the limit, nor would the staff hired by the Social Security Advisory Board.

(5) Workforce Plan; Biennial Appropriation

Present law

No provision.

House bill

Appropriation requests for SSA staffing and personnel would be based upon a comprehensive workforce plan, established and revised from time to time by the Board.

Senate amendment

The Senate amendment includes a similar provision, except that the plan would be established by the Commissioner and appropriations would be authorized to be made on a biennial basis.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Contingency Funds

Present law

No provision.

House bill

No provision.

Senate amendment

Appropriated contingency funds would be apportioned upon the occurrence of the stipulated contingency, as determined by the Commissioner and reported to the Congress.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(7) Seal of Office

Present law

No provision.

House bill

The Board would create a Seal of Office for SSA, and judicial notice would be taken of it.

Senate amendment

The Commissioner would create a Seal of Office for SSA, and judicial notice would be taken of it.

Conference agreement

The conference agreement follows the Senate amendment.

k. Transfers and Transitional Rules

(1) Transfers of Functions and Staff

Present law

No provision.

House bill

In consultation with the Secretary of HHS, the Board would determine appropriate allocations of personnel and assets to be transferred from HHS to SSA. In addition, there would be transferred such number of ALJs as are necessary to carry out the functions transferred by this Act (as determined by the Board in consultation with the Secretary).

Senate amendment

All functions, assets and personnel related to the administration of Social Security programs would be transferred from HHS to SSA. Transfers include all personnel employed in connection with the functions transferred to SSA and the assets, liabilities, contracts, property, records and unexpended balance of appropriations, authorizations, allocations, or other funds employed, held, or used in connection with these functions.

Conference agreement

Under the conference agreement generally follows the Senate amendment, with an amendment providing that the Commissioner and the Secretary will enter into a written interagency transfer arrangement identifying the personnel and resources to be transferred to SSA pursuant to this provision. The Commissioner and the Secretary will also identify support functions which are to be transferred—i.e., payroll, legal, and audit functions.

Under the conference agreement, SSA will continue to perform its current functions in administering the Medicare and Medicaid programs, including the adjudication of Medicare appeals, until such time as the Secretary and the Commissioner agree to a different arrangement. While the Secretary will maintain the ultimate authority for appeal decisions, SSA's ALJ corps will conduct appeal hearings until such time as the Secretary and the Commissioner agree to separate the functions.

The conferees urge the Secretary and the Commissioner to make a joint examination of the most appropriate methodology which could be used to determine the costs to be borne by the Med-

icare trust funds for Medicare-related functions performed by SSA. The conferees request that the Secretary and the Commissioner report their joint findings to the Committee on Ways and Means and Committee on Finance within 36 months.

(2) Terminate 6 Executive Level IV and V Positions

Present law

No provision.

House bill

The Secretary of HHS shall terminate 6 positions in the Department of HHS placed in level IV and 6 positions placed in level V of the Executive Schedule other than positions required by law.

Senate amendment

No provision.

Conference agreement

The conference agreement follows Senate amendment (i.e., no provision).

(3) Employees Performing SSA Work on Date of Transfer

Present law

No provision.

House bill

No provision.

Senate amendment

HHS employees who are employed on the date of enactment of this Act, solely in connection with functions transferred by this title to SSA, and who are so employed on the day before the date SSA is established as an independent agency, shall be transferred from HHS to SSA.

HHS employees who are not employed on the date of the enactment of this Act in connection with functions transferred to SSA, but who are so employed on the day before SSA is established as an independent agency, may be transferred from HHS to SSA by the Commissioner, after consulting with the Secretary of HHS, if the Commissioner determines such transfer to be appropriate.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(4) Funds Transferred

Present law

No provision.

House bill

Funds available to any official or component of HHS whose functions are transferred to the Commissioner of Social Security or

the independent SSA may, with the approval of the Director of the Office of Management and Budget, be used to pay compensation of any officers appointed during the transition until funds for that purpose are otherwise available.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

(5) Transfer of Existing Orders, Determinations, Contracts, etc.

Present law

No provision.

House bill

All orders, determinations, rules, regulations, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the independent agency until their expiration or modification by the Board in accordance with law. Further, the change would not alter any pending proceeding before the Secretary, nor any suit nor penalty, except that such proceedings would continue before the Board.

Senate amendment

All orders, rules, regulations, determinations, contracts, collective bargaining agreements (including ongoing negotiations), recognitions of labor organizations, certificates, licenses and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the authority of the independent SSA until modified or terminated by the Commissioner. Suits and penalties commenced prior to enactment would also continue. Collective bargaining agreements would remain in effect until the date of termination specified in such agreement.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Employee Protections; Transfer of Employees

Present law

No provision.

House bill

Transfer to the independent agency would not cause any full-time personnel (except special government employees) or part-time personnel holding permanent positions to be separated or reduced in grade or compensation for one year after such transfer.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical modifications. In addition, the provision stipulates that transferred personnel who were not SSA employees immediately prior to March 31, 1995, would not be subject to directed reassignment to a duty station outside their commuting area for one year after such date, except that such personnel residing in the Baltimore, Maryland, or Washington, D.C., commuting area would not be subject to directed reassignment to duty stations in the Washington, D.C. or Baltimore, Maryland, commuting areas, respectively, for six months after such date. The conferees expect that in implementing this provision, SSA will develop a definition of "commuting area" no later than March 31, 1995.

In establishing these protections, the conferees are seeking to insure that SSA's transition to independent status does not adversely affect any worker's employment, pay, or grade. The conferees also want to protect employees who are transferred as a result of this Act from HHS to SSA, and their families, from having to relocate immediately. The conferees intend these protections to extend only to personnel actions and transfers stemming from the transition of SSA to its new status as an independent agency. They should not be interpreted as preventing SSA from taking personnel actions unrelated to this transition that affect employees' jobs, pay, or grade.

1. TRANSITION DIRECTOR

Present law

No provision.

House bill

No provision.

Senate amendment

SSA's transition to independent status would be led by a Transition Director, who would be selected on the basis of experience and knowledge of the operation of the Federal Government. Within 30 days after enactment, the President would be required to appoint the Transition Director, who would be compensated at the rate provided for level IV of the Executive Schedule.

Before the Commissioner of the independent SSA has been appointed, the Transition Director would be required to consult regularly with the Director of the Office of Management and Budget. Upon such appointment, the Transition Director would work under the direction of the Commissioner of SSA.

Within 120 days of the enactment, the Transition Director and the Commissioner of Social Security would be required to report to the Congress on the status of the transition and on any significant internal restructuring or management improvements that are proposed to be undertaken.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

*m. Advisory Council**Present law*

An advisory council is appointed by the Secretary of HHS every four years for the purpose of reviewing the status of the Social Security and Medicare programs.

House bill

No provision.

Senate amendment

There would be no quadrennial advisory councils for Social Security, although quadrennial councils would continue to be convened for Medicare.

Conference agreement

The conference agreement follows the Senate amendment, except that the provision does not authorize quadrennial advisory councils for Medicare. Also, the Advisory Council appointed in 1994 would be authorized to complete its work. The conferees expect that the Congress will consider authorizing quadrennial advisory councils for Medicare in future legislation.

*n. Annual Report**Present law*

The Secretary of HHS is required to make an annual report to Congress on the administration of the functions with which the Secretary is charged under the Social Security Act (including OASDI and SSI).

House bill

No provision.

Senate amendment

The requirement for an annual report with respect to OASDI and SSI would be eliminated.

Conference agreement

The conference agreement follows the Senate amendment, with a technical amendment modifying provisions of existing law which require the inclusion of information in SSA's annual report so that this information will be provided to Congress separately.

The conferees do not intend this provision to override any statutory requirements that SSA provide information to Congress. Rather, reports that are mandated by law will continue to be provided. Furthermore, in the absence of the annual report, the conferees expect that SSA will include in its annual statistical supplement basic information similar to that currently included in the annual report on: (1) the OASI, DI, and SSI programs; (2) the struc-

ture of SSA, including numbers of local offices, regional offices, and teleservice centers; (3) the size and distribution of SSA staff; (4) pending workloads at each level of the disability application and appeals process; and (5) representative payees for Social Security and SSI beneficiaries.

o. Data Exchange

Present law

Within the current Department of Health and Human Services, programs administered by the Social Security Administration, the Health Care Financing Administration, the Administration for Children and Families, and other programs may disclose information from their respective systems of records to assist the administration of various HHS programs.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The provision would continue existing data exchanges between HHS and SSA, by requiring the Secretary to disclose to the Commissioner, and the Commissioner to the Secretary, any record or information requested in writing by the others for the purpose of administering any program, if the same type of information was disclosed to SSA or HHS, respectively, before the date of enactment.

Until March 31, 1995, such exchanges may continue to be carried out without need to publish new routine uses under the Privacy Act, and without need for computer matching agreements. Beginning March 31, 1996, additional data exchanges and computer matching agreements shall be made in compliance with the routine uses provision under the Privacy Act.

p. Effective Date

Present law

No provision.

House bill

In general, the provision would take effect October 1, 1995.

Senate amendment

In general, the provision would take effect 180 days after enactment.

Conference agreement

In general, the provision would take effect March 31, 1995. The Secretary and the Commissioner would be required to develop an arrangement for the transfer on March 31, 1995, of SSA personnel, and resources to the independent agency. They would be required

to submit this plan to the Committee on Ways and Means and the Committee on Finance no later than January 1, 1995. No later than February 15, 1995, the General Accounting Office would be required to issue a report to the Committees evaluating this plan.

The conferees expect this plan to be sufficiently detailed that Congress and the GAO can evaluate whether the decisions made by the Secretary and the Commissioner reflect a division of staff and resources that is equitable from the perspective of both agencies. The plan should include the number or portion of staff from each division within the Office of the Secretary that will be transferred to SSA and the method by which those staff will be designated.

In addition, to ensure that the Congress is fully informed of the progress of the transition, the conferees expect GAO to monitor the transition closely and to report frequently to the Committee on Ways and Means and the Committee on Finance on an informal basis. To facilitate GAO's role in the transition, the conferees expect that all participants will furnish the Comptroller General with such information as he determines is necessary to apprise the Committees of the progress of the transition.

Further, the conferees require that, no later than November 1, 1994, the Secretary and the Commissioner report directly to the Committee on Ways and Means and the Committee on Finance on their progress in developing the required joint plan.

