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[create your own](#)**Bills****Go** S 1470CQ COMMITTEE COVERAGE  
SENATE FINANCE COMMITTEE MARKUP**SOCIAL SECURITY EARNINGS LIMIT**

Dec. 14, 1995 - The full committee (Chairman Roth, R-Del.) gave voice vote approval to legislation (S1470) that would increase the amount of money seniors may earn without forfeiting part of their Social Security benefits.

Members turned back three amendments before reporting the measure out without any changes.

The bill would gradually increase the earnings limit from \$11,280 to \$30,000 by 2002 for seniors age 65 to 69. The measure would be paid for, in part, by denying disability benefits to individuals whose only disability is drug addiction or alcoholism, and by requiring a stepparent to contribute at least 50 percent of a stepchild's support for that child to be eligible for dependent benefits.

The measure would also create a revolving trust fund to enable the Social Security Administration to conduct disability reviews.

10:30 am, SD-215 Dirksen Building, December 14, 1995

References: NEWS 12/15/95, WR p. 3816

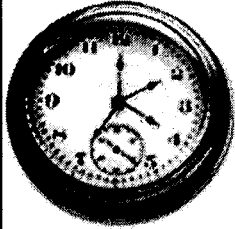
**\*\* COMMITTEE VOTE \*\*** S1470. Senior Citizens' Freedom to Work Act/Earnings Limit. Chafee, R-R.I., amendment to replace language gradually increasing the Social Security earnings limit for senior citizens age 65 to 69 from \$11,280 in fiscal year 1996 to \$30,000 by fiscal year 2002 with language increasing the limit to \$14,000 in fiscal year 1996 and indexing earnings in subsequent fiscal years. Rejected by voice vote December 14, 1995.

**\*\* COMMITTEE VOTE \*\*** S1470. Senior Citizens' Freedom to Work Act/Average Wage Growth. Graham, D-Fla., amendment to add language increasing the Social Security earnings limit on senior citizens age 65 to 69 based on the rate of average wage growth, beginning in fiscal year 2001. Rejected 7-11: R 1-10; D 6-1, December 14, 1995.

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**\*\*\* YEAS ( 7)**

\*\*\*\*\*

DEMOCRATS ( 6) Baucus M. (MT) \* Bradley (NJ) \* Conrad (ND)  
Graham B. (FL) Pryor (AR) \* Rockefeller (WV) \*

REPUBLICANS ( 1) Chafee (RI)

**\*\*\* NAYS ( 11)**

\*\*\*\*\*

DEMOCRATS ( 1) Moynihan (NY)

REPUBLICANS ( 10) D'Amato (NY) \* Dole (KS) \* Gramm P. (TX) \*  
Grassley (IA) \* Hatch (UT) \* Murkowski (AK) \* Nickles (OK) \*  
Pressler (SD) \* Roth (DE) Simpson (WY) \*

**\*\*\* NOT VOTING ( 2)**

\*\*\*\*\*

DEMOCRATS ( 2) Breaux (LA) ? Moseley-Braun (IL) ?

**\*\* COMMITTEE VOTE \*\*** S1470. Senior Citizens' Freedom to Work Act/PAYGO. Conrad, D-N.D., amendment to add language expressing the sense of the Senate that all legislation must meet pay-as-you-go requirements. Rejected by voice vote December 14, 1995.

**\*\* COMMITTEE VOTE \*\*** S1470. Senior Citizen's Freedom to Work Act/Medical Schools. Graham, D-Fla., amendment to add language allowing medical school employees who maintain a practice clinic and receive paychecks from both, to consider the checks as one check for purposes of determining FICA. Withdrawn without objection December 14, 1995.

**\*\* COMMITTEE VOTE \*\*** S1470. Senior Citizens' Freedom to Work Act/Vote to Report. Increase the Social Security retirement earnings limit for senior citizens age 65 to 69 from \$11,280 to \$30,000 by the year 2002. Eliminate an individual's entitlement to Social Security income and Social Security disability income benefits if drug addiction or alcoholism is the contributing factor to the individual's disability. Require that a stepparent provide at least 50 percent of a stepchild's support in order for the stepchild to be eligible for Social Security dependent benefits. Establish a revolving fund within the Social Security Disability Income Trust Fund. Clarify that the secretary of the Treasury and other federal officials are not authorized to underinvest and/or disinvest Social Security and Medicare Trust Fund monies in federal securities in order to meet payment obligations on the national debt. Reported favorably by voice vote December 14, 1995.

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**Committee Vote Position Key**

* Proxy vote	# Paired for
P Voted present	X Paired against
A Abstained	+ Announced for
? Did not vote	- Announced against

Source: **CQ Committee Coverage**

*Gavel-to-gavel coverage and votes of every markup on Capitol Hill.*

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*Chuck Grassley*

COMMENTS BY SENATOR CHARLES E. GRASSLEY

AT A MEETING OF THE SENATE FINANCE COMMITTEE

ON RAISING THE SOCIAL SECURITY EARNINGS LIMIT

December 14, 1995

I support the Chairman's bill to raise the earnings limit for social security. I have supported for many years our efforts to liberalize, and even repeal, this relic of the thirties. So, I am pleased that we are considering this legislation today. I am disappointed that the bill does not alter the current law treatment of the blind, however, and wish to associate myself with the similar concern expressed in the remarks of my colleague Senator Breaux.

