

103^D CONGRESS
1ST SESSION

H. R. 623

To establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1993

Mr. McCANDLESS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

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 AND TABLE OF CONTENTS.**

4 This Act may be cited as the “Social Security Reor-
5 ganization Act of 1993”.

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1 **SEC. 2. DECLARATION OF PURPOSE.**

2 The purposes of this Act are as follows:

3 (1) to establish the Social Security Administra-
 4 tion as an independent agency, separate from the
 5 Department of Health and Human Services;

6 (2) to charge the Social Security Administra-
 7 tion with administration of the old-age, survivors,
 8 and disability insurance program and supplemental
 9 security income program;

10 (3) to establish a Social Security Board as head
 11 of the Social Security Administration and define the
 12 powers and duties of such Board;

1 (4) to establish a Commissioner of Social Secu-
2 rity and define the powers and duties of the Com-
3 missioner; and

4 (5) to provide for delegating major management
5 authorities to the Board and the Commissioner.

6 TITLE I—ESTABLISHMENT OF THE SOCIAL
7 SECURITY ADMINISTRATION

8 **SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINIS-**
9 **TRATION AS A SEPARATE, INDEPENDENT**
10 **AGENCY; RESPONSIBILITIES OF THE AGENCY.**

11 Section 701 of the Social Security Act is amended
12 to read as follows:

13 “SOCIAL SECURITY ADMINISTRATION

14 “SEC. 701. There is hereby established, as an inde-
15 pendent agency in the executive branch of the Govern-
16 ment, a Social Security Administration. It shall be the
17 duty of the Administration to administer the old-age, sur-
18 vivors, and disability insurance program under title II and
19 the supplemental security income program under title
20 XVI.”.

21 **SEC. 102. SOCIAL SECURITY BOARD; COMMISSIONER; DEP-**
22 **UTY COMMISSIONER; BENEFICIARY OMBUDS-**
23 **MAN; OTHER OFFICERS.**

24 (a) IN GENERAL.—Section 702 of the Social Security
25 Act is amended to read as follows:

1 “(III) one shall be appointed for a term ending
2 January 31, 1999,
3 as designated by the President at the time of appointment.
4 Such members shall be appointed after active consider-
5 ation of recommendations made by the chairman of the
6 Committee on Ways and Means of the House of Rep-
7 resentatives and of recommendations made by the chair-
8 man of the Committee on Finance of the Senate.

9 “(iii) The President may not nominate an individual
10 for appointment to a term of office as member of the
11 Board before the commencement of the President’s term
12 of office in which the member’s term of office commences.
13 Any member appointed to a term of office after the com-
14 mencement of such term may serve under such appoint-
15 ment only for the remainder of such term. A member may,
16 at the request of the President, serve for not more than
17 one year after the expiration of his or her term until his
18 or her successor has taken office. A member of the Board
19 may be appointed for additional terms.

20 “(C) Not more than two members of the Board shall
21 be of the same political party.

22 “(D) A member of the Board may not, during his
23 or her term as member, otherwise serve as an officer or
24 employee of any government. If any member of the Board
25 becomes an officer or employee of any government, such

1 member may continue as a member of the Board for not
2 longer than the 30-day period beginning on the date such
3 member becomes such an officer or employee.

4 “(E) Two members of the Board shall constitute a
5 quorum, except that one member may hold hearings.

6 “(F) A member of the Board shall be designated from
7 time to time by the President to serve as Chairperson of
8 the Board.

9 “(G) The Board shall meet at the call of the Chair-
10 person or two members of the Board.

11 “(2) Each member of the Board shall be compensated
12 at the rate provided for level II of the Executive Schedule.