2. RESTRICT DISABILITY INSURANCE AND SUPPLEMENTAL SECURITY INCOME DISABILITY PAYMENTS TO SUBSTANCE ABUSERS

(Sec. 201 of the House bill, secs. 301-305 of the Senate amendment, and sec. 201 of the conference agreement)

a. Require that All DI Beneficiaries Receive Payment Through a Representative Payee

Present law

Supplemental Security Income (SSI) recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to receive payments through a representative payee, who has responsibility for managing their finances. There is no parallel requirement for the Disability Insurance (DI) program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material to their disability would be required to receive payment through a representative payee. Thus, for both DI and SSI, it would be deemed in the best interest of the individual to be paid through a representative payee if alcoholism or drug addiction is a contributing factor material to the determination of disability. Further, the requirement that payment be certified to an alternative representative payee is modified by specifying that this occur, "if the interest of the disabled individual would be served thereby."

The provision would become effective 180 days after enactment for both current and prospective DI beneficiaries.

Senate amendment

DI beneficiaries whose disabilities are based in whole or in part on a medical determination that the individual is a drug addict or alcoholic would be required to receive payments through a representative payee.

Conference agreement

The conference agreement follows the House bill with an amendment providing that, for individuals determined eligible for DI benefits beginning 180 days after enactment, the requirement for a representative payee would become effective with respect to their first benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, this requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, the individual is required to receive payment through a representative payee.

An exception to these rules would apply in cases where SSA has difficulty locating a suitable representative payee for a DI beneficiary who is on the rolls prior to the effective date of the amendment. In such situations, direct payment to the individual could be made for up to 90 days.

The conferees recognize that requiring SSA to identify those DI beneficiaries on the rolls whose alcoholism or drug addiction is material to their disability is a costly and labor-intensive task. Finding appropriate representative payees for these individuals will also present an enormous challenge to the agency. The conferees are establishing these requirements in spite of their difficulty because of the high priority they place on halting the use of DI and SSI funds to support disabling addictions. They expect that SSA will implement this requirement in stages, giving first priority to newly-adjudicated cases and individuals with primary diagnoses of alcoholism or drug addiction. The conferees place a high priority on accomplishing this task and expect that SSA will make every effort to identify during the 180 days following enactment DI beneficiaries on the rolls who are required to have representative payees and to find suitable representative payees for these beneficiaries as soon as possible.

*b. Studies**Present law*

No provision.

House bill

The Secretary of Health and Human Services would be required to conduct a study of (a) the cost, feasibility, and equity of requiring all DI and SSI beneficiaries who suffer from alcoholism or drug addiction (including those whose addiction did not contrib-

ute materially to the determination of disability) to have a representative payee, (b) the feasibility of, and appropriate timetable for, providing benefits through non-cash means (e.g., vouchers, debit cards, electronic benefit transfer systems), (c) the extent to which child recipients are afflicted by drug addiction or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and (d) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify these afflicted individuals and to ensure that benefits continue to be provided to beneficiaries appropriately.

Not later than April 1, 1995, the Secretary shall transmit to the Committee on Ways and Means and the Committee on Finance a report on the findings and recommendations of the study.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the study of providing non-cash benefits to alcoholics and drug addicts would focus on issues of cost and equity as well as feasibility and would not include a timetable for implementation. Also, the due date for the study would be December 31, 1995.

c. Preference for Organizations as Representative Payees and Expansion of Qualified Organizations

Present law

The law is silent with regard to assigning an order of preference for the appointment of representative payees. SSA regulations give preference to family members and friends over organizations in both the DI and SSI programs. If the representative payee is determined to have misused any benefits, the Secretary must certify payment to an alternative payee or to the individual.

Community-based nonprofit social service agencies in existence on October 1, 1988, and serving as representative payees for five or more recipients are allowed to collect a monthly fee for their services the fee is collected from the DI or SSI payment, and cannot exceed the lesser of ten percent of the benefit or \$25 per month. The authority for qualified organizations to charge a fee for representative payee services expired July 1, 1994.

House bill

In selecting a representative payee for an individual whose alcoholism or drug addiction is a contributing factor material to his or her disability, preference would be given to qualified organizations, unless the Secretary determines that selection of such an agency would not be appropriate.

Further, the requirement that qualified organizations have been in existence on October 1, 1988, to receive a fee for representative payee services would be repealed, and the list of qualified organizations would be expanded to include:

- (1) Community-based, nonprofit social services agencies;

(2) State or local agencies whose mission is to carry out income maintenance, social service, or health care-related services; and

(3) State or local government agencies with fiduciary responsibilities (or a designee of such an agency if the Secretary deems it appropriate).

The authority for qualified organizations to charge a fee for representative payee services (which expired July 1, 1994) would be reestablished and made permanent, and the monthly fee for services that qualified representative payees of drug addicts and alcoholics receive would be set at ten percent of the monthly benefit.

Senate amendment

Any benefits payable to DI and SSI beneficiaries (including retroactive benefits) based in whole or in part on alcoholism or drug addiction would be payable only pursuant to a certification of such payment to a qualified organization acting as representative payee for the individual. A qualified organization would be further defined to include an agency or instrumentality of a State or a political subdivision of a State.

Conference agreement

The conference agreement follows the House bill, with an amendment that provides an exception to the preference for organizations to serve as representative payees for drug addicts and alcoholics to allow SSA to appoint a family member as representative payee if appointing a family member would be appropriate. However, the conferees intend that in cases where the alcoholic or drug addict is abusive to family members or in cases where family members turn over benefits to the alcoholic or drug addict, a family member would not be found to be an appropriate representative payee. In addition, the conferees believe that there are no circumstances under which bartenders should be permitted to serve as representative payees for the customers they serve.

The fee that organizational representative payees would be permitted to charge drug addicts and alcoholics would be the lesser of 10 percent of the monthly benefit or \$50, indexed to the Consumer Price Index. In addition, the authority for qualified organizations to charge a fee for representative payee services would be made retroactive to July 1, 1994; and the ceiling on fees for organizational representative payees of OASDI and SSI beneficiaries who are not alcoholics or drug addicts—currently \$25—would be indexed to the CPI.

d. Treatment Requirement

Present law

SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to undergo treatment, when available, at approved facilities. They must also comply with the terms of their treatment program and comply with monitoring and testing provided by the Secretary. There are no parallel requirements for the DI program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material to their disability and who are determined eligible for benefits at least 180 days after enactment would be required to undergo treatment, when available, at approved facilities; to comply with the terms of such treatment programs; and to comply with monitoring and testing provided by the Secretary.

In addition, DI beneficiaries on the rolls with a primary diagnosis of alcoholism or drug addiction would be subject to these requirements.

Senate amendment

DI and SSI beneficiaries whose disability is based in whole or in part on drug addiction or alcoholism would be required to undergo treatment, when available, at approved facilities; to allow their treatment to be monitored; and to comply with monitoring and testing provided by the Secretary.

Conference agreement

The conference agreement generally follows the House bill with respect to new DI beneficiaries. With respect to DI beneficiaries on the rolls as of the effective date of this provision, treatment would be required, if available, for all individuals whose alcoholism or drug addiction is a contributing factor material to their disability.

For individuals determined eligible for DI benefits following the effective date of this provision, the requirement to undergo treatment, if available, would apply beginning with the first month that they receive a benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, the treatment requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, he or she is required to undergo treatment, if available, as a condition of eligibility.

*e. Appropriate Treatment and Standards for Compliance**Present law*

Under the SSI program, alcoholics and drug addicts must undergo "any treatment which may be appropriate for their condition at an institution or facility approved by the Secretary (so long as such treatment is available)." There is no parallel requirement in the DI program.

House bill

DI and SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability would be required to undergo any medical or psychological treatment that is appropriate for the individual's addiction and for the stage of the individual's rehabilitation, at an approved facility.

The Secretary, in consultation with drug and alcohol treatment professionals, would be required to issue regulations further defining appropriate treatment and compliance, and to establish guidelines for evaluating compliance, including measures of the progress expected of participants.

Senate amendment

Similar provision, but excludes the requirement that the Secretary issue regulations defining compliance with treatment.

Conference agreement

The conference agreement follows the House bill, except that the requirement to undergo "any medical or psychological treatment" would be replaced with a requirement to undergo "appropriate substance abuse treatment." This change is intended to assure that SSA continues to treat organizations such as Alcoholics Anonymous as qualified treatment providers.

The conferees anticipate that, in addition to issuing regulations, SSA will develop specific guidelines for assessing compliance. These guidelines should be consistent with the thrust of the regulations. However, the conferees expect that the guidelines will be altered from time to time, based on improved medical understanding of addiction.

f. Benefit Suspension for Noncompliance With Treatment

Present law

SSI law requires disabled alcoholics and drug addicts to participate in treatment, if available, as a condition of eligibility. It does not, however, specify the timing and duration of benefit suspensions for failure to comply with this requirement. There is no parallel requirement for the DI program.

House bill

Benefits would be suspended for DI and SSI disability beneficiaries who fail to undergo or comply with required treatment for drug addiction or alcoholism. (Medicare benefits would continue during the period of DI suspension, as would Medicaid benefits for suspended SSI recipients). To qualify for benefit reinstatement, DI and SSI recipients would have to demonstrate compliance with treatment for progressively longer periods—two months, three months, and six months for the first, second, third (and subsequent) instances of noncompliance, respectively. An individual's DI or SSI benefits would be terminated after he or she was suspended for 12 consecutive months. As under current law, terminated individuals could reapply for benefits.

Senate amendment

The individual must demonstrate in such manner as the Secretary requires, including at a continuing disability review not later than 1 year after the determination of disability, that the individual is complying with the terms and conditions of treatment. If the Secretary finds that an individual is not complying, the Secretary, in lieu of termination, may suspend benefits until compli-

ance is reestablished, including compliance with any additional requirements the Secretary determines necessary.

Conference agreement

The conference agreement follows the House bill, except that suspensions would become effective the month following notification by SSA of the noncompliance and resulting suspension, rather than the month of noncompliance. (An individual may be determined as failing to comply for a month only if treatment is available for the month.)

g. Referral and Monitoring Activities and Report on Testing

Present law

The Secretary of HHS must provide for the monitoring and testing of all SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability. There is no parallel requirement for the DI program.

House bill

The Secretary would be required to establish a referral and monitoring agency for each State. These agencies would identify appropriate placements for DI and SSI recipients who are drug addicts and alcoholics, refer them to such treatment, monitor compliance, and report failures to comply to the Secretary. The Secretary would also be required to provide for the testing of DI beneficiaries, as is currently required under the SSI program.

The Secretary would be required to submit annual reports to Congress on required testing and referral and monitoring activities for DI beneficiaries, as is currently required in the SSI program. These reports would indicate the number and percentage of DI and SSI substance abusers who did not receive regular testing during the year.

Senate amendment

Within 1 year of enactment, the Secretary of HHS would be required to provide for the establishment of referral and monitoring agencies for each State, as well as for the testing of DI beneficiaries, as is currently required under the SSI program.