**SENIOR CITIZENS' FREEDOM TO WORK ACT**  
**(S.-- Introduced by Senators McCain, Roth and Dole**  
**on December 12, 1995)**

**BRIEF SUMMARY**

The Social Security retirement earnings limit for senior citizens age 65 to 69 is gradually increased from the 1995 level of \$11,280 to \$30,000 by the year 2002. The cost of the retirement earnings limit proposal is offset by the following reforms:

1. Drug addicts and alcoholics will no longer qualify for SSI and SSDI disability benefits solely by reason of their addiction; and
2. Stepchildren will no longer qualify for Social Security dependents' benefits unless their stepparent provides at least 50 percent of the stepchild's support; such benefits will terminate upon divorce.

A new revolving fund is created within the SSDI Trust Fund to provide a stable source of funds for the Social Security Administration to conduct continuing disability reviews of SSDI recipients.

The legislation clarifies that the Secretary of the Treasury and other Federal officials are not authorized to underinvest and/or disinvest Social Security and Medicare Trust Funds monies in Federal securities or obligations in order to avoid the limitations on the public debt.

## DESCRIPTION OF PROPOSALS

### 1. INCREASE TO SOCIAL SECURITY RETIREMENT EARNINGS LIMITATION

#### Present Law

Senior citizens age 70 and older receive full Social Security benefits regardless of the amount of earnings they have from wages or self employment.

Senior citizens age 65 to 69 receive full Social Security benefits only if their wages or self-employment income are lower than a retirement earnings limitation amount. The retirement earnings limitation amount is increased annually based on the rate of average wage growth. The estimated limitation amounts under present law for the next seven years are as follows:

<u>Year</u>	<u>Present Law</u>
1995	\$11,280
1996	\$11,520
1997	\$11,880
1998	\$12,240
1999	\$12,720
2000	\$13,200
2001	\$13,800
2002	\$14,400

Senior citizens age 65 to 69 who earn more than the limitation amount for a year lose \$1 in Social Security benefits for every \$3 in wages or self-employment income they earn over the limitation amount.

### Proposed Change

The retirement earnings limitation amount for workers age 65 to 69 is gradually raised to \$30,000 by the year 2002 as follows:

<u>Year</u>	<u>Proposed</u>
1996	\$14,000
1997	\$15,000
1998	\$16,000
1999	\$17,000
2000	\$18,000
2001	\$25,000
2002	\$30,000

After 2002, the limitation amount will increase annually based on the rate of average wage growth.

Senior citizens age 65 to 69 who have wages or self-employment income in excess of the retirement earnings limitation amount continue to lose \$1 in Social Security benefits for every \$3 earned over the limit.

The substantial gainful activity (SGA) amount used in determining whether an individual under age 65 is eligible for disability benefits on the basis of blindness is not changed. Therefore, it will no longer equal the Social Security retirement earnings limitation amount for senior citizens age 65 to 69. The SGA amount for blind individuals under age 65 will continue at the present law amount (\$11,280 for 1995) and will continue to be wage-indexed in future years.

The proposal to increase the retirement earnings limitation amount is phased in over 7 years beginning with 1996.



## 2. DENIAL OF DISABILITY BENEFITS TO DRUG ADDICTS AND ALCOHOLICS

### Present Law

Individuals whose drug addiction or alcoholism is a contributing factor material to their disability may receive cash disability benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program through a representative payee for up to three years. These recipients must participate in an approved treatment program when available, and must allow their participation to be monitored. Both cash benefits (SSDI or SSI) and medical benefits (Medicare or Medicaid) end after 36 months unless the individual is disabled for some reason other than substance abuse.

### Proposed Change

The proposal would end entitlement to SSDI and SSI disability benefits if drug addiction or alcoholism is the contributing factor material to the individual's disability. Individuals with drug addiction and/or alcoholism who have another severe disabling condition can qualify for benefits based on that disabling condition.

If a person qualifying for disability benefits based on another disability is also determined to be an alcoholic or drug addict, a representative payee will be appointed to receive and manage the individual's checks. Recipients who are unable to manage their own benefits as a result of alcoholism or drug addiction will be referred to the appropriate State agency for substance abuse treatment services approved under the Public Health Service Act Substance Abuse Prevention and Treatment Block Grant.

For each of fiscal years 1997 and 1998, \$50 million will be available to fund additional treatment programs and services through Substance Abuse Prevention and Treatment Block Grant. States are to use funds made available under this provision to provide substance abuse treatment to current and former disability recipients on a priority basis.

Generally, the proposal is effective for individuals who apply for benefits after the date of enactment or whose application is pending on such date.

Individuals receiving benefits on the date of enactment will continue to be eligible for benefits until January 1, 1997, and could reapply for disability benefits based on another disabling condition on a priority basis.

### 3. ENTITLEMENT OF STEPCHILDREN TO SOCIAL SECURITY DEPENDENT BENEFITS

#### Present Law

Generally a child, including a stepchild, under age 18 (or under age 19 in the case of an individual attending elementary or secondary school full-time) may be entitled to receive Social Security benefits as the dependent child of a worker when the worker retires, becomes disabled, or dies.

A stepchild is deemed dependent on a stepparent if he/she lives with the stepparent or receives one-half of his/her support from the stepparent. Social Security dependent benefits continue to be paid to a stepchild after the child's natural parent and the stepparent divorce. Continuation of those benefits after divorce may reduce the amount available for payment to other children entitled to receive Social Security dependent benefits based on the worker's record.

#### Proposed Change

Social Security dependents' benefits are payable to a stepchild only when the stepparent provides at least 50 percent of the stepchild's support upon application for benefits. A stepchild is eligible for survivors' benefits upon the death of a stepparent if the stepparent provided at least 50 percent of the stepchild's support immediately preceding death.