13 “(3) The Board shall—

14 “(A) govern by regulation the old-age, survi-
15 vors, and disability insurance program under title II
16 and the supplemental security income program
17 under title XVI,

18 “(B) appoint a Commissioner of Social Secu-
19 rity, as described in subsection (b), to act as the
20 chief operating officer of the Administration respon-
21 sible for administering such programs,

22 “(C) constitute three of the members the Board
23 of Trustees of the Federal Old-Age and Survivors
24 Insurance Trust Fund and the Federal Disability
25 Insurance Trust Fund, with the Chairperson of the

1 Social Security Board serving as Chairperson of
2 such Board of Trustees,

3 “(D) make annual budgetary recommendations
4 relating to the Administration and defend such rec-
5 ommendations before the appropriate committees of
6 each House of the Congress,

7 “(E) make recommendations to the Congress
8 and the President as to the most effective methods
9 of providing economic security through social insur-
10 ance and as to legislation and matters of administra-
11 tive policy concerning such programs,

12 “(F) provide the Congress and the President
13 with the ongoing actuarial and other analysis under-
14 taken by the Administration with respect to such
15 programs and any other information relating to such
16 programs, and

17 “(G) conduct policy analysis and research relat-
18 ing to such programs.

19 “(4)(A) The Board may prescribe such rules and reg-
20 ulations as the Board determines necessary or appropriate
21 to carry out the functions of the Administration.

22 “(B) The Board may establish, alter, consolidate, or
23 discontinue such organizational units or components with-
24 in the Administration as the Board considers necessary
25 or appropriate to carry out its functions, except that this

1 subparagraph shall not apply with respect to any unit,
2 component, or position provided for by this Act.

3 “(C) The Board may, with respect to the administra-
4 tion of the old-age, survivors, and disability insurance pro-
5 gram under title II and the supplemental security income
6 program under title XVI, assign duties, and delegate, or
7 authorize successive redelegations of, authority to act and
8 to render decisions, to such officers and employees as the
9 Board may find necessary. Within the limitations of such
10 delegations, redelegations, or assignments, all official acts
11 and decisions of such officers and employees shall have
12 the same force and effect as though performed or rendered
13 by the Board.

14 “Commissioner of Social Security

15 “(b)(1) There shall be in the Administration a Com-
16 missioner of Social Security who shall be appointed by the
17 Social Security Board.

18 “(2)(A) The Commissioner shall be appointed for a
19 term of five years, except that the individual first ap-
20 pointed to the office of Commissioner shall be appointed
21 for a term ending September 30, 1995. An individual ap-
22 pointed to a term of office as Commissioner after the com-
23 mencement of such term may serve under such appoint-
24 ment only for the remainder of such term. An individual
25 may, at the request of the Chairperson of the Board, serve

1 as Commissioner after the expiration of his or her term
2 for not more than one year until his or her successor has
3 taken office. An individual may be appointed as Commis-
4 sioner for additional terms.

5 “(B) An individual may be removed from the office
6 of Commissioner before completion of his or her term only
7 for cause found by the Board.

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

10 “(4) The Commissioner shall—

11 “(A) constitute the chief operating officer of the
12 Administration, responsible for administering, in ac-
13 cordance with applicable statutes and regulations,
14 the old-age, survivors, and disability insurance pro-
15 gram under title II and the supplemental security
16 income program under title XVI,

17 “(B) establish and maintain an efficient and ef-
18 fective operational structure for the Administration,

19 “(C) devise and implement long-term plans to
20 promote and maintain the effective implementation
21 of such programs,

22 “(D) make annual budgetary recommendations
23 of the Administration for the ongoing administrative
24 costs of the Administration and defend such rec-
25 ommendations before the Board and before the ap-

1 appropriate Committees of each House of the Con-
2 gress,

3 “(E) advise the Board and the Congress of the
4 effect on the administration of such programs of
5 proposed legislative changes in such programs,

6 “(F) serve as Secretary of the Board of Trust-
7 ees of the Federal Old-Age, Survivors, and Disability
8 Insurance Trust Fund and the Federal Disability
9 Insurance Trust Fund, and

10 “(G) report in December of each year to the
11 Board for transmittal to the Congress concerning
12 the administrative endeavors and accomplishments
13 of the Administration.

14 Any reference to the Board in this Act or any other provi-
15 sion of law in connection with the exercise of a function
16 of the Board which is delegated to the Commissioner pur-
17 suant to this section shall be considered a reference to the
18 Commissioner.