Conference agreement

The conference agreement follows the House bill with minor drafting modifications and with an amendment replacing the requirement for annual reports with a one-time report, due December 31, 1996. Thereafter, annual reports on testing and referral and monitoring activities would no longer be required under the SSI program.

In requiring SSA to provide drug testing, the conferees intend that this authority be used as a tool for assessing compliance with treatment in those instances where a test is likely to yield important information. This provision should not be interpreted as requiring random drug or alcohol testing of all DI and SSI beneficiaries who are disabled by alcoholism or drug addiction.

*h. 36-Month Limit**Present law*

No provision.

House bill

DI and SSI benefits (including retroactive benefits) for individuals whose drug addiction or alcoholism is a contributing factor material to their disability would be terminated after 36 months of entitlement. Once terminated, the individual would not be entitled to any future benefits if alcoholism or drug addiction were a contributing factor material to the disability termination. For those beneficiaries on the rolls 180 days after enactment of this provision, the first month ending after 180 days after enactment would be treated as the first month of entitlement for the purpose of determining their 36-month period of entitlement.

Senate amendment

In no event would an individual be entitled to benefits for more than a total of 36 months (excluding periods of suspension) unless upon the termination of the 36th month the individual furnishes evidence that the individual is under a disability which is not related in part to a medical determination that the individual is a drug addict or alcoholic.

Conference agreement

SSI recipients whose alcoholism or drug addiction is a contributing factor material to SSA's determination that they are disabled would be terminated from the rolls after receiving 36 months of benefits unless they are disabled for some reason other than alcoholism or drug addiction. The 36-month limit would be applied to DI substance abusers beginning when treatment becomes available. DI substance abusers would be terminated after receiving benefits in treatment for 36 months, unless they are disabled for some reason other than substance abuse. The conferees expect that SSA will notify DI and SSI beneficiaries well in advance of the 36-month termination that benefits will be ceased, unless the individual provides evidence that he or she is disabled independent of alcoholism or drug addiction.

For SSI recipients determined eligible for benefits after 180 days after enactment, the 36-month limit would begin to toll with the first month for which the individual receives a benefit check. Notification that the individual is subject to the 36-month limit because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of eligibility for benefits. For SSI recipients on the rolls, the limit would also begin to toll 180 days after enactment; and SSA would be required to notify all affected individuals prior to this date that they are subject to this limit because alcoholism or drug addiction is a contributing factor material to their disability.

For DI beneficiaries (both current and newly-entitled individuals), the limit would begin when treatment becomes available, at

which time SSA would be required to notify the individual that he or she is subject to the limit.

For both groups, only those months for which an individual receives a benefit would be counted toward the 36-month period. (Periods of benefit suspension would be excluded.) An individual whose benefits are terminated as a result of the 36-month limit may not receive benefits for any following month if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled.

Medicare and Medicaid would be continued beyond the 36-month period so long as the terminated individual continues to be disabled, as would benefits for dependents of terminated DI beneficiaries (see "i").

The provision would sunset the 36-month limit, effective October 1, 2004.

i. Dependents Benefits After 12-Month and 36-Month Termination

Present law

Dependents are entitled to DI benefits only so long as the worker on whose wage record benefits are paid is so entitled.

House bill

Dependents' benefits would be continued for two years after the worker on whose record benefits are paid is terminated from the DI rolls.

Senate amendment

No provision.

Conference agreement

Dependents' benefits would be continued so long as the worker on whose record benefits are paid continues to be disabled.

j. Proration of Retroactive Lump-Sum Benefits

Present law

No provision.

House bill

Retroactive lump-sum DI and SSI disability benefits for individuals whose alcoholism or drug abuse is a contributing factor material to their disability would be prorated and paid gradually. Each monthly payment would be limited to 200 percent of the normal benefit amount.

Senate amendment

Retroactive lump-sum benefits for individuals whose disabilities are related in whole or in part to alcoholism or drug addiction would be paid to a representative payee, who would be charged with managing the individual's finances.

Conference agreement

The conference agreement follows the House bill, with amendments that:

(1) Create an exception for individuals who are at high risk of homelessness because they incurred debts related to housing while awaiting their eligibility decision. The exception would be limited to the amount of the debt;

(2) Provide that, when a beneficiary dies without having received the full amount of his or her retroactive benefits in prorated payments, the unpaid amount would be treated as an underpayment; and

(3) Provide that, when retroactive benefits are owed to an individual whose entitlement ceases due to 12 months of suspension or the 36-month limit, prorated payments would continue through a representative payee until all retroactive benefits are paid.

The conferees are establishing the first exception to help insure that the restrictions being imposed on lump-sum payments will not result in an increased level of homelessness. They expect representative payees to use any amounts so excepted for the sole purpose of repaying housing-related debts.

The second and third exceptions recognize that, once an individual has been determined eligible for DI and SSI benefits, subsequent events—such as failure to comply with required treatment, the imposition of the 36-month limit, or the individual's death—do not negate his or her previous eligibility and resulting right to past-due benefits.

*k. Illegal Activity and SGA**Present law*

No provision.

House bill

In determining whether an individual is engaging in substantial gainful activity, the Secretary must consider services performed or earnings derived from such services without regard to the legality of such services.

Senate amendment

Any proceeds derived from criminal activity undertaken to support substance abuse would be treated as evidence of the individual's ability to engage in substantial gainful activity.

Conference agreement

The conference agreement follows the House bill.

*l. Demonstration Projects**Present law*

No provision.

House bill

The Secretary of HHS would be required to develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches for drug addicts and alcoholics who are subject to a treatment requirement. A report to the Committee on Ways and Means and Committee on Finance would be due no later than December 31, 1997.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with an amendment authorizing the Secretary to include individuals who are not DI or SSI beneficiaries in the projects, to the extent that this is necessary to determine the most effective referral, monitoring, and treatment approaches for DI and SSI beneficiaries. The conferees expect that the Department of Health and Human Service (Substance Abuse and Mental Health Services Administration) and the Social Security Commissioner will coordinate their efforts with respect to such projects.

m. Effective Date

In general, the provision would take effect 180 days after enactment.

3. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS,
NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS

(Sec. 202 of the House bill and sec. 301 of the conference agreement)

Present law

In general, section 201(d) of the Social Security Act requires the Secretary of the Treasury to invest annual surpluses of the Social Security Trust Funds in interest-bearing obligations of the U.S. government. Under current Treasury practice, these holdings are recorded as entries on a ledger. No physical documents are required to be issued to the Trust Funds evidencing these obligations.

House bill

The provision would require that each obligation issued for purchase by the Social Security Trust Funds be evidenced by a physical document in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury. The physical document would state the principal amount, date of maturity, and interest rate of the obligation. It would also state on its face that: must " * * * the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest."

In addition, interest on such obligations would be paid to the Trust Funds with paper checks drawn on the general fund.

Effective date.—The provision would apply with respect to obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to the obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

4. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION

(Sec. 203 of the House bill and sec. 302 of the conference agreement)

Present law

The Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508), requires SSA to: (a) maintain telephone access to local offices at the level generally available as of September 30, 1989, and (b) relist the numbers of affected offices in local telephone directories. P.L. 101-508 also required the General Accounting Office to report to Congress on the level of public telephone access to local offices following enactment of these requirements.

In September 1991, the GAO reported that SSA had generally complied with the requirement that it relist local office telephone numbers. It also reported that general inquiry lines to the offices to which the provisions of P.L. 101-508 apply had decreased by 30 percent, or 766 lines, below the level that existed on September 30, 1989.

House bill

The provision would add the following sentence to the current statutory requirement that SSA maintain public access to its local offices at the level generally available on September 30, 1989: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines."

In addition, the General Accounting Office would be required to make an independent determination of the number of telephone lines to each SSA local office which are in place as of 90 days after enactment and to report its findings to the House Committee on

Ways and Means and the Senate Committee on Finance no later than 150 days after enactment.

SSA would be required to maintain its toll-free service at a level at least equal to that in effect on the date of enactment.

Senate amendment

No provision.

Conference agreement

The provision would require the General Accounting Office to assess SSA's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local Social Security offices (including a separate assessment of the impact of such technology on offices to which public access was curtailed on October 1, 1989.) The conferees expect that, as part of this assessment, GAO will evaluate the telephone access demonstration projects using attendant call and voice mail that SSA has indicated that it is about to begin. A report to the House Committee on Ways and Means and the Senate Committee on Finance would be due no later than January 31, 1996.

Effective date.—Upon enactment.

5. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE

(Sec. 204 of the House bill and sec. 303 of the conference agreement).

Present law

Election workers who earn less than \$100 per year are subject to three Social Security exclusions: (a) at the option of a State, they may be excluded from the State's voluntary coverage agreement with the Secretary of Health and Human Services (HHS); (b) they are excluded from the requirement that State and local workers hired after March 31, 1986, pay the hospital insurance portion of the Social Security tax (1.45 percent); and (c) they are excluded from the requirement in the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) that State and local workers who are neither covered by a State or local retirement system or by a voluntary agreement to pay the full Social Security tax (7.65 percent).

House bill

These three exclusions would be modified to apply to election workers with annual earnings of up to \$1,000, rather than the current \$100; and the new exempt amount would be indexed for increases in wages in the economy.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill except that there would be no adjustments in the threshold for wage increases before January 1, 2000.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

6. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES

(Sec. 205 of House bill and sec. 304 of the conference agreement)

Present law

The Privacy Act of 1974 prohibits States from requiring individuals to provide Social Security numbers for identification purposes unless the State was doing so prior to January 1, 1975, or the State is specifically permitted to do so under Federal law. The Social Security Act currently authorizes States to use the Social Security number in administration of any tax, general public assistance and driver's license or motor vehicle registration law within its jurisdiction. Other Federal statutes authorize the State use of the Social Security number for other purposes.

Currently, courts utilize jury source lists within their jurisdiction to select jurors. Source lists (most commonly) made up of lists of licensed drivers and registered voters) are usually computer tapes merged by the courts to form one pool—or master list—from which jurors are selected.

States which are permitted under current law to collect Social Security numbers for purposes such as driver's licenses and voter registration are not allowed to use those Social Security numbers for other purposes such as refining jury selection master lists to identify and eliminate duplicate names, unless the court was using the Social Security number for that purpose before the Privacy Act took effect.

Current law likewise prevents State and Federal Courts from using the Social Security number to run the merged list against computerized lists of convicted felons in order to eliminate these individuals from jury pools.