In addition, a stepchild's Social Security benefits based on the work record of his/her stepparent are terminated the month following the divorce of the child's natural parent and stepparent. The stepparent must also notify the Social Security Administration of the divorce and the Social Security Administration is required to notify annually those potentially affected by this provision.

The proposal is generally effective three months after date of enactment for new entitlement of stepchildren to benefits and for divorces finalized after that period.

**4. SSDI REVOLVING FUND FOR CONTINUING DISABILITY REVIEWS**

***Present Law***

The administrative costs of conducting continuing disability reviews (CDRs) of individuals receiving Social Security disability benefits are provided through an appropriation of trust fund monies, and are considered discretionary spending subject to the domestic discretionary spending cap of the Budget Enforcement Act.

***Proposed Change***

A revolving fund is established in the Social Security Disability Insurance Trust Fund as a source of non-appropriated administrative funds to finance Social Security CDRs. At the start of each fiscal year, the revolving fund will be credited with an amount equal to the estimated present value of savings to the Disability Insurance and Medicare trust funds achieved as a result of CDRs of recipients conducted in the prior fiscal year -- except for the first year, during which \$300 million will be credited. These amounts will be calculated by the Social Security Administration's Chief Actuary, with appropriate adjustments made annually in subsequent years. Amounts credited to the revolving fund are available for all expenditures related to conducting CDRs by the Social Security Administration and appropriate State agencies.

In addition, the position of Chief Actuary in the Social Security Administration is established in law.

The revolving fund is effective for fiscal years beginning after September 30, 1995, and sunsets September 30, 2002.

## 5. INVESTMENT OF SOCIAL SECURITY AND MEDICARE TRUST FUNDS

### Present Law

The various authorizing statutes of the major Federal trust funds and certain Federal special accounts require that any program income not needed to meet current expenditures be invested in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. As of September 30, 1995, \$1,320 billion in Federal securities were held by Federal trust funds and special accounts and comprised more than one-quarter of all outstanding Federal debt. Almost half were held by the Social Security and Medicare trust funds--\$483 billion by Social Security and \$143 billion by Medicare. The vast majority of these securities are "special issue" non-marketable obligations of the United States. Virtually the entire amount of securities held by the Federal trust funds and special accounts is considered Federal debt subject to the statutory debt limit.

### Proposed Change

The proposal clarifies that the Secretary of the Treasury and other Federal officials are not authorized to underinvest and/or disinvest the following trust funds with Federal securities or obligations in order to avoid the limitations on the Federal debt:

1. Federal Old-Age and Survivors Insurance (OASI) Trust Fund;
2. Federal Disability Insurance (DI) Trust Fund;
3. Federal Hospital Insurance (HI) Trust Fund; and
4. Federal Supplementary Medical Insurance (SMI) Trust Fund.

The Secretary of the Treasury and other Federal officials cannot refrain from investing the Social Security and Medicare Trust Funds monies in Federal securities or obligations for the purpose of avoiding the limitations on the Federal debt. In addition, the Secretary of the Treasury and other Federal officials cannot sell or redeem securities, obligations or other assets of these trust funds during a period when the Federal government is unable to issue new

debt obligations except when necessary to provide for the payment of benefits and administrative expenses of the cash benefit programs.

In addition, the Secretary of the Treasury is required to report to the Congress and the General Accounting Office (GAO) three days before making a sale or redemption of securities from these trust funds during a period of debt limitation, and the GAO is required to monitor compliance with these provisions and report its findings and recommendations to the Congress.

The proposal is effective upon date of enactment.

104TH CONGRESS  
1ST SESSION

# S. 1470

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## IN THE SENATE OF THE UNITED STATES

Mr. MCCAIN (for himself, Mr. ROTH, and Mr. DOLE) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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### A BILL

To amend title II of the Social Security Act to provide for increases in the amounts of allowable earnings under the social security earnings limit for individuals who have attained retirement age, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Senior Citizens' Free-  
5 dom to Work Act of 1995".

1 **SEC. 2. INCREASES IN MONTHLY EXEMPT AMOUNT FOR**  
2 **PURPOSES OF THE SOCIAL SECURITY EARN-**  
3 **INGS LIMIT.**

4 (a) INCREASE IN MONTHLY EXEMPT AMOUNT FOR  
5 INDIVIDUALS WHO HAVE ATTAINED RETIREMENT  
6 AGE.—Section 203(f)(8)(D) of the Social Security Act (42  
7 U.S.C. 403(f)(8)(D)) is amended to read as follows:

8 “(D) Notwithstanding any other provision of  
9 this subsection, the exempt amount which is applica-  
10 ble to an individual who has attained retirement age  
11 (as defined in section 216(l)) before the close of the  
12 taxable year involved shall be—

13 “(i) for each month of any taxable year  
14 ending after 1995 and before 1997,  
15 \$1,166.66 $\frac{2}{3}$ ,

16 “(ii) for each month of any taxable year  
17 ending after 1996 and before 1998, \$1,250.00,

18 “(iii) for each month of any taxable year  
19 ending after 1997 and before 1999,  
20 \$1,333.33 $\frac{1}{3}$ ,

21 “(iv) for each month of any taxable year  
22 ending after 1998 and before 2000,  
23 \$1,416.66 $\frac{2}{3}$ ,

24 “(v) for each month of any taxable year  
25 ending after 1999 and before 2001, \$1,500.00,

1           “(vi) for each month of any taxable year  
2           ending after 2000 and before 2002,  
3           \$2,083.33 $\frac{1}{3}$ , and

4           “(vii) for each month of any taxable year  
5           ending after 2001 and before 2003,  
6           \$2,500.00.”.