19 “Deputy Commissioner of Social Security

20 “(c)(1) There shall be in the Office of the Commis-
21 sioner a Deputy Commissioner, who shall be appointed by
22 the Board. The Deputy Commissioner shall be appointed
23 for a term coextensive with the term of the Commissioner
24 and may be removed by the Board only for cause.

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

3 “(3) The Deputy Commissioner shall perform such
4 duties and exercise such powers as the Commissioner shall
5 from time to time assign or delegate. The Deputy Com-
6 missioner shall be Acting Commissioner of Social Security
7 during the absence or disability of the Commissioner and,
8 unless the Board designates another officer of the Govern-
9 ment, in the event of a vacancy in the office of Com-
10 missioner.

11 “Beneficiary Ombudsman

12 “(d)(1) The Board shall by regulation establish in the
13 Administration an Office of the Beneficiary Ombudsman,
14 to be headed by a Beneficiary Ombudsman appointed by
15 the Board.

16 “(2) The Beneficiary Ombudsman shall be appointed
17 for a term of five years, except that the individual first
18 appointed to the office of Beneficiary Ombudsman shall
19 be appointed for a term ending September 30, 1991. An
20 individual appointed to a term of office as Beneficiary Om-
21 budsman after the commencement of such term may serve
22 under such appointment only for the remainder of such
23 term. An individual may, at the request of the Chairperson
24 of the Board, serve as Beneficiary Ombudsman after the
25 expiration of his or her term for not more than one year

1 until his or her successor has taken office. An individual
2 may be appointed as Beneficiary Ombudsman for addi-
3 tional terms.

4 “(3) The duties of the Beneficiary Ombudsman are
5 as follows:

6 “(A) to represent the interests and concerns of
7 beneficiaries under the old-age, survivors, and dis-
8 ability insurance program under title II and the sup-
9 plemental security income program under title XVI
10 within the Administration’s decisionmaking process;

11 “(B) to review the Administration’s policies and
12 procedures for possible adverse effects on such
13 beneficiaries;

14 “(C) to recommend changes in policies which
15 have caused problems for such beneficiaries;

16 “(D) to help resolve the problems under such
17 programs of individual beneficiaries; and

18 “(E) to represent the views of beneficiaries in
19 the design of forms and the issuance of instructions.

20 “(4) The Board shall assure that the Office of the
21 Beneficiary Ombudsman has staff sufficient to enable the
22 Beneficiary Ombudsman to efficiently carry out his or her
23 duties. Such staff shall be located in the regional offices,
24 program centers, and central office of the Administration.

1 “(5) The annual report of the Board under section
2 704 shall include a description of the activities of the Ben-
3 eficiary Ombudsman.

4 “General Counsel

5 “(e) There shall be in the Administration a General
6 Counsel, who shall be appointed by and serve at the pleas-
7 ure of the Board. The General Counsel shall be the prin-
8 cipal legal officer in the Administration.

9 “Inspector General

10 “(f) There shall be in the Administration an Office
11 of the Inspector General. Such Office shall be headed by
12 an Inspector General appointed in accordance with the In-
13 spector General Act of 1978.”.

14 (b) INTERIM AUTHORITY OF THE COMMISSIONER.—
15 The President shall nominate for appointment the initial
16 members of the Social Security Board not later than 180
17 days after the date of the enactment of this Act. In the
18 event that, as of the effective date of the amendment made
19 by this Act to section 702 of the Social Security Act, all
20 members of the Social Security Board have not been ap-
21 pointed, until all members of the Board have been ap-
22 pointed, the officer serving on the date of the enactment
23 of this Act as Commissioner of Social Security in the De-
24 partment of Health and Human Services (or Acting Com-
25 missioner, if applicable), or such officer’s successor, shall,

1 while continuing to serve as Commissioner of Social Secu-
2 rity (or Acting Commissioner) in such Department, serve
3 as head of the Social Security Administration established
4 under section 701 of the Social Security Act (as amended
5 by this Act) and shall assume the powers and duties of
6 such Board and of the Commissioner of Social Security
7 under such Act (as amended by this Act).