House bill

States and Federal District Courts would be permitted to use Social Security numbers which have already been collected for purposes permitted under current law to eliminate duplicate names and names of convicted felons from jury source lists. Any Federal law enacted prior to enactment of this provision which is inconsistent with the above policy would be null, void and of no effect.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

7. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS

(Sec. 206 of the House bill and sec. 305 of the conference agreement)

Present law

In general, employees of State and local governments who participate in a public retirement system can be brought under Social Security by means of voluntary agreements entered into by the States with the Secretary of Health and Human Services.

However, the State option to obtain Social Security coverage for police officers and firefighters who are under a public retirement system applies only in 24 States that are named in the Social Security Act. (An additional option applies with respect to firefighters only: any State may obtain coverage for them if the governor certifies that it would improve the overall benefit protection of firefighters in the coverage group and a referendum is held among the group under authorization of the State.) The Act also provides that, in the 24 named States, Social Security coverage can be obtained only after a State-sponsored referendum.

House bill

The provision would extend to all States the option to provide police officers and firefighters who participate in a public retirement system with Social Security coverage under their voluntary agreements with the Secretary of HHS. The existing requirement for a referendum held under the authority of the State would continue to apply.

Effectively date.—The provision would apply with respect to modifications filed by States after enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to modifications filed by States after enactment.

8. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN
SELF-EMPLOYMENT TAX LIABILITY

(Sec. 207 of the House bill and sec. 306 of the conference
agreement)

Present law

Section 233(c)(1) of the Social Security Act authorizes the President to enter into "totalization agreements" with foreign countries to coordinate entitlement to Social Security benefits in the U.S. with pension benefits in those foreign countries. The law requires that international agreements concluded pursuant to that section provide for the elimination of dual coverage of work under the Social Security systems of the United States and another country.

Article V(7) of the totalization agreement between the United States and Canada provides that individuals considered self-employed by the United States who are American citizens but are residents of Canada are covered only under the Canadian Pension Plan.

Under the Social Security Act, an individual who is duly ordained, commissioned, or licensed minister of a church or a member of a religious order is generally considered self-employed for Social Security payroll tax purposes and subject to SECA taxes.

The Canadian social insurance program treats ministers as employees of the church rather than self-employed.

Prior to the 1984 totalization agreement with Canada, duly ordained and licensed ministers who were American citizens, but residents of Canada, were required to pay SECA taxes to the United States and Social Security taxes to Canada.

In some cases, ministers who were American citizens, ut residents of Canada, failed to file tax returns or pay SECA tax believing that they were not required to do so because they were paying into the Canadian Pension Plan as residents of Canada. The Internal Revenue Service has assessed taxes and penalties against those ministers who failed to file a return and pay the required taxes prior to the 1984 agreement.

House bill

The provision would exempt ministers who failed to pay SECA taxes in the United States on earnings from services performed in Canada for a period before the 1984 totalization agreement between the United States and Canada went into effect, and who were required to pay social insurance taxes in Canada on such earnings, from the payment of such taxes or related penalties, owed to the United States.

The ministers' Social Security earnings records would not be credited for years in which the SECA tax was not paid.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision, would be recomputed for months following approval of the certificate of exemption.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision would be recomputed for months following approval of the certificate of exemption.

9. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION

(Sec. 208 of the House bill and sec. 307 of the conference agreement)

Present law

The President is authorized to enter into "totalization agreements" with foreign countries. If an individual has worked under Social Security systems in both the U.S. and a foreign country with which the U.S. has such an agreement, but has not worked long enough to qualify for a benefit, a totalization agreement allows the individual's coverage under both systems to be combined, or "totalized," in order for one country (or both) to pay a benefit. Benefits paid under a totalization agreement are generally prorated to take account of the fact that the person did not work for an entire career under the system that is paying benefits.

The windfall elimination provision (WEP) is applied to the computation of Social Security benefits for workers who are eligible for both Social Security and a pension from work not covered by Social Security. Under the WEP, a different benefit formula yielding a lower amount is used to calculate the worker's Social Security benefit.

With respect to individuals who have worked under Social Security systems in both the United States and a foreign country with which the United States has a totalization agreement, the WEP applies: 1) in the computation of some U.S. totalization benefits, and 2) in the computation of regular U.S. Social Security benefits if the individual receives a foreign totalization benefit.

House bill

The provision would disregard the windfall elimination provision in computing any U.S. totalization benefit, and in computing the amount of a regular U.S. benefit of an individual who (1) receives a foreign totalization benefit based in part on U.S. employment and (2) does not receive any other pension which is based on non-covered employment

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

10. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISIONS

(Sec. 209 of the House bill and sec. 308 of the conference agreement)

Present law

The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are intended to reduce Social Security benefits payable to an individual who qualifies for both a Social Security benefit and a pension based on employment not covered by Social Security.

The WEP reduces a worker's Social Security retirement or disability benefit in cases where the worker is receiving both a Social Security benefit and a pension based on employment not covered by Social Security. The WEP is designed to eliminate the windfall resulting from the weighted Social Security benefit formula which is intended to replace a higher proportion of wages for low-earning workers than for high-earning workers.

Active military service became covered under Social Security in 1957. Inactive duty by reservists (such as weekend drills) became covered under Social Security in 1988. A pension based on either type of service (active or inactive), if performed before 1957, does not trigger the WEP. The only military pension which triggers the WEP is a pension based on inactive duty after 1956 and before 1988.

Under the GPO, spouse's and widow(er)'s benefits received by an individual based on his or her spouse's Social Security-covered work are reduced by two-thirds of the amount of any government pension to which the individual is entitled based on his or her own work in a government job not covered under Social Security.

House bill

An individual's receipt of a pension based wholly on service performed as a member of a uniformed service, whether on active or inactive duty and whether performed prior to 1988 or not, would not trigger application of the GPO and WEP to the individual's Social Security benefits.

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

11. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION

(Sec. 210 of the House bill and sec. 309 of the conference agreement)

Present law

As a general rule, when an individual receiving benefits as the dependent of a worker has a deduction in his or her benefits—for example, due to his or her own earnings exceeding the earnings test exempt amount—and the Maximum Family Benefit rule applies, the withheld benefits are redistributed and paid to other dependents. (The Maximum Family Benefit, or MFB, is a limit on the total amount of benefits which can be paid on a worker's record to the worker and his or her dependents.)

However, if all of the dependents are living in the same household, the affected individual's benefit check is not actually withheld; instead, the individual receives a notice from the Social Security Administration accompanying the benefit check. This notice explains that the beneficiary is subject to a benefit deduction and should not actually receive the benefit check. However, the benefit is being paid with the understanding that it is for the use and benefit of the other dependent beneficiaries. This procedure is known as the facility-of-payment provision.

In cases where all the dependent beneficiaries are not residing in the same household, the facility-of-payment provision does not apply and the withheld benefits are redistributed and paid directly to the remaining dependents.

House bill

The facility-of-payment provision would be repealed. As a result, a beneficiary who is subject to a deduction would have his or her benefits withheld, and the withheld amount would be redistributed and paid directly to the other dependents.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

12. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES

(Sec. 211 of the House bill and sec. 310 of the conference agreement)

Present law

A guarantee is provided for workers who receive disability benefits, then stop receiving disability benefits, and subsequently become reentitled to benefits due to death, retirement or disability. This "subsequent entitlement guarantee" provides that the basic benefit amount (the Primary Insurance Amount, or PIA) of a worker who becomes reentitled to benefits or dies (thereby entitling his or her survivors) cannot be less than the PIA in effect in the last month of the worker's prior entitlement to disability benefits.

Due to a drafting error in the 1977 Social Security Amendments, the guarantee does not extend to the Maximum Family Benefit (MFB) payable on the worker's record, which is determined based upon the PIA. (The MFB is a limit on the total amount of benefits which may be paid on a worker's record to the worker and his or her dependents.) As a result, the MFB which is payable when the worker becomes reentitled to benefits or dies may be less than the MFB payable in the last month of the worker's prior entitlement to disability benefits.

House bill

The provision would make a conforming change in the Maximum Family Benefit, so that the guaranteed PIA would be the basis for calculating the guaranteed Maximum Family Benefit.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after December, 1995.

13. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY ADMINISTRATION INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH

(Sec. 212 of the House bill and sec. 311 of the conference agreement)

Present law

Current law prohibits Federal agencies from releasing personal information contained in an individual file without the written consent of the individual.

Prior to the 1989 Supreme Court decision *United States Department of Justice v. Reporters Committee for Freedom of the Press* (Reporters Committee), the Social Security Administration (SSA) would permit disclosure of personally identifiable information to epidemiological researchers believing that it was permitted to do so under the Freedom of Information Act (FOIA). Disclosure of personal information is permitted under FOIA when the public

interest served by the disclosure outweighs the privacy interest served by withholding and information.

In the Reporters Committee decision, the Supreme Court restricted disclosures of personally identifiable information under FOIA, ruling that disclosure of personal information serves the public interest only when the requested information gives the public insight into the Federal government's performance of its statutory duties.

As a result of the Reporters Committee decision, SSA has discontinued the practice of disclosing information from its files to epidemiological researchers.

Epidemiological research examines specific risk factors (such as exposure to chemical agents or specific medical treatments) that may cause disease by measuring the effect of these factors on a known population.

House bill

The provision would require SSA, under certain circumstances, to disclose limited personally identifiable information for epidemiological research purposes only, and it would permit the Secretary of the Treasury to provide such information to SSA for purposes of complying with such requirement.

Under the provision, SSA would be required to comply with requests for information showing whether an individual is alive or deceased. The requester would be required to meet two conditions:

(1) the information would be used for epidemiological or similar research which the Secretary determined showed a reasonable promise of contributing to a national health interest; and

(2) the requester agrees to reimburse the Secretary for providing such information and agree to comply with limitations on safeguarding and rerelease or redisclosure of such information, as specified by the Secretary. The Secretary would not be required to comply with a request for information if doing so would constitute a violation of a contract entered into with a State for the provision by the State of death information.

The Secretary of the Treasury would be permitted to provide such information to SSA for purposes of complying with such a requirement.

Effective date.—The provision would apply to requests for information made after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to requests for information made after the date of enactment.

14. MISUSE OF SYMBOLS, EMBLEMS OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, OR DEPARTMENT THE OF TREASURY

(Sec. 213 of the House bill and sec. 312 of the conference agreement)

Present law

In 1988, Congress enacted a provision prohibiting the use of words, letters, symbols and emblems of the Social Security Administration (SSA) and the Health Care Financing Administration (HCFA) in a manner that the user knows or should know would convey the false impression that such an item was approved, endorsed, or authorized by the Social Security Administration, the Health Care Financing Administration or the Department of Health and Human Services, or that the user has some connection with, or authorization from, these agencies.

The law permits the Secretary of Health and Human Services (HHS) to impose civil monetary penalties not to exceed \$5,000 per violation or, in the case of a broadcast or telecast, \$25,000 per violation. The total amount of penalties which may be imposed is limited to \$100,000 per year.