7           (b) CONFORMING AMENDMENTS.—

8           (1) Section 203(f)(8)(B)(ii) of such Act (42  
9           U.S.C. 403(f)(8)(B)(ii)) is amended—

10           (A) by striking “the taxable year ending  
11           after 1993 and before 1995” and inserting “the  
12           taxable year ending after 2001 and before 2003  
13           (with respect to individuals described in sub-  
14           paragraph (D)) or the taxable year ending after  
15           1993 and before 1995 (with respect to other in-  
16           dividuals)”; and

17           (B) in subclause (II), by striking “for  
18           1992” and inserting “for 2000 (with respect to  
19           individuals described in subparagraph (D)) or  
20           1992 (with respect to other individuals)”.

21           (2) The second sentence of section 223(d)(4)(A)  
22           of such Act (42 U.S.C. 423(d)(4)(A)) is amended by  
23           striking “the exempt amount under section 203(f)(8)  
24           which is applicable to individuals described in sub-  
25           paragraph (D) thereof” and inserting the following:



1 “an amount equal to the exempt amount which  
2 would be applicable under section 203(f)(8), to indi-  
3 viduals described in subparagraph (D) thereof, if  
4 section 2 of the Senior Citizens’ **Freedom** to Work  
5 Act of 1995 had not been enacted”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply with respect to taxable years end-  
8 ing after 1995.

9 **SEC. 3. DENIAL OF DISABILITY BENEFITS TO DRUG AD-**  
10 **DICTS AND ALCOHOLICS.**

11 (a) AMENDMENTS RELATING TO TITLE II DISABIL-  
12 ITY BENEFITS.—

13 (1) IN GENERAL.—Section 223(d)(2) of the So-  
14 cial Security Act (42 U.S.C. 423(d)(2)) is amended  
15 by adding at the end the following:

16 “(C) An individual shall not be considered to be  
17 disabled for purposes of this title if alcoholism or  
18 drug addiction would (but for this subparagraph) be  
19 a contributing factor material to the Commissioner’s  
20 determination that the individual is disabled.”.

21 (2) REPRESENTATIVE PAYEE REQUIRE-  
22 MENTS.—

23 (A) Section 205(j)(1)(B) of such Act (42  
24 U.S.C. 405(j)(1)(B)) is amended to read as fol-  
25 lows:

1       “(B) In the case of an individual entitled to benefits  
2 based on disability, the payment of such benefits shall be  
3 made to a representative payee if the Commissioner of So-  
4 cial Security determines that such payment would serve  
5 the interest of the individual because the individual also  
6 has an alcoholism or drug addiction condition (as deter-  
7 mined by the Commissioner) that prevents the individual  
8 from managing such benefits.”.

9               (B) Section 205(j)(2)(C)(v) of such Act  
10               (42 U.S.C. 405(j)(2)(C)(v)) is amended by  
11               striking “entitled to benefits” and all that fol-  
12               lows through “under a disability” and inserting  
13               “described in paragraph (1)(B)”.

14               (C) Section 205(j)(2)(D)(ii)(II) of such  
15               Act (42 U.S.C. 405(j)(2)(D)(ii)(II)) is amended  
16               by striking all that follows “15 years, or” and  
17               inserting “described in paragraph (1)(B).”.

18               (D) Section 205(j)(4)(A)(i)(II) (42 U.S.C.  
19               405(j)(4)(A)(ii)(II)) is amended by striking  
20               “entitled to benefits” and all that follows  
21               through “under a disability” and inserting “de-  
22               scribed in paragraph (1)(B)”.

23               (3) TREATMENT REFERRALS FOR INDIVIDUALS  
24               WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-  
25               TION.—Section 222 of such Act (42 U.S.C. 422) is

1 amended by adding at the end the following new  
2 subsection:

3 "Treatment Referrals for Individuals with an Alcoholism  
4 or Drug Addiction Condition

5 "(e) In the case of any individual whose benefits  
6 under this title are paid to a representative payee pursu-  
7 ant to section 205(j)(1)(B), the Commissioner of Social  
8 Security shall refer such individual to the appropriate  
9 State agency administering the State plan for substance  
10 abuse treatment services approved under subpart II of  
11 part B of title XIX of the Public Health Service Act (42  
12 U.S.C. 300x-21 et seq.)."

13 (4) CONFORMING AMENDMENT.—Subsection (c)  
14 of section 225 of such Act (42 U.S.C. 425(c)) is re-  
15 pealed.

16 (5) EFFECTIVE DATES.—

17 (A) The amendments made by paragraphs  
18 (1) and (4) shall apply to any individual who  
19 applies for, or whose claim is adjudicated with  
20 respect to, benefits under title II of the Social  
21 Security Act based on disability on or after the  
22 date of the enactment of this Act, and, in the  
23 case of any individual who has applied for, and  
24 whose claim has been adjudicated with respect  
25 to, such benefits before such date of enactment,

1 such amendments shall apply only with respect  
2 to such benefits for months beginning on or  
3 after January 1, 1997.

4 (B) The amendments made by paragraphs  
5 (2) and (3) shall apply with respect to benefits  
6 for which applications are filed on or after the  
7 date of the enactment of this Act.

8 (C) If an individual who is entitled to  
9 monthly insurance benefits under title II of the  
10 Social Security Act based on disability for the  
11 month in which this Act is enacted and whose  
12 entitlement to such benefits would terminate by  
13 reason of the amendments made by this sub-  
14 section reapplies for benefits under title II of  
15 such Act (as amended by this Act) based on  
16 disability within 120 days after the date of the  
17 enactment of this Act, the Commissioner of So-  
18 cial Security shall, not later than January 1,  
19 1997, complete the entitlement redetermination  
20 with respect to such individual pursuant to the  
21 procedures of such title.