8 **SEC. 103. PERSONNEL; BUDGETARY MATTERS; FACILITIES**
9 **AND PROCUREMENT; SEAL OF OFFICE.**

10 Section 703 of the Social Security Act is amended
11 to read as follows:

12 “ADMINISTRATIVE DUTIES OF THE SOCIAL SECURITY

13 BOARD

14 “Personnel

15 “SEC. 703. (a)(1) The Social Security Board shall
16 appoint such additional officers and employees as it con-
17 siders necessary to carry out its functions. Except as oth-
18 erwise provided in any other provision of law, such officers
19 and employees shall be appointed, and their compensation
20 shall be fixed, in accordance with title 5, United States
21 Code.

22 “(2) The Board may appoint, without regard to the
23 provisions of title 5, United States Code, governing ap-
24 pointments in the competitive service, such technical or
25 professional employees as the Board considers appro-
26 priate, and such employees may be paid without regard

1 to the provisions of chapter 51 and subchapter III of chap-
2 ter 53 of such title relating to classification and General
3 Schedule pay rates.

4 “(3) The Board may procure the services of experts
5 and consultants in accordance with the provisions of sec-
6 tion 3109 of title 5, United States Code.

7 “(4) The Director of the Office of Personnel Manage-
8 ment shall delegate to the Board, pursuant to section
9 1104 of title 5, United States Code, and subject to appli-
10 cable limitations under such title relating to delegations
11 under such section, the functions relating to—

12 “(A) recruitment and examination programs for
13 entry level employees, and

14 “(B) classification and standards development
15 systems and pay ranges for those job categories
16 identified by the Board in assuming such delegation.

17 The Director of the Office of Personnel Management shall
18 provide any assistance requested by the Board in assum-
19 ing such delegation.

20 “(5) Notwithstanding any requirements of section
21 3133 of title 5, United States Code, the Director of the
22 Office of Personnel Management shall authorize for the
23 Administration a total number of Senior Executive Service
24 positions equal to 200 percent of the number of such posi-
25 tions in the Social Security Administration in the Depart-

1 ment of Health and Human Services as of immediately
2 before the date of the enactment of the Social Security
3 Reorganization Act of 1985, and the total number of such
4 positions authorized for the Administration pursuant to
5 such section 3133 shall not at any time be less than such
6 number.

7 “(6) In addition to the positions of the Administra-
8 tion in the Executive Schedule specified in section 702,
9 the Administration is authorized six additional positions
10 at level IV of the Executive Schedule and six additional
11 positions at level V of the Executive Schedule.

12 “Budgetary Matters

13 “(b)(1) Appropriations requests for staffing and per-
14 sonnel of the Administration shall be based upon a com-
15 prehensive work force plan, which shall be established and
16 revised from time to time by the Board. The entire amount
17 of appropriations provided for the administrative costs of
18 the Administration shall be apportioned in the time period
19 provided in title 31, United States Code, for apportion-
20 ment and shall be apportioned for the entire period of
21 availability without restriction or deduction by the appor-
22 tioning officer or employee of the Office of Management
23 and Budget or any other entity within the executive
24 branch of the Federal Government, except as otherwise
25 provided in this subsection.

1 **SEC. 104. TRANSFERS TO THE NEW SOCIAL SECURITY AD-**
2 **MINISTRATION.**

3 (a) FUNCTIONS.—There are transferred to the Social
4 Security Administration all functions carried out by the
5 Secretary of Health and Human Services with respect to
6 the programs and activities the administration of which
7 is vested in the Social Security Administration by reason
8 of this Act and the amendments made thereby. The Social
9 Security Board shall allocate such functions in accordance
10 with sections 701, 702, and 703 of the Social Security
11 Act (as amended by this Act).

12 (b) PERSONNEL, ASSETS, ETC.—(1) There are trans-
13 ferred from the Department of Health and Human Serv-
14 ices to the Social Security Administration, for appropriate
15 allocation by the Social Security Board in the Social
16 Security Administration—

17 (A) the personnel employed in connection with
18 the functions transferred by this Act and the amend-
19 ments made thereby, and

20 (B) the assets, liabilities, contracts, property,
21 records, and unexpended balance of appropriations,
22 authorizations, allocations, and other funds em-
23 ployed, held, or used in connection with such func-
24 tions, arising from such functions, or available, or to
25 be made available, in connection with such functions.