Amounts collected by the Secretary are deposited as miscellaneous receipts of the Treasury of the United States.

There is no provision in present law prohibiting the use of titles, symbols, emblems, and names of the Department of the Treasury (and its subsidiary agencies) in connection with advertisements, mailings, solicitations, or other business activities.

House bill

The provision would amend current law to:

- (a) eliminate the annual cap on penalties;
- (b) also prohibit the use of words and letters of the Department of Health and Human Services, Supplemental Security Income Program, or Medicaid, and the symbols or emblems of the Department of Health and Human Services;
- (c) define a "violation," with regard to mailings, as each individual piece of mail in a mass mailing;
- (d) Further prohibit the use of names, letters or emblems of SSA, HCFA, or HHS in a manner that reasonably could be interpreted to convey a relationship with these agencies;
- (e) exempt from the prohibition the use by any State agency or instrumentality of a State, or political subdivision of any words, letters, symbols, or emblems which identify an agency or instrumentality of the State or political subdivision;
- (f) repeal the present law requirement that the Department of Health and Human Services obtain a formal declination from the Department of Justice (DOJ) before pursuing a civil monetary penalty case under this provision;
- (g) provide that penalties collected by the Secretary for violations of this provision would be deposited in the Old-Age and Survivors Insurance, Health Insurance or Supplementary Medical Insurance Trust Funds as applicable;

(h) stipulate that no person may reproduce, reprint, or distribute for a fee any form, application, or other publication of the Social Security Administration unless such person has obtained specific written authorization for such activity in accordance with regulations prescribed by the Secretary;

(i) provide that any determination of whether there is a violation of this provision shall be made without regard to a disclaimer;

(j) require the Commissioner of Social Security and the HHS Secretary to issue three reports to the Committee on Ways and Means and the Committee on Finance on the operation of section 1140 as applicable. The report would specify: (1) the number of complaints of violations of section 1140 received by the Social Security Administration or the Department of Health and Human Services during the period covering the report; (2) the number of cases in which a notice of violation of section 1140 was sent by the Social Security Administration or the Department of Health and Human Services during the period covering the report requesting that an individual cease activities in violation of this section; (3) the number of cases in which a civil monetary penalty was formally proposed in a demand letter during the period covering the report by the Social Security Administration or the Department of Health and Human Services; (4) the total amount of civil monetary penalties assessed under this section during the period covered by the report by the Social Security Administration or the Department of Health and Human Services; (5) the number of requests for hearings filed during the period covering the report pursuant to subsection (c)(1) of this section and section 1128A(c)(2) by the Social Security Administration or the Department of Health and Human Services; (6) the disposition during the period covering the report of hearings filed pursuant to sections 1140(c)(1) and 1128A(c) (2), and (7) the total amount of civil monetary penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance, Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period covering the report. The reports would be due December 1, 1995, December 1, 1997, and December 1, 1999;

(k) specify that the provisions in section 1140 may be enforced by the Office of Inspector General of the Social Security Administration or the Office of Inspector General of the Department of Health and Human Services. The provisions for Social Security and the Department of Health and Human Services would be effective for violations occurring after March 31, 1995.

The provision would prohibit the use in advertisements, solicitations, and other business activities of words, abbreviations, titles, letters, symbols, or emblems associated with the Department of the Treasury (and services, bureaus, offices or subdivisions of the Department, including the Internal Revenue Service) in a manner which could reasonably be interpreted as conveying a connection with or approval by the Department of the Treasury.

The bill would establish civil penalty of not more than \$5,000 per violation (or not more than \$25,000 in the case of a broadcast or telecast). In addition, the bill would establish a criminal penalty of not more than \$10,000 (or not more than \$50,000 in the case of a broadcast or telecast) or imprisonment of not more than one year,

or both, in any case in which the prohibition is knowingly violated. Any determination of whether there is a violation would be made without regard to the use of a disclaimer of affiliation with the Federal Government. The Secretary of the Treasury would be required to provide to the Committee on Ways and Means and the Committee on Finance, no later than May 1, 1996, a report on enforcement activities relating to the implementation of the provision.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

15. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION

(Sec. 214 of the House bill and sec. 313 of the conference agreement)

Present law

Each year, the Social Security Administration (SSA) receives and maintains earnings information, including the names and addresses of employers, on over 130 million working Americans in its computer system. Employers are required to file annually with the Social Security Administration copies of their workers' W-2 statements. The statements contain the worker's Social Security numbers and the amount of wages the workers received during the year. In addition, each SSA file contains an individual's birth certificate information, such as date of birth, father's name and mother's maiden name. For those receiving Social Security benefits, the file contains a current address and monthly benefit amounts.

The Social Security Act includes provisions which prohibit the unauthorized disclosure of information contained in Social Security Administration files. The Act provides that any person who violates these provisions and makes an unauthorized disclosure can be found guilty of a misdemeanor and, upon conviction, punished by a fine not exceeding \$1,000 or by imprisonment not exceeding one year, or both.

House bill

The provision stipulates that unauthorized disclosure of information and fraudulent attempts to obtain personal information under the Social Security Act would be a felony. Each occurrence of a violation would be punishable by a fine not exceeding \$10,000 or by imprisonment not exceeding five years, or both.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

16. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO
FILE ANNUAL EARNINGS REPORT

(Sec. 215 of the House bill and sec. 314 of the conference agreement)

Present law

In general, individuals under age 70 who receive Social Security retirement or survivors benefits must file an annual report of their earnings with the Social Security Administration for any taxable year in which their earnings or wages exceed the annual exempt amount of earnings under the Social Security earnings test. These reports are due to be filed by the same date as Federal income tax returns, the fifteenth day of the fourth month after the close of the taxable year (normally April 15). Individuals may be granted a reasonable extension of time for filing an earnings report if there is a valid reason for delay, but not more than 3 months. An extension of time for filing an income tax return may be granted for up to 4 months.

House bill

The time for which an extension could be granted for filing an earnings report would be increased to 4 months.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

17. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION
PROJECT AUTHORITY

(Sec. 216 of the House bill and sec. 315 of the conference agreement)

Present law

Section 505(a) of the Social Security Disability Insurance Amendments of 1980 (P.L. 96-265), as extended by the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-508), authorizes the Secretary of Health and Human Services to waive compliance with the benefit requirements of titles II and XVIII for purposes of conducting work incentive demonstration projects to encourage disabled beneficiaries to return to work. The authority to waive com-

pliance applies to projects initiated prior to June 10, 1993. A final report is due no later than October 1, 1993.

House bill

The Secretary's authority to initiate disability work incentive demonstration projects that waive compliance with benefit provision (as provided in P.L. 96-265) would be extended through June 9, 1996. A final report would be due no later than October 1, 1996.

Effective Date.—The provisions would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would be effective upon enactment.

18. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER MAINTAINED BY THE DEPARTMENT OF AGRICULTURE

(Sec. 217 of the House bill and sec. 316 of the conference agreement)

Present law

The Department of Agriculture is allowed to collect and maintain a list of names, Social Security numbers and employer identifications numbers of the owners and officers of retail grocery stores which redeem food stamps. The list is used to keep track of grocery store operators who have been sanctioned for violations under the Food Stamp Act.

House bill

The provision would permit the Secretary of Agriculture to share the list of names and identifying numbers with other Federal agencies which otherwise have access to Social Security account numbers for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for investigating violations of other Federal laws, or enforcement of such laws. The Secretary of Agriculture must restrict access to Social Security account numbers obtained pursuant to this provision to officers and employees of United States whose duties or responsibilities require access for such purposes.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

19. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE
PERMANENT

(Sec. 218 of the House bill and sec. 317 of the conference
agreement)

Present law

A portion of the railroad retirement tier 2 benefits are included in gross income of recipients (similar to the treatment accorded recipients of private pensions) for Federal income tax purposes. The proceeds from the income taxation of railroad tier 2 benefits received prior to October 1, 1992, have been transferred from the General Fund of the Treasury to the railroad retirement account. Proceeds from the income taxation of benefits received after September 30, 1992, remain in the General Fund.

House bill

The transfer of proceeds from the income taxation of railroad retirement tier 2 benefits from the General Fund of the Treasury to the railroad retirement account would be made permanent.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

20. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS
BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS'
COMPENSATION LAWS

(Sec. 219 of the House bill and sec. 318 of the conference
agreement)

Present law

The Privacy Act of 1974 prohibits a Federal agency from using the Social Security number as an identification number unless it is specifically permitted by statute. There is no specific statutory authorization to permit the Department of Labor to use the Social Security number as an identification number.

House bill

The provision would amend section 205 of the Social Security Act to permit the Department of Labor to use the Social Security number as the claim identification number for workers' compensation claims.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

21. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED
TEMPORARILY TO INTERNATIONAL ORGANIZATIONS

(Sec. 220 of the House bill and sec. 319 of the conference agreement)

Present law

Federal employees participating in the Civil Service Retirement System are entitled to retain retirement coverage rights and benefits when they are temporarily loaned by a Federal agency to an international organization.

The definition of employment in the Social Security Act prohibits Federal employees participating in the Federal Employees Retirement System (FERS) or the Foreign Service Pension System (FSPS) (which in general provide Federal employees hired on or after January 1, 1984, with both Social Security coverage and a supplemental government pension) from continuing to contribute to Social Security if they transfer to international organizations.

House bill

The provision would amend section 210 of the Social Security Act and section 3121 of the Internal Revenue Code of 1986 to cover, in certain cases, service performed in the employ of an international organization pursuant to a transfer from a Federal agency under the definition of employment. Under this provision, the employing agency would be responsible for reporting the employee's wages and for paying the employer's share of FICA. The employee would be responsible for paying the employee's share.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

22. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT

(Sec. 221 of the House bill and sec. 320 of the conference agreement)

Present law

The Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256) established section 101(a)(15)(J) of the Immigration and Nationality Act under which so-called J visas are authorized to be issued for a limited period of time to aliens who are bona fide students, scholars, trainees, teachers, professors, research assistants, specialists, or leaders in a field of specialized knowledge or skill.

The 1961 Act also provided that wages paid to individuals who enter the country on a J visa would be exempt from FICA, FUTA, and Railroad Retirement Act taxes. In addition, employers who hire J visa holders are not required to receive certification from the Department of Labor that an insufficient number of U.S. workers are available to meet their needs.

The Immigration Act of 1990 added section 101(a)(15)(Q), which provides for the issuance of a visa to "an alien having a residence in a foreign country which he has no intention of abandoning who is coming temporarily (for a period not to exceed 15 months) to the United States as a participant in an international cultural exchange program approved by the Attorney General for the purpose of providing practical training, employment, and the sharing of the history, culture, and traditions of the country of the alien's nationality and who will be employed under the same wages and working conditions as domestic workers."