22 (b) AMENDMENTS RELATING TO SSI BENEFITS.—

23 (1) IN GENERAL.—Section 1614(a)(3) of the  
24 Social Security Act (42 U.S.C. 1382c(a)(3)) is  
25 amended by adding at the end the following:

1       “(I) Notwithstanding subparagraph (A), an individ-  
2 ual shall not be considered to be disabled for purposes of  
3 this title if alcoholism or drug addiction would (but for  
4 this subparagraph) be a contributing factor material to  
5 the Commissioner’s determination that the individual is  
6 disabled.”.

7               (2) REPRESENTATIVE PAYEE REQUIRE-  
8 MENTS.—

9               (A) Section 1631(a)(2)(A)(ii)(II) of such  
10 Act (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amend-  
11 ed to read as follows:

12       “(II) In the case of an individual eligible for benefits  
13 under this title by reason of disability, the payment of  
14 such benefits shall be made to a representative payee if  
15 the Commissioner of Social Security determines that such  
16 payment would serve the interest of the individual because  
17 the individual also has an alcoholism or drug addiction  
18 condition (as determined by the Commissioner) that pre-  
19 vents the individual from managing such benefits.”.

20               (B) Section 1631(a)(2)(B)(vii) of such Act  
21 (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by  
22 striking “eligible for benefits” and all that fol-  
23 lows through “is disabled” and inserting “de-  
24 scribed in subparagraph (A)(ii)(II)”.

1 (C) Section 1631(a)(2)(B)(ix)(II) of such  
2 Act (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is  
3 amended by striking all that follows “15 years,  
4 or” and inserting “described in subparagraph  
5 (A)(ii)(II).”.

6 (D) Section 1631(a)(2)(D)(i)(II) of such  
7 Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amend-  
8 ed by striking “eligible for benefits” and all  
9 that follows through “is disabled” and inserting  
10 “described in subparagraph (A)(ii)(II)”.

11 (3) TREATMENT REFERRALS FOR INDIVIDUALS  
12 WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-  
13 TION.—Title XVI of such Act (42 U.S.C. 1381 et  
14 seq.) is amended by adding at the end the following  
15 new section:

16 “TREATMENT REFERRALS FOR INDIVIDUALS WITH AN  
17 ALCOHOLISM OR DRUG ADDICTION CONDITION  
18 “SEC. 1636. In the case of any individual whose bene-  
19 fits under this title are paid to a representative payee pur-  
20 suant to section 1631(a)(2)(A)(ii)(II), the Commissioner  
21 of Social Security shall refer such individual to the appro-  
22 priate State agency administering the State plan for sub-  
23 stance abuse treatment services approved under subpart  
24 II of part B of title XIX of the Public Health Service Act  
25 (42 U.S.C. 300x-21 et seq.).”.

26 (4) CONFORMING AMENDMENTS.—

1 (A) Section 1382(e) of the Social Security Act (42  
2 U.S.C. 1382(e)) is amended by striking para-  
3 graph (3).

4 (B) Section 1634 of such Act (42 U.S.C.  
5 1383c) is amended by striking subsection (e).

6 (5) EFFECTIVE DATES.—

7 (A) The amendments made by paragraphs  
8 (1) and (4) shall apply to any individual who  
9 applies for, or whose claim is adjudicated with  
10 respect to, supplemental security income bene-  
11 fits under title XVI of the Social Security Act  
12 based on disability on or after the date of the  
13 enactment of this Act, and, in the case of any  
14 individual who has applied for, and whose claim  
15 has been adjudicated with respect to, such ben-  
16 efits before such date of enactment, such  
17 amendments shall apply only with respect to  
18 such benefits for months beginning on or after  
19 January 1, 1997.

20 (B) The amendments made by paragraphs  
21 (2) and (3) shall apply with respect to supple-  
22 mental security income benefits under title XVI  
23 of the Social Security Act for which applica-  
24 tions are filed on or after the date of the enact-  
25 ment of this Act.

1           (C) If an individual who is eligible for sup-  
2           plemental security income benefits under title  
3           XVI of the Social Security Act for the month  
4           in which this Act is enacted and whose eligi-  
5           bility for such benefits would terminate by rea-  
6           son of the amendments made by this subsection  
7           reapplies for supplemental security income ben-  
8           efits under title XVI of such Act (as amended  
9           by this Act) within 120 days after the date of  
10          the enactment of this Act, the Commissioner of  
11          Social Security shall, not later than January 1,  
12          1997, complete the eligibility redetermination  
13          with respect to such individual pursuant to the  
14          procedures of such title.

15           (D) For purposes of this paragraph, the  
16           phrase "supplemental security income benefits  
17           under title XVI of the Social Security Act" in-  
18           cludes supplementary payments pursuant to an  
19           agreement for Federal administration under  
20           section 1616(a) of the Social Security Act and  
21           payments pursuant to an agreement entered  
22           into under section 212(b) of Public Law 93-66.

23           (c) CONFORMING AMENDMENT.—Section 201(c) of  
24          the Social Security Independence and Program Improve-  
25          ments Act of 1994 (42 U.S.C. 425 note) is repealed.



1 (d) SUPPLEMENTAL FUNDING FOR ALCOHOL AND  
2 SUBSTANCE ABUSE TREATMENT PROGRAMS.—

3 (1) IN GENERAL.—Out of any money in the  
4 Treasury not otherwise appropriated, there are here-  
5 by appropriated to supplement State and Tribal pro-  
6 grams funded under section 1933 of the Public  
7 Health Service Act (42 U.S.C. 300x-33),  
8 **\$50,000,000** for each of the fiscal years 1997 and  
9 1998.