1 “(2) The Social Security Board and the Sec-
2 retary should not discriminate against persons on
3 account of their age, sex, race, creed, color, handi-
4 cap, national origin, or economic condition.

5 “(3) The Board and the Secretary should each
6 maintain prompt, professional, and effective service
7 which is accessible and responsive to the commu-
8 nities and persons which they serve.

9 “Enforcement of Principles

10 “(b) In carrying out their responsibilities under this
11 Act, the Social Security Board and the Secretary, pursu-
12 ant to authority otherwise available, shall take any action,
13 including the issuance of rules, regulations, or directives,
14 which is consistent with the provisions of this Act and
15 which the Social Security Board or the Secretary (as the
16 case may be) determines is necessary to ensure that the
17 administration of this Act is based on and embodies the
18 principles set forth in subsection (a) and that such prin-
19 ciples are publicly displayed in each office of the Social
20 Security Administration.”.

21 **SEC. 202. AMENDMENTS TO TITLES II AND XVI OF THE SO-**
22 **CIAL SECURITY ACT.**

23 (a) Title II (other than section 201, section 231(c),
24 section 226, and section 226A) and title XVI of the Social
25 Security Act are each amended—

1 (1) by striking out, wherever it appears therein,
2 “Secretary of Health and Human Services” and in-
3 serting in lieu thereof “Social Security Board”;

4 (2) by striking out, wherever it appears therein,
5 “Department of Health and Human Services” and
6 inserting in lieu thereof “Social Security Administra-
7 tion”;

8 (3) by striking out, wherever it appears therein,
9 “Department” (but only if it is not immediately suc-
10 ceeded by the words “of Health and Human Serv-
11 ices”, and only if it is used in reference to the De-
12 partment of Health and Human Services) and in-
13 serting in lieu thereof “Administration”; and

14 (4) by striking out, wherever it appears therein,
15 each of the following words (but, in the case of any
16 such word only if such word refers to the Secretary
17 of Health and Human Services): “Secretary”, “Sec-
18 retary’s”, “his”, “him”, and “he”, and inserting in
19 lieu thereof (in the case of the word “Secretary”)
20 “Social Security Board”, (in the case of the word
21 “Secretary’s”) “Board’s”, (in the case of the word
22 “his”) “the Board’s”, (in the case of the word
23 “him”) “the Board”, and (in the case of the word
24 “he”) “the Board”.

1 (b)(1) Section 201(a)(3) of such Act is amended by
2 striking out “Secretary of Health and Human Services”
3 and inserting in lieu thereof “Social Security Board”.

4 (2) Section 201(c) of such Act is amended—

5 (A) in the first sentence, by striking out “shall
6 be composed of” and all that follows down through
7 “ex officio” and inserting in lieu thereof the follow-
8 ing: “shall be composed of the members of the Social
9 Security Board, the Secretary of the Treasury, and
10 the Secretary of Health and Human Services, all ex
11 officio”; and

12 (B) by inserting after the first sentence the fol-
13 lowing new sentence: “The Chairperson of the Social
14 Security Board shall be the Chairperson of the
15 Board of Trustees.”.

16 (3) Section 201(g)(1)(A) of such Act is amended—

17 (A) in clause (i), by striking out “by him and
18 the Secretary of Health and Human Services” and
19 inserting in lieu thereof “by him, the Social Security
20 Board, and the Secretary of Health and Human
21 Services”, and by striking out “by the Department
22 of Health and Human Services and the Treasury
23 Department” and inserting in lieu thereof “by the
24 Social Security Administration, the Department of