The Internal Revenue Code presently does not exempt wages paid to individuals who enter the U.S. under Q visas from FICA, FUTA, or Railroad Act taxes.

House bill

The provision amends the Internal Revenue Code to exclude wages paid to aliens holding Q visas from FICA, FUTA, and Railroad Retirement Act taxes, and, for income tax purposes, treats their income in the same manner as income received by aliens holding visas issued pursuant to section 101(a)(15)(J).

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

23. STUDY RISING COST OF DISABILITY INSURANCE BENEFITS

(Sec. 222 of the House bill)

Present law

In their 1993 and 1994 annual report to Congress, the Social Security Board of Trustees reported that, under intermediate economic assumptions, the Disability Insurance Trust Fund would become insolvent during 1995. To address this problem, the Trustees recommended a reallocation of the Social Security payroll tax rate from the OASI Trust Fund to the DI Trust Fund.

In addition to the reallocation, the Board recommended that a significant research effort be undertaken to establish whether higher-than-expected DI program costs are a temporary trend or longer-term phenomenon.

House bill

The Secretary of Health and Human Services would be required to conduct a comprehensive study of the reasons for rising costs in the Disability Insurance program. The study would determine the relative importance of: (a) increased numbers of applications for benefits, (b) higher rates of benefit allowances, and (c) decreased rates of benefit terminations in increasing DI program costs. It would also identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in DI applications, allowances, and terminations. No later than December 31, 1994, the Secretary would be required to issue a report to the House Committee on Ways and Means and the Senate Committee on Finance summarizing the results of the study and making any recommendations for legislative changes which the Secretary determines appropriate. The study would be due no later than December 31, 1994.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

24. COMMISSION ON CHILDHOOD DISABILITY

(Sec. 223 of House bill and sec. 202 of the conference agreement)

Present law

No provision.

House bill

The Secretary would be directed to appoint a Commission on the Evaluation of Disability in Children, consisting of not less than 9 but not more than 15 members including recognized experts in relevant fields of medicine; recognized experts in psychology, education and rehabilitation, law, administration of disability pro-

grams; social insurance; and other experts determined appropriate by the Secretary.

The Commission would conduct a study, in consultation with the National Academy of Sciences, on the effect of the current Supplemental Security Income definition of disability, as it applies to children under the age of 18 and their receipt of services, including the effect of using an alternative definition.

The study shall include issues of (1) whether the need by families for assistance in meeting the high costs of medical care for children with serious physical or mental impairments might appropriately be met through expansion of Federal health assistance programs; (2) the feasibility of providing benefits to children through non-cash means, including vouchers, debit cards, and electronic benefits transfer systems; (3) the extent to which SSA can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity; (4) the feasibility of providing retroactive SSI benefits pursuant to the Zebley decision on a prorated basis or by means of a packaged trust; (5) methods to increase the extent to which benefits are used in the effort to assist the child achieve independence and engage in substantial gainful activity; and (6) such other issues as the Secretary determines appropriate.

The Commission would submit a report on the results of this study, together with any recommendations, to the Committees on Finance and Ways and Means, no later than November 30, 1995.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill, but broadens the study to include: (1) the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity, and (2) the effects of the current program on disabled children and their families.

The conferees expect that the Commission, in conducting its study, will hold public hearings to hear the views and perspectives of all parties who are interested in or concerned about the SSI childhood disability program, including parents of children who receive benefits, educators, and representatives of non-profit organizations serving children with physical and mental disabilities.

Effective date.—Upon enactment.

25. DISREGARD OF DEEMED INCOME AND RESOURCES OF INELIGIBLE SPOUSE IN DETERMINING CONTINUED ELIGIBILITY UNDER SECTION 1619

(Sec. 224 of House bill)

Present law

Under section 1619(a) of the Social Security Act, SSI benefits continue for those working and earning above the substantial gain-

ful activity level, which is currently \$500 per month, as long as there is no medical improvement in the disabling condition. Benefits decline at a rate of \$1 for each additional \$2 earned after disregarding the first \$65 of earned income and the first \$20 of unearned income. In general, the point at which a recipient, who has at least \$20 in monthly unearned income, would be ineligible for cash SSI benefits in a month would be the sum of \$85 plus twice the sum of the Federal benefit and State supplement, if any. For 1994, the "breakeven point" for an individual is \$977 per month without a State supplement. For States with a supplement, the breakeven point increases by \$2 for every \$1 in State supplement.

Under section 1619(b), SSI recipients can continue on Medicaid even if their earnings cause their income to exceed the breakeven point and they no longer receive cash SSI benefits. In 209(b) States, this does not apply. However, in most States, Medicaid continues as long as the SSI recipient: (1) continues to be blind or disabled; (2) except for earnings, continues to meet all of the eligibility requirements; (3) is seriously inhibited from continuing work by termination of eligibility of Medicaid; and (4) has earnings insufficient to provide a reasonable equivalent to cash SSI benefits, Medicaid, and publicly funded attendant care that would have been available if he or she did not have earnings.

In making determinations on the fourth criterion above, SSA compares the individual's gross earnings to a "threshold" amount. The threshold amount is the sum of the break even level for gross earnings of cash benefits for an individual with no other income living in his or her own household plus the average Medicaid expenditures for disabled SSI cash recipients for the State of residence. If the recipient's gross earnings exceeds the threshold, an individualized threshold is calculated which considers the person's actual Medicaid use, State supplement rate, and publicly-funded attendant care. In other words, under the fourth criterion, Medicaid eligibility continues until the individual's earnings reach a higher plateau which takes into account the person's ability to afford medical care, as well as his or her normal living expenses.

An eligible spouse's income and resources are deemed to include the income and resources of his or her ineligible spouse with whom he or she lives. In some cases, SSI recipients who are working and are eligible for Medicaid under section 1619(b) may become ineligible for Medicaid because they marry a person who has sufficient income to render the SSI recipient ineligible for Medicaid. In other cases, the SSI recipient's ineligible spouse might receive additional income which makes the SSI recipient ineligible for Medicaid under the deeming rules.

House bill

In determining an individual's eligibility for Medicaid pursuant to section 1619(b), there would be disregarded (in addition to amounts disregarded under current law): (1) the net income of the individual's ineligible spouse to the extent the spouse's net income does not exceed twice the threshold amount determined for the individual, and (2) the ineligible spouse's resources up to the State's spousal impoverishment resource amount (as defined in section 1924(f)(2) of the Social Security Act).

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

26. PLANS FOR ACHIEVING SELF-SUPPORT NOT DISAPPROVED WITHIN 60 DAYS TO BE DEEMED APPROVED

(Sec. 225 of House bill)

Present law

Under a plan for achieving self-support (PASS) certain income and resources are not taken into account in determining eligibility for or the amount of SSI benefits. An approved PASS allows a person who is blind or disabled to set aside the income and resources needed to achieve a work goal. The funds set aside can be used to pay for education, vocational training, or starting a business. The recipient must have a feasible work goal, a specific savings and spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The individual must then follow the plan and negotiate revisions as needed.

SSA regulations provide the basic rules for a PASS. Under these rules, the individually designed plan can be for an initial period of at most 18 months but an 18-month extension can be obtained. For participants engaged in lengthy education or training programs, an additional 12-month extension can be obtained. All plans must be approved by SSA before the income and resource exclusions can be excluded. If the recipient attains his or her goal, fails to follow the plan, or time expires, the income and resource exclusions are again countable.

House bill

A plan for achieving self-support (PASS) would be deemed to be approved if SSA has not acted upon a recipient's application within 60 days and shall be deemed to be approved until 6 months after subsequent disapproval.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision), but the conferees request that the General Accounting Office conduct a study of the PASS program and procedures since little information is available at this time. The study should include, to the extent available, data for the last five years that show the number and characteristics of individuals who have applied for a plan, the number and characteristics of those who plans have been approved, the kinds of plans that have been approved and their duration, the success of individuals in fulfilling their

plans, and the extent to which individuals who have completed a PASS have become economically self-sufficient. The GAO should also study whether improvements can or should be made in the PASS program or in the process used to approved proposed plans. Findings and recommendations should be reported to the Committee on Finance and Ways and Means.

27. TEMPORARY AUTHORITY TO APPROVE A LIMITED NUMBER OF PLANS FOR ACHIEVING SELF-SUPPORT THAT INCLUDE HOUSING GOALS

(Sec. 226 of the House bill)

Present law

A PASS allows an SSI recipient to shelter income and resources from limits if the funds are set aside to help him or her achieve a work goal. Funds may be set aside for education, vocational training, or starting a business.

House bill

Plans for achieving self-support would be expanded to include housing goals in addition to the current work goals under a 42-month demonstration.

A report on activities under this authority would be due within 12 months after the end of the 5-year period that begins on January 1, 1995.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

28. REGULATIONS REGARDING COMPLETION OF PASS

(Sec. 227 of the House bill and sec. 203 of the conference agreement)

Present law

Under current plan for achieving self-support (PASS) regulations, an SSI recipient with a PASS may be eligible for its income and resource exclusions for 18 months, followed by two possible extensions of 18 and 12 months, respectively. An individual involved in a lengthy education program, could receive a PASS for up to 4 years.

House bill

SSA would be required to take into account the difficulty of achieving self-support based on individual needs in determining the time limit on a PASS.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with a clarification instructing SSA to take into account the length of time the individual will need to reach the individual's employment goal within such reasonable period as the Secretary establishes, and other factors as are determined by the Secretary to be appropriate. Effective date.—January 1, 1995.

29. TREATMENT OF CERTAIN GRANT, SCHOLARSHIP, OR FELLOWSHIP INCOME

(Sec. 228 of the House bill)

Present law

Grant, scholarship, and fellowship income are treated as unearned income. The portion of this kind of income that is received for use in paying the cost of tuition and fees at any educational institution is excluded from income.

House bill

Grant, scholarship, and fellowship income would be treated as earned income without regard to the purpose of its use.

Effective date.—Applies to eligibility determinations for any month beginning after the second month following the month of enactment.

Senate Amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

30. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD

(Sec. 229 of the House bill and sec. 204 of the conference agreement)

Present law

A recipient who is outside the United States for a full calendar month or more and who is not a child living outside the United States with a parent in the military service, is not eligible for SSI benefits for such month or months. A person who has been outside the United States for 30 consecutive days or more is not considered to be back until he or she has spent 30 consecutive days, in the United States. After an absence of 30 consecutive days, SSI eligibility may resume effective with the day following the 30th day of continuous presence in the United States, if the individual continues to meet all other eligibility criteria.