10 (2) ADDITIONAL FUNDS.—Amounts appro-  
11 priated under paragraph (1) shall be in addition to  
12 any funds otherwise appropriated for allotments  
13 under section 1933 of the Public Health Service Act  
14 (42 U.S.C. 300x-33) and shall be allocated pursuant  
15 to such section 1933.

16 (3) USE OF FUNDS.—A State or Tribal govern-  
17 ment receiving an allotment under this subsection  
18 shall consider as priorities, for purposes of expend-  
19 ing funds allotted under this subsection, activities  
20 relating to the treatment of the abuse of alcohol and  
21 other drugs.

1 **SEC. 4. ENTITLEMENT OF STEPCHILDREN TO CHILD'S IN-**  
2 **SURANCE BENEFITS BASED ON ACTUAL DE-**  
3 **PENDENCY ON STEPPARENT SUPPORT.**

4 (a) **REQUIREMENT OF ACTUAL DEPENDENCY FOR**  
5 **FUTURE ENTITLEMENTS.—**

6 (1) **IN GENERAL.—**Section 202(d)(4) of the So-  
7 cial Security Act (42 U.S.C. 402(d)(4)) is amended  
8 by striking “was living with or”.

9 (2) **EFFECTIVE DATE.—**The amendment made  
10 by paragraph (1) shall apply with respect to benefits  
11 of individuals who become entitled to such benefits  
12 for months after the third month following the  
13 month in which this Act is enacted.

14 (b) **TERMINATION OF CHILD'S INSURANCE BENE-**  
15 **FITS BASED ON WORK RECORD OF STEPPARENT UPON**  
16 **NATURAL PARENT'S DIVORCE FROM STEPPARENT.—**

17 (1) **IN GENERAL.—**Section 202(d)(1) of the So-  
18 cial Security Act (42 U.S.C. 402(d)(1)) is amend-  
19 ed—

20 (A) by striking “or” at the end of subpara-  
21 graph (F);

22 (B) by striking the period at the end of  
23 subparagraph (G) and inserting “; or”; and

24 (C) by inserting after subparagraph (G)  
25 the following new subparagraph:

1           “(H) if the benefits under this subsection are  
2           based on the wages and self-employment income of  
3           a stepparent who is subsequently divorced from such  
4           child’s natural parent, the month after the month in  
5           which such divorce becomes final.”.

6           (2) NOTIFICATION.—Section 202(d) of such Act  
7           (42 U.S.C. 402(d)) is amended by adding the follow-  
8           ing new paragraph:

9           “(10) For purposes of paragraph (1)(H)—

10           “(A) each stepparent shall notify the Commis-  
11           sioner of Social Security of any divorce upon such  
12           divorce becoming final; and

13           “(B) the Commissioner shall annually notify  
14           any stepparent of the rule for termination described  
15           in paragraph (1)(H) and of the requirement de-  
16           scribed in subparagraph (A).”.

17           (3) EFFECTIVE DATES.—

18           (A) The amendments made by paragraph  
19           (1) shall apply with respect to **final divorces**  
20           **occurring after the third month fol-**  
21           **lowing the month in which this Act is**  
22           **enacted.**

23           (B) The amendment made by paragraph  
24           (2) shall take effect on the date of the enact-  
25           ment of this Act.

1 **SEC. 5. ESTABLISHMENT OF DISABILITY INSURANCE CON-**  
2 **TINUING DISABILITY REVIEW ADMINISTRA-**  
3 **TION REVOLVING ACCOUNT.**

4 (a) CONTINUING DISABILITY REVIEW ADMINISTRA-  
5 TION REVOLVING ACCOUNT FOR TITLE II DISABILITY  
6 BENEFITS IN THE FEDERAL DISABILITY INSURANCE  
7 TRUST FUND.—

8 (1) IN GENERAL.—Section 201 of the Social  
9 Security Act (42 U.S.C. 401) is amended by adding  
10 at the end the following new subsection:

11 “(n)(1) There is hereby created in the Federal Dis-  
12 ability Insurance Trust Fund a Continuing Disability Re-  
13 view Administration Revolving Account (hereinafter in  
14 this subsection referred to as the ‘Account’). The Account  
15 shall consist initially of \$300,000,000 (which is hereby  
16 transferred to the Account from amounts otherwise avail-  
17 able in such Trust Fund) and shall also consist thereafter  
18 of such other amounts as may be transferred to it under  
19 this subsection. Such amounts in the Account shall be con-  
20 sidered amounts in the Federal Disability Insurance Trust  
21 Fund for purposes of subsections (d), (e), and (f), and  
22 the Managing Trustee shall credit the investment proceeds  
23 with respect to such amounts to the Account. The balance  
24 in the Account shall be available solely for expenditures  
25 certified under paragraph (2) **and shall remain**  
26 **available until expended.**

1 “(2)(A) Before October 1 of each calendar year, the  
2 Chief Actuary of the Social Security Administration  
3 shall—

4 “(i) estimate the present value of savings to the  
5 Federal Old-Age and Survivors Insurance Trust  
6 Fund, the Federal Disability Insurance Trust Fund,  
7 the Federal Hospital Insurance Trust Fund, and the  
8 Federal Supplementary Medical Insurance Trust  
9 Fund which will accrue for all years as a result of  
10 cessations of benefit payments resulting from con-  
11 tinuing disability reviews carried out pursuant to the  
12 requirements of section 221(i) during the fiscal year  
13 ending on September 30 of such calendar year (in-  
14 creased or decreased as appropriate to account for  
15 deviations of estimates for prior fiscal years from  
16 the actual amounts for such fiscal years), and

17 “(ii) certify the amount of such estimate to the  
18 Managing Trustee.