1 Health and Human Services, and the Department of
2 the Treasury”;

3 (B) in clause (ii), by striking out “method pre-
4 scribed by the Board of Trustees under paragraph
5 (4)” and inserting in lieu thereof “applicable method
6 prescribed under paragraph (4)”, by striking out
7 “the Secretary of Health and Human Services” and
8 inserting in lieu thereof “the Social Security Board
9 and the Secretary of Health and Human Services”,
10 and by striking out “the Department of Health and
11 Human Services” and inserting in lieu thereof “the
12 Social Security Administration and the Department
13 of Health and Human Services”; and

14 (C) by striking out the last sentence and insert-
15 ing in lieu thereof the following: “There are hereby
16 authorized to be made available for expenditure, out
17 of any or all of the Trust Funds, such amounts as
18 the Congress may deem appropriate to pay the costs
19 of the part of the administration of this title and
20 title XVI for which the Social Security Board is re-
21 sponsible, the costs of title XVIII for which the Sec-
22 retary of Health and Human Services is responsible,
23 and the costs of carrying out the functions of the
24 Social Security Administration, specified in section
25 232, which relate to the administration of provisions

1 of the Internal Revenue Code of 1954 other than
2 those referred to in clause (i) of the first sentence
3 of this subparagraph.”.

4 (4) Section 201(g)(1) of such Act is further amended
5 by striking out subparagraph (B) and inserting in lieu
6 thereof the following new subparagraphs:

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

8 (i) the Social Security Board shall determine
9 (I) the portion of the costs, incurred during such fis-
10 cal year, of administration of this title and title XVI
11 and of carrying out the functions of the Social Secu-
12 rity Administration, specified in section 232, which
13 relate to the administration of provisions of the In-
14 ternal Revenue Code of 1954 (other than those re-
15 ferred to in clause (i) of the first sentence of sub-
16 paragraph (A)), which should have been borne by
17 the general fund in the Treasury, (II) the portion of
18 such costs which should have been borne by the Fed-
19 eral Old-Age and Survivors Insurance Trust Fund,
20 and (III) the portion of such costs which should
21 have been borne by the Federal Disability Insurance
22 Trust Fund, and

23 (ii) the Secretary of Health and Human Serv-
24 ices shall determine (I) the portion of the costs, in-
25 curred during such fiscal year, of administration of

1 title XVIII which should have been borne by the
2 general fund in the Treasury, (II) the portion of
3 such costs which should have been borne by the Fed-
4 eral Hospital Insurance Trust Fund, and (III) the
5 portion of such costs which should have been borne
6 by the Federal Supplementary Medical Insurance
7 Trust Fund,

8 except that the determination of the amounts to be borne
9 by the general fund in the Treasury with respect to ex-
10 penditures incurred in carrying out such functions speci-
11 fied in section 232 shall be made pursuant to the applica-
12 ble method prescribed under paragraph (4) of this sub-
13 section.

14 “(C) After the determinations under subparagraph
15 (B) have been made for any fiscal year, the Social Security
16 Board and the Secretary of Health and Human Services
17 shall each certify to the Managing Trustee the amounts
18 which should be transferred from each of the Trust Funds
19 to the general fund in the Treasury and from the general
20 fund in the Treasury to each of the Trust Funds, in order
21 to ensure that each of the Trust Funds and the general
22 fund in the Treasury have borne their proper share of the
23 costs, incurred during such fiscal year, for (i) the part of
24 the administration of this title and title XVI for which
25 the Social Security Board is responsible, (ii) the part of

1 the administration of this title and title XVIII for which
2 the Secretary of Health and Human Services is respon-
3 sible, and (iii) carrying out the functions of the Social Se-
4 curity Administration, specified in section 232, which re-
5 late to the administration of provisions of the Internal
6 Revenue Code of 1954 (other than those referred to in
7 clause (i) of the first sentence of subparagraph (A)). The
8 Managing Trustee shall transfer any such amounts in ac-
9 cordance with any certification so made.”.

10 (5) Section 201(g)(2) of such Act is amended, in the
11 second sentence, by striking out “established and main-
12 tained by the Secretary of Health and Human Services”
13 and inserting in lieu thereof “maintained by the Social Se-
14 curity Board”, and by striking out “Secretary shall fur-
15 nish” and inserting in lieu thereof “Social Security
16 Board shall furnish”.