House bill

SSI recipients who travel outside the United States would be exempt from the calendar month and 30-day time limit if the absence is (1) temporary, and (2) for the purpose of conducting studies as part of an educational program that is designed to prepare

the individual for gainful employment, and is sponsored by a school, college, or university in the United States.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment limiting eligibility to a period not to exceed one year and only if the program is not available to the individual in the United States. Because of the difficulty faced by the Social Security Administration in administering the SSI program while recipients are outside the United States, the conferees intend that this provision will be used sparingly. An example of a qualifying educational program under this provision would be intensive study programs that lead to fluency in a foreign language through immersion in the cultural and social milieu of a country where the language is spoken. Less intensive programs, which are generally available in the United States, would not qualify.

Effective date.—January 1, 1995.

31. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED
ELIGIBILITY FOR WORK INCENTIVES

(Sec. 230 of the House bill and sec. 205 of the conference agreement)

Present law

Under section 504 of the Unemployment Compensation Amendments of 1976 (P.L. 94-566), State Medicaid plans are required to provide medical assistance to an individual if he or she: (1) simultaneously received both Social Security and SSI in some month after April 1977; (2) is currently eligible for and receiving OASDI benefits; (3) is currently ineligible for SSI; and (4) receives income that would qualify him or her for SSI after deducting all OASDI cost-of-living adjustment increases received since the last month in which he or she was eligible for both OASDI and SSI. The provision is intended to protect the individual against the loss of Medicaid coverage in many States because of a cost-of-living increase in Social Security benefits. The provision does not explicitly apply to beneficiaries who have Medicaid eligibility under section 1619(b) of the Social Security Act.

House bill

This provision amends section 1619(b) of the Social Security Act to explicitly extend to SSI beneficiaries receiving Medicaid under section 1619(b) protection against the loss of Medicaid coverage because of a cost-of-living increase in their Social Security benefits.

Effective date.—Applies to eligibility determinations for months after December, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—Applies to eligibility determinations for months after December, 1994.

32. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS

(Sec. 231 of the House bill, sec. 306 of the Senate amendment, and sec. 206 of the conference agreement)

a. Prevention of fraud in the SSI program by translators of foreign languages

Present law

No provision.

House bill

A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of SSI benefits shall not be regarded as reliable unless the third party, under penalty of perjury, (1) certifies that the translation is accurate, and (2) discloses the nature and scope of the relationship between the third party and the applicant or recipient.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

b. Civil monetary penalties in SSI and OASDI cases involving fraud

Present law

Federal law provides broad authority for imposing civil penalties against persons who submit fraudulent claims to the Government. There are two applicable Federal statutes. The Civil False Claims Act (CFCA) requires the Government to use the normal judicial process, whereby the Department of Justice initiates a civil action in Federal Court to impose a penalty. The Program Fraud Civil Remedies Act (PFCRA) authorizes an administrative process under which Federal agencies may impose penalties. These statutes are intended to address fraud from a Government-wide perspective, and the process of imposing penalties can be complex and time-consuming. Further, the PFCRA is restricted to initial applications for benefits, in some circumstances, which limits its usefulness for SSI and OASDI purposes.

House bill

The same authority to impose civil penalties as the Secretary of HHS now has under sections 1128A of the Social Security Act involving false claims in the Medicare and Medicaid programs would be provided for the SSI program. SSA would have direct authority, after approval by the Department of Justice, to impose civil penalties when an individual or entity has been involved in submitting or causing to be submitted any statement that the individual knows or should know is false or misleading, or knows or should know omits a material fact. Each offense involving the SSI program would be subject to a penalty of not more than \$5,000 and an assessment, in lieu of damages, of not more than twice the amount of benefits paid as a result of such statement or representation. In addition, medical providers or physicians who commit such offenses with respect to the SSI program could be subject to exclusion from participation in the Medicare and Medicaid programs. The process would be similar to that used under section 1128A with respect to false claims in the Medicare and Medicaid programs. SSA would initiate and investigate cases, refer proposed actions to the Department of Justice for review before proceeding, and adjudicate and impose penalties, assessments, or exclusions. As with section 1128A, any person adversely affected by a determination could obtain a review of such determination in the United States Court of Appeals.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

*c. SSI Fraud Considered a Felony**Present law*

SSI fraud is punishable by a fine of no more than \$1,000 or a prison term of no more than one year, a misdemeanor.

House bill

SSI fraud would be punishable by a fine as determined under the general criminal fine statutes, by a prison term of not more than five years, or both. This provision conforms the specific crime of SSI fraud to the criminal sanctions currently available for Social Security Disability Insurance fraud.

Effective date.—October 1, 1994.

Senate amendment

Same as House bill.

In addition, title II is amended to provide that any person or other entity who is convicted of a violation involving the provision of false statements or representations, if the violation is committed

in the role as, or application to become, a representative payee on behalf of another individual, shall be guilty of a felony and be subject to the same penalties as apply to SSI. In any case in which a court determines that a violation includes a willful misuse of funds by such person or entity, the court may also require that full or partial restitution of funds be made to the individual for whom such person or entity was the representative payee.

An individual or entity convicted of a felony under the representative payee requirements of title XVI may not be certified as a payee under title II.

In the case of the second or subsequent imposition of an administrative or criminal penalty on any person or other entity under section 208 or section 1632 of the Social Security Act (relating to fraud), the Secretary may exclude such person or entity from participation in any program under title II, V, XVI, XVIII, XIX, and XX of the Social Security Act, and any other Federal program as provided by law.

Conference agreement

The conference agreement follows the House bill with an amendment prohibiting persons convicted of SSI fraud from serving as representative payees under title XVI.

Effective date.—The amendments apply to conduct occurring on or after October 1, 1994.

d. Authority to Redetermine Eligibility in Disability Cases if Fraud is Involved And to Terminate Benefits If There is Insufficient Reliable Evidence of Disability

Present law

SSA is only permitted to terminate SSI benefits under well-defined conditions, unless the benefits were obtained fraudulently. The statute provides no guidance on the use of this authority.

House bill

An individual's eligibility for SSI disability benefits shall be immediately redetermined, disregarding any unreliable evidence of disability, if there is reason to believe that fraud was involved in the application for benefits, unless a U.S. Attorney or equivalent State prosecutor certifies, in writing, that to do so would create a substantial risk of jeopardizing any current or anticipated criminal proceeding.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud in the OASDI programs.

Effective date.—October 1, 1994.

e. Availability of Recipient Identifying Information From the Inspector General, Social Security Administration

Present law

There is no current statutory requirement for the OIG to provide SSI recipient identifying information obtained during a criminal investigation to SSA for administrative action. Such identifying information is transmitted to SSA at such time as the OIG believes it appropriate and often not until the conclusion of a criminal investigation or a Federal or State criminal prosecutorial process. Consequently, SSI benefits continue to be paid during an active investigation or prosecution based on those benefits having been obtained through fraud.

House bill

The SSA Inspector General would be required to disclose to SSA recipient identifying information as soon as he has reason to believe that any individual, or group of individuals, have secured SSI benefits in a fraudulent manner. This requirement would not apply if a U.S. Attorney or State prosecutor who has jurisdiction to file a criminal action against any of the parties involved certifies that disclosure of SSI recipient information by the IG would jeopardize the criminal prosecution of the individual who is the subject of the investigation.

Effective date.—October 1, 1994

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

f. Authority To Use Available Pre-admission Immigrant and Refugee Medical Information

Present law

No provision.

House bill

SSA would be required to request medical information from the Immigration and Naturalization Service or the Centers for Disease Control which they may have with respect to any alien who has applied for SSI benefits to the extent the information is relevant to determining eligibility.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments.

Effective date.—October 1, 1994.

*g. Annual Reports on Reviews of SSI Cases**Present law*

No provision.

House bill

SSA would be required to annually report to the Committee on Ways and Means and the Committee on Finance on the extent to which it has exercised its authority to review SSI cases and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and is also expanded to apply to fraud under the OASDI programs.

Effective date.—Upon enactment.

*h. Effective Date**Present law*

No provision.

House bill

In general these provisions would take effect on October 1, 1994. The provisions dealing with civil monetary penalties in SSI cases involving fraud, with the treatment of SSI fraud as a felony, and with annual reports of reviews of SSI cases would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

In general, these provisions would take effect on October 1, 1994. The provision dealing with the annual reports of reviews of SSI and OASDI cases would be effective upon enactment.

33. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18
YEARS OF AGE

(Sec. 232 of the House bill and sec. 207 of the conference agreement)

Present law

Under current law, all disabled Social Security beneficiaries are required to undergo periodic reviews to determine whether they

continue to be disabled. There is no comparable provision in the SSI program.

A needy child under the age of 18 years old who has an impairment of comparable severity with that of an adult may be considered, disabled and eligible for SSI benefits. To be found disabled, a child must have a medically determinable impairment that substantially reduces his or her ability to independently, appropriately, and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of at least 12 months.

Under the adult disability determination process, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an assessment of residual functional capacity. SSA determines whether adults are able to do their past work or whether they are able to do any substantial gainful work. If they cannot do either one, they are disabled.

Under the disability determination process for children, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an individualized functional assessment. This assessment examines whether the children can engage in age-appropriate activities effectively. If it is found that the children's impairments are on comparable severity to an adult's without assessing past work or ability to do substantial gainful work, the children are disabled.

House bill

SSA would be required to re-evaluate under adult disability criteria the eligibility of children receiving SSI after they reach 18 years old and before they are 19 years old.

Effective date.—Applies to recipients attaining the age of 18 years old in or after the ninth month following the month of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of one-third of the children reaching age 18 in each of fiscal years 1996, 1997, and 1998. SSA will be required to report to Congress no later than October 1, 1998 on the activities conducted under this requirement.

Effective date.—October 1, 1995.

34. CONTINUING DISABILITY REVIEWS

(Sec. 233 of the House bill and sec. 208 of the conference agreement)

Present law

Title II of the Social Security Act requires the Secretary of Health and Human Services to conduct periodic continuing disability reviews (CDRs) of disabled beneficiaries. For those beneficiaries whose impairments are not permanent, CDRs must generally be

performed every three years. Beneficiaries with permanent disabilities receive CDRs at such times as the Secretary determines appropriate.

CDRs are funded as part of the Social Security Administration's administrative budget, which is subject to annual appropriations.

House bill

The provision would require the Secretary to conduct periodic continuing disability reviews on SSI recipients in the same manner as such reviews are currently required for DI beneficiaries.

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of 100,000 SSI recipients per year for 3 years. SSA will be required to report to Congress no later than October 1, 1998.

Effective date.—October 1, 1995.