19 “(B) Upon receipt of certification by the Chief Actu-  
20 ary under subparagraph (A), the Managing Trustee shall  
21 transfer to the Account from amounts otherwise **avail-**  
22 **able in the Federal Disability Insurance Trust**  
23 **Fund** an amount equal to the estimated savings so cer-  
24 tified.

1       “(C) To the extent of available funds in the Account,  
2 upon certification by the Chief Actuary that such funds  
3 are currently required to meet expenditures necessary to  
4 provide for continuing disability reviews required under  
5 section 221(i), the Managing Trustee shall make available  
6 to the Commissioner of Social Security from the Account  
7 the amount so certified.

8       “(D) The expenditures referred to in subparagraph  
9 (C) shall include, but not be limited to, the cost of staffing,  
10 training, purchase of medical and other evidence, and  
11 processing related to appeals (including appeal hearings)  
12 and to overpayments and related indirect costs.

13       “(E) The Commissioner shall use funds made avail-  
14 able pursuant to this paragraph solely for the purposes  
15 described in subparagraph (C).”

16               (2) CONFORMING AMENDMENT.—Section  
17 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A))  
18 is amended in the last sentence by inserting “(other  
19 than expenditures from available funds in the Con-  
20 tinuing Disability Review Administration Revolving  
21 Account in the Federal Disability Insurance Trust  
22 Fund made pursuant to subsection (n))” after “is  
23 responsible” the first place it appears.

24               (3) ANNUAL REPORT.—Section 221(i)(3) of  
25 such Act (42 U.S.C. 421(i)(3)) is amended—

1 (A) by striking "and the number" and in-  
2 serting "the number";

3 (B) by striking the period at the end and  
4 inserting a comma; and

5 (C) by adding at the end the following:  
6 "and a final accounting of amounts transferred  
7 to the Continuing Disability Review Adminis-  
8 tration Revolving Account in the Federal Dis-  
9 ability Insurance Trust Fund during the year,  
10 the amount made available from such Account  
11 during such year pursuant to certifications  
12 made by the Chief Actuary of the Social Secu-  
13 rity Administration under section 201(n)(2)(C),  
14 and expenditures made by the Commissioner of  
15 Social Security for the purposes described in  
16 section 201(n)(2)(C) during the year, including  
17 a comparison of the number of continuing dis-  
18 ability reviews conducted during the year with  
19 the estimated number of continuing disability  
20 reviews upon which the estimate of such ex-  
21 penditures was made under section  
22 201(n)(2)(A).".

23 (b) EFFECTIVE DATE AND SUNSET.—

24 (1) EFFECTIVE DATE.—The amendments made  
25 by subsection (a) shall apply for fiscal years begin-

1       ning on or after October 1, 1995, and ending on or  
2       before September 30, 2002.

3               (2) SUNSET.—Effective October 1, 2002, the  
4       Continuing Disability Review Administration Revolv-  
5       ing Account in the Federal Disability Insurance  
6       Trust Fund shall cease to exist, any balance in such  
7       Account shall revert to funds otherwise available in  
8       such Trust Fund, and sections 201 and 221 of the  
9       Social Security Act shall read as if the amendments  
10      made by subsection (a) had not been enacted.

11      (c) OFFICE OF CHIEF ACTUARY IN THE SOCIAL SE-  
12      CURITY ADMINISTRATION.—

13               (1) IN GENERAL.—Section 702 of such Act (42  
14      U.S.C. 902) is amended—

15               (A) by redesignating subsections (c) and  
16               (d) as subsections (d) and (e), respectively; and

17               (B) by inserting after subsection (b) the  
18      following new subsection:

19                       “Chief Actuary  
20      “(c)(1) There shall be in the Administration a Chief  
21      Actuary, who shall be appointed by, and in direct line of  
22      authority to, the Commissioner. The Chief Actuary shall  
23      be appointed from individuals who have demonstrated, by  
24      their education and experience, superior expertise in the  
25      actuarial sciences. The Chief Actuary shall serve as the



1 chief actuarial officer of the Administration, and shall ex-  
2 ercise such duties as are appropriate for the office of the  
3 Chief Actuary and in accordance with professional stand-  
4 ards of actuarial independence. The Chief Actuary may  
5 be removed only for cause.

6 “(2) The Chief Actuary shall be compensated at the  
7 highest rate of basic pay for the Senior Executive Service  
8 under section 5382(b) of title 5, United States Code.”

9 (2) EFFECTIVE DATE OF SUBSECTION.—The  
10 amendments made by this subsection shall take ef-  
11 fect on the date of the enactment of this Act.

12 **SEC. 6. APPLICABILITY OF PUBLIC DEBT LIMIT TO FED-**  
13 **ERAL TRUST FUNDS AND OTHER FEDERAL**  
14 **ACCOUNTS.**

15 (a) PROTECTION OF FEDERAL FUNDS.—Notwith-  
16 standing any other provision of law—

17 (1) no officer or employee of the United States  
18 **shall—**

19 (A) delay the deposit of any amount into  
20 (or delay the credit of any amount to) any Fed-  
21 eral fund or otherwise vary from the normal  
22 terms, procedures, or timing for making such  
23 deposits or credits, or

1 (B) refrain from the investment in public  
2 debt obligations of amounts in any Federal  
3 fund,

4 **for the purpose of not increasing** the  
5 amount of outstanding public debt obligations, and

6 (2) no officer or employee of the United States  
7 **shall redeem prior to maturity** amounts in  
8 any Federal fund which are invested in public debt  
9 obligations **for the purpose of reducing** the  
10 amount of outstanding public debt obligations.