17 (6) Section 201(g)(4) of such Act is amended to read
18 as follows:

19 “(4) The Social Security Board shall utilize the meth-
20 od prescribed pursuant to this paragraph, as of imme-
21 diately before the date of the enactment of the Social Se-
22 curity Reorganization Act of 1985, for determining the
23 costs which should be borne by the general fund in the
24 Treasury of carrying out the functions of the Board, speci-
25 fied in section 232, which relate to the administration of

1 provisions of the Internal Revenue Code of 1954 (other
2 than those referred to in clause (i) of the first sentence
3 of paragraph (1)(A)). If at any time or times thereafter
4 the Board considers such action advisable, it may modify
5 the method of determining such costs.”.

6 (7) Section 201(i)(1) of such Act is amended to read
7 as follows:

8 “(i)(1) The Managing Trustee may accept on behalf
9 of the United States money gifts and bequests made un-
10 conditionally to the Federal Old-Age and Survivors Insur-
11 ance Trust Fund, the Federal Disability Insurance Trust
12 Fund, the Federal Hospital Insurance Trust Fund, or the
13 Federal Supplementary Medical Insurance Trust Fund or
14 to the Social Security Administration, the Department of
15 Health and Human Services, or any part or officer there-
16 of, for the benefit of any of such Funds or any activity
17 financed through such Funds.”.

18 (8) Subsections (j) and (k) of section 201 of such
19 Act are each amended by striking out “Secretary” each
20 place it appears and inserting in lieu thereof “Social Secu-
21 rity Board”.

22 (9) Section 201(l)(3)(B)(iii)(II) of such Act is
23 amended by striking out “Secretary” and inserting in lieu
24 thereof “Social Security Board”.

1 (10) Section 201(m)(3) of such Act is amended by
2 striking out “Secretary of Health and Human Services”
3 and inserting in lieu thereof “Social Security Board”.

4 (c) Section 231(c) of such Act is amended by striking
5 out “Secretary determines” and inserting in lieu thereof
6 “Social Security Board and the Secretary jointly deter-
7 mine”.

8 **SEC. 203. OTHER AMENDMENTS.**

9 (a) Section 411 of the Social Security Act is amend-
10 ed—

11 (1) in subsection (a), by striking out “Sec-
12 retary” and inserting in lieu thereof “Social Security
13 Board, at the request of the Secretary,”; and

14 (2) in subsection (b), by striking out “Sec-
15 retary” each place it appears and inserting in lieu
16 thereof “Social Security Board”.

17 (b)(1) Section 704 of such Act is amended to read
18 as follows:

19 “REPORTS

20 “SEC. 704. The Secretary and the Social Security
21 Board shall make full reports to Congress, within 120
22 days after the beginning of each regular session, of the
23 administration of the functions with which they are
24 charged under this Act. In addition to the number of cop-
25 ies of such reports authorized by other law to be printed,
26 there is hereby authorized to be printed not more than

1 5,000 copies of each such report for use by the Secretary
2 and Social Security Board for distribution to Members of
3 Congress and to State and other public or private agencies
4 or organizations participating in or concerned with the
5 programs provided for in this Act.”.

6 (2) Section 709(b)(2) of such Act is amended by
7 striking out “(as estimated by the Secretary)” and insert-
8 ing in lieu thereof “, as estimated by the Social Security
9 Board or the Secretary (whichever administers the pro-
10 gram involved),”.

11 (3) Title VII of such Act is further amended by add-
12 ing at the end thereof the following new section:

13 “DUTIES OF SECRETARY

14 “SEC. 712. The Secretary shall perform the duties
15 imposed upon him by this Act and shall also have the duty
16 of studying and making recommendations as to the most
17 effective methods of providing economic security and as
18 to legislation and matters of administrative policy concern-
19 ing the programs administered by the Secretary and relat-
20 ed subjects; except that nothing in this section shall be
21 construed to require the Secretary to make studies or rec-
22 ommendations with respect to programs administered by
23 the Social Security Administration.”.