35. TECHNICAL AND CLERICAL AMENDMENTS

(Sec. 234 of the House bill and sec. 321 of the conference agreement)

Present law

Title II of the Social Security contains a number of typographical errors, erroneous references, circular cross references, inconsistent margination, incorrect punctuation, and references to outdated versions of the Internal Revenue Code. In addition, present law includes certain inconsistent statutory provisions.

House bill

Technical changes would be made to correct inconsistencies in provisions relating to fees for claimant representatives, rounding procedures for indexing certain program amounts, and deemed average total wages, among others. These corrections would not change the meaning of any section of the Social Security Act.

Effective date.—In general, the provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment to the attorney fee provision.

Effective date.—In general, the provision would be effective upon enactment.

36. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS

(Sec. 209 of the conference agreement)

Present law

Section 1618 of the Social Security Act requires that States making supplementary payments to Supplemental Security Income recipients "pass along" cost-of-living increases in the Federal benefit. There are two options for the States in meeting the "pass along" requirement: (1) the aggregate spending level option, under which States may make supplementary payments in the current 12-month period that are no less, in the aggregate, than were made in the previous 12-month period; or (2) the individual payment level option, under which a State may maintain the supplementary payment levels that were in effect for categories of individual recipients in March 1983.

House bill

No provision.

Senate amendment.

No provision.

Conference agreement

For the purpose of determining under the "aggregate spending level option," whether a State's expenditures for supplementary payments during a 12-month period are not less than its expenditures for such payments in the preceding 12-month period, retroactive SSI payments made to children qualifying under the *Zebley* court decision may, pursuant to a State's one-time option, be excluded from the computation of the State's expenditures.

Effective date.—The provision would be effective with respect to increases in the level of SSI benefits whether occurring upon, before, and after the date of enactment.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 4, 1994.

Hon. SAM GIBBONS,
Acting Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has prepared the enclosed cost estimate for the conference agreement on H.R. 4277, the Social Security Administrative Reform Act of 1994. The act would establish the Social Security Administration as an independent agency and make reforms to the payment of Social Security Disability Insurance and Supplemental Security Income to persons disabled as a result of drug addiction or alcoholism.

Enactment of H.R. 4277 would affect direct spending and receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

This estimate was prepared based on draft legislative language and is subject to change pending receipt of final legislation. If you

wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Paul Cullinan and Patrick Purcell, who can be reached at 226-2820.

Sincerely,

JAMES L. BLUM,
(For Robert D. Reischauer).

Enclosure.

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	Total
TITLE I—ESTABLISH SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY						
Subject to Appropriation ¹	(?)	1	1	1	1	3
TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI						
201. Restrictions on Benefits Based on Disability of Substance Abusers:						
3Direct Spending:						
OASDI	-73	-35	-16	-33	-85	-242
SSI	-13	-9	-11	-266	-299	-598
Medicare	0	-1	-2	-3	-4	-10
Medicaid	0	-2	-3	-4	-4	-13
Offsets	1	1	1	26	30	60
Subtotal	-85	-46	-31	-280	-362	-803
Administrative Costs Subject to Appropriation ¹						
OASDI	35	51	71	39	37	233
SSI	(?)	(?)	(?)	20	20	40
Administrative Costs Subject to Appropriation ³						
OASDI	11	45	91	115	129	391
202. Commission on Childhood Disability Subject to Appropriation	1	1	(?)	0	0	2
203. Regulations Regarding Completion of PASS Direct Spending	(?)	(?)	(?)	(?)	(?)	(?)
204. SSI Eligibility for Students Temporarily Abroad Direct Spending	(?)	(?)	(?)	(?)	(?)	(?)
205. Disregard of Cost-of-living Increases for Continued Eligibility for Work Incentives Direct Spending	(?)	(?)	(?)	(?)	(?)	(?)
206. Detection and Prevention of Fraud Direct Spending	(?)	(?)	(?)	(?)	(?)	(?)
207. Disability Review for Children Reaching 18 Years Old:						
SSI	0	-3	-7	-15	-15	-40
Medicaid	0	-1	-5	-10	-10	-26
Offsets	0	0	1	1	2	4
Subtotal	0	-4	-11	-24	-23	-62
Administrative Costs Subject to Appropriation						
.....	0	8	10	10	3	31
208. Continuing Disability Reviews for SSI Recipients Direct Spending:						
SSI	0	-7	-20	-35	-45	-107
Medicaid	0	-5	-15	-30	-40	-90
Offsets	0	1	3	3	5	12
Subtotal	0	-11	-32	-62	-80	-185

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277—Continued

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	Total
Subject to Appropriation	0	35	40	40	30	145
209. Exemption from Pass-along Requirements Direct Spending	0	0	0	0	0	0
TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS						
301. Issuance of Physical Documents in the Form of Bonds, Notes, or Certificates to Social Security Trust Funds: Subject to Appropriation ¹	0	0	0	0	0	0
302. GAO Study Regarding Telephone Access: Subject to Appropriation ¹	0	0	0	0	0	0
303. Expand FICA Exemption for Election Workers: OASDI Revenue	-7	-15	-15	-15	-15	-66
HI Revenue ⁴	-2	-3	-3	-3	-3	-15
Subtotal	-9	-18	-18	-18	-18	-81
Income Tax Offset	1	2	2	2	2	8
Total Net Revenue	-8	-16	-16	-16	-16	-73
304. Use of Social Security Numbers for Juries: Subject to Appropriation ¹	0	0	0	0	0	0
305. Coverage for Police and Firefighters: OASDI Revenue	0	0	(2)	(2)	(2)	(2)
HI Revenue ⁴	0	0	(2)	(2)	(2)	(2)
Total Net Revenue	0	0	(2)	(2)	(2)	(2)
306. Exemption for Certain Ministers: OASDI Revenue	(2)	(2)	(2)	(2)	(2)	(2)
HI Revenue ⁴	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	(2)
307. Totalization Benefits and the Windfall Elim. Provision Direct Spending	(2)	1	1	1	1	4
308. Exclusion of Military Reservists from Application of the Government Pension Offset and Windfall Provisions: Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
309. Repeal Facility-of-Payment Provision: Direct Spending	0	0	0	0	0	0
Subject to Appropriation ¹	0	-3	-3	-3	-3	-12
310. Simplify Computation of Maximum Family Benefits When Subsequent Entitlement Guarantee Applies to PIA: Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)

311. Use of SSA Information for Epidemiological Research:						
Subject to Appropriation ¹	0	0	0	0	0	0
312. Prohibition on Misuse of Social Security Names, Symbols, etc.:						
Subject to Appropriation ¹	0	0	0	0	0	0
313. Unauthorized Disclosure of Social Security Information:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
Subject to Appropriation ¹	(2)	(2)	(2)	(2)	(2)	(2)
314. Time Extension for Annual Earnings Report:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation ¹	0	0	0	0	0	0
315. Extend DI Demonstration Authority Direct Spending	0	0	0	0	0	0
316. Cross-Matching Social Security Account Number Information With Dept. of Agriculture Subject to Appropriation ¹	0	0	0	0	0	0
317. Certain Transfers to the Railroad Retirement Account Made Permanent:						
Direct Spending	0	0	0	0	0	0
318. Authorization for use of Social Security Numbers by the Dept. of Labor for Administration of Federal Workers' Compensation:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation ¹	0	0	0	0	0	0
319. Retirement Eligibility for Federal Employees Transferred to International Organizations:						
Off-Budget Revenue	(2)	(2)	(2)	(2)	(2)	1
On-Budget Revenue	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	1
Subject to Appropriation ¹	1	1	1	1	1	5
320. Extend FICA exemption to individuals who enter U.S. Under a Visa Issued under Section 101 of the Immigration and Naturalization Act ⁵ :						
Off-Budget Revenue	-4	-5	-6	-6	-6	-27
On-Budget Revenue ⁴	-1	-1	-1	-1	-1	-5
Total Net Revenue	-5	-6	-7	-7	-7	-32
321. Technical and Clerical Amendments Subject to Appropriation ¹	0	0	0	0	0	0
TOTALS						
Revenues:						
On-Budget ⁴	-2	-2	-2	-2	-2	-12
Off-Budget	-11	-20	-21	-21	-21	-92
Total Net	-13	-22	-23	-23	-23	-104
Direct Spending Totals:						
On-Budget	-12	-25	-58	-332	-381	-796
Off-Budget	-62	11	76	83	45	153

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277—Continued

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	Total
Total	- 74	- 14	18	- 249	- 336	- 645
Direct Spending Excluding Administrative Costs not subj. to Appropriations:						
On-Budget	- 12	- 25	- 58	- 332	- 381	- 796
Off-Budget	- 73	- 34	- 15	- 32	- 84	- 238
Total	- 85	- 59	- 73	- 364	- 465	- 1036
Deficit Effects—Direct Spending Minus Revenues:						
On-Budget	- 10	- 23	- 56	- 330	- 379	- 786
Off-Budget	- 51	31	97	104	66	245
Total	- 61	8	41	- 226	- 313	- 541
Deficit Effects—Direct Spending Exc. Administrative Costs Not Subj. to Appropriations Minus Revenues:						
On-Budget ⁴	- 10	- 23	- 56	- 330	- 379	- 786
Off-Budget	- 62	- 14	6	- 11	- 63	- 146
Total	- 72	- 37	- 50	- 341	- 442	- 932
Outlays Subject to Appropriation:						
On-Budget ¹	37	94	120	106	89	447
Off-Budget	0	0	0	0	0	0
Total Net	37	94	120	106	89	447

¹ Under the FY 1995 Budget Resolution, administrative expenses of the OASDI program are considered on-budget because they fall under the discretionary spending limits.

² Indicates less than \$500,000.

³ Administrative costs would not have effects that must be considered for the purposes of the Budget Enforcement Act.

⁴ Effects on Hospital Insurance revenues are included as on-budget to be consistent with the Budget Resolution for FY 1995.

⁵ Preliminary estimate provided by the Joint Committee on Taxation.

Source: Congressional Budget Office, based on draft legislative language.

Note: Details may not add to totals due to rounding.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Receipts	-2	-2	-2	-2
Outlays	-12	-25	-58	-332

The on-budget outlay changes in SSI, Medicare, Medicaid, Food Stamps, and AFDC would be included on the pay-as-you-go scoreboard. Social Security spending is exempt from the pay-as-you-go rules.

SAM GIBBONS,
 DAN ROSTENKOWSKI,
 J.J. PICKLE,
 ANDREW JACOBS, Jr.,
 HAROLD FORD,
 BILL ARCHER,
 JIM BUNNING,
 RICK SANTORUM,

Managers on the Part of the House.

DANIEL P. MOYNIHAN,
 MAX BAUCUS,
 JOHN BREAUX,
 BOB PACKWOOD,
 BOB DOLE,

Managers on the Part of the Senate.