11 (b) PROTECTION OF BENEFITS AND EXPENDITURES  
12 FOR ADMINISTRATIVE EXPENSES.—

13 (1) IN GENERAL.—Notwithstanding subsection  
14 (a), during any period, **not exceeding 1 month**,  
15 for which cash benefits or administrative expenses  
16 would not otherwise be payable from a Federal fund  
17 by reason of an inability to issue further public debt  
18 obligations because of the applicable public debt  
19 limit, public debt obligations held by such Federal  
20 fund shall be sold or redeemed only for the purpose  
21 of making payment of such benefits or administra-  
22 tive expenses and only to the extent cash assets of  
23 the Federal fund are not available from month to  
24 month for making payment of such benefits or ad-  
25 ministrative expenses.

1           (2) ISSUANCE OF CORRESPONDING DEBT.—For  
2           purposes of undertaking the sale or redemption of  
3           public debt obligations held by a Federal fund pur-  
4           suant to paragraph (1), **and notwithstanding**  
5           **the public debt limit**, the Secretary of the  
6           Treasury may issue corresponding public debt obli-  
7           gations to the public, in order to obtain the cash  
8           necessary for payment of benefits or administrative  
9           expenses from such Federal fund, **but such obli-**  
10          **gations shall be taken into account in de-**  
11          **termining total outstanding public debt**  
12          **obligations.**

13           (3) ADVANCE NOTICE OF SALE OR REDEMPTION.—Not less than 3 days prior to the date on  
14          which, by reason of the public debt limit, the Sec-  
15          retary of the Treasury expects to undertake a sale  
16          or redemption authorized under paragraph (1), the  
17          Secretary of the Treasury shall report to each House  
18          of the Congress and to the Comptroller General of  
19          the United States regarding the expected sale or re-  
20          demption. Upon receipt of such report, the Comp-  
21          troller General shall review the extent of compliance  
22          with subsection (a) and paragraphs (1) and (2) of  
23          this subsection and, **not later than 30 days**  
24          **after such receipt**, shall issue such findings and  
25

1 recommendations to each House of the Congress as  
2 the Comptroller General considers necessary and ap-  
3 propriate.

4 (4) PROCEDURES TO INSURE PURPOSE.—**The**  
5 **Secretary shall institute procedures to in-**  
6 **sure that the benefits or expenses for**  
7 **which a sale or redemption is made**  
8 **under paragraph (1) are paid when due.**

9 (c) PUBLIC DEBT OBLIGATION.—For purposes of  
10 this section, the term “public debt obligation” means any  
11 obligation subject to the public debt limit established  
12 under section 3101 of title 31, United States Code.

13 (d) FEDERAL FUND.—For purposes of this section,  
14 the term “Federal fund” means—

15 (1) the Federal Old-Age and Survivors Insur-  
16 ance Trust Fund;

17 (2) the Federal Disability Insurance Trust  
18 Fund;

19 (3) the Federal Hospital Insurance Trust  
20 Fund; and

21 (4) the Federal Supplementary Medical Insur-  
22 ance Trust Fund.

AMENDMENT NO. \_\_\_\_\_

Calendar No. \_\_\_\_\_

Purpose: To provide that State universities and their agency accounts be treated as concurrent employers with respect to certain health professional faculty members.

IN THE SENATE OF THE UNITED STATES—104th Cong., 1st Sess.

**S. 1372**

To amend the Social Security Act to increase the earnings limit, and for other purposes.

Referred to the Committee on \_\_\_\_\_  
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. GRAHAM

Viz:

1 At the end of the bill, insert the following new section:

2 SEC. \_\_\_\_ TREATMENT OF CERTAIN UNIVERSITY AC-  
3 COUNTS.

4 (a) IN GENERAL.—For purposes of subsection (s) of  
5 section 3121 of the Internal Revenue Code of 1986 (relat-  
6 ing to concurrent employment by 2 or more employers)—

7 (1) the following entities shall be deemed to be  
8 related corporations that concurrently employ the  
9 same individual:

1 (A) a State university which employs  
2 health professionals as faculty members at a  
3 medical school, and

4 (B) an agency account of a State univer-  
5 sity which is described in subparagraph (A) and  
6 from which there is distributed to such faculty  
7 members payments forming a part of the com-  
8 pensation that the State, or such State univer-  
9 sity, as the case may be, agrees to pay to such  
10 faculty members, but only if—

11 (i) such agency account is authorized  
12 by State law and receives the funds for  
13 such payments from a faculty practice plan  
14 described in section 501(c)(3) of such Code  
15 and exempt from tax under section 501(a)  
16 of such Code,

17 (ii) such payments are distributed by  
18 such agency account to such faculty mem-  
19 bers who render patient care at such medi-  
20 cal school, and

21 (iii) such faculty members comprise at  
22 least 30 percent of the membership of such  
23 faculty practice plan, and

24 (2) remuneration which is disbursed by such  
25 agency account to any such faculty member of the

1        medical school described in paragraph (1)(A) shall  
2        be deemed to have been actually disbursed by the  
3        State, or such State university, as the case may be,  
4        as a common paymaster and not to have been actu-  
5        ally disbursed by such agency account.

6        (b) EFFECTIVE DATE.—The provisions of subsection  
7 (a) shall apply to remuneration paid after the date of the  
8 enactment of this Act.