24 (c)(1) Section 1101(a) of such Act is amended by
25 adding at the end thereof the following new paragraph:

1 “(10) The term ‘Administration’ means the So-
2 cial Security Administration.”.

3 (2) Section 1106(a) of such Act is amended—

4 (A) by inserting “(1)” after “(a)”;

5 (B) by striking out “Department of Health and
6 Human Services” and inserting in lieu thereof “ap-
7 plicable agency”;

8 (C) by striking out “Secretary” and inserting in
9 lieu thereof “head of the applicable agency”; and

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

12 “(2) For purposes of this subsection and subsection
13 (b), the term ‘applicable agency’ means—

14 “(A) the Social Security Administration, with
15 respect to matter transmitted to or obtained by such
16 Administration or matter disclosed by such Adminis-
17 tration, or

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

22 (3) Section 1106(b) of such Act is amended—

23 (A) by striking out “Secretary” and inserting in
24 lieu thereof “head of the applicable agency”; and

1 (B) by striking out “Department of Health and
2 Human Services” and inserting in lieu thereof “ap-
3 plicable agency”.

4 (4) Section 1106(c) of such Act is amended—

5 (A) by striking out “the Secretary” the first
6 place it appears and inserting in lieu thereof “the
7 Social Security Board or the Secretary”; and

8 (B) by striking out “the Secretary” each subse-
9 quent place it appears and inserting in lieu thereof
10 “such Board or Secretary”.

11 (5) Section 1107(b) of such Act is amended by strik-
12 ing out “the Secretary of Health and Human Services”
13 and inserting in lieu thereof “the Social Security Board
14 or the Secretary”.

15 (6) Section 1110 of such Act is amended—

16 (A) by striking out “Secretary” each place it
17 appears and inserting in lieu thereof “Social Secu-
18 rity Board”; and

19 (B) by striking out “he”, “his”, “him”, and
20 “himself” each place they appear (except in sub-
21 section (b)(2)(A)) and inserting in lieu thereof “the
22 Board”, “the Board’s”, “the Board”, and “itself”,
23 respectively.

1 (7) Section 1127 of such Act is amended by striking
2 out “Secretary” and inserting in lieu thereof “Social Secu-
3 rity Board”.

4 (8) Section 1128(e) of such Act is amended by insert-
5 ing after “section 205(g)” the following: “, except that,
6 in so applying such sections, any reference therein to the
7 Social Security Board shall be considered a reference to
8 the Secretary”.

9 (9) Section 1131 of such Act is amended—

10 (A) by striking out “Secretary” each place it
11 appears and inserting in lieu thereof “Social Secu-
12 rity Board”;

13 (B) in subsection (a)(1)(A), by adding “or” at
14 the end thereof;

15 (C) in subsection (a)(1)(B), by striking out
16 “or” at the end thereof;

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

18 (E) by redesignating subsection (a)(2) as sub-
19 section (a)(3);

20 (F) by inserting after subsection (a)(1) the fol-
21 lowing new paragraph:

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

1 and

2 (G) by striking out “he” in the matter in sub-
3 section (a) following paragraph (3) (as so redesign-
4 nated) and inserting in lieu thereof “the Social Se-
5 curity Board”.

6 (10) Section 1155 of such Act is amended by striking
7 out “(to the same extent as is provided in section 205(b))”
8 and inserting in lieu thereof “(to the same extent as bene-
9 ficiaries under title II are entitled to a hearing by the So-
10 cial Security Board under section 205(b))”.

11 (d)(1) Subsections (a) and (f) of section 1817 of such
12 Act are amended by striking out “Secretary of Health and
13 Human Services” each place it appears and inserting in
14 lieu thereof “Social Security Board”.

15 (2) Section 1840(a) of such Act is amended—

16 (A) in paragraph (1), by striking out “Sec-
17 retary” and inserting in lieu thereof “Social Security
18 Board”, and by adding at the end thereof the follow-
19 ing new sentence: “Such regulations shall be pre-
20 scribed only after consultation with the Secretary.”;
21 and

22 (B) in paragraph (2), by striking out “Sec-
23 retary of Health and Human Services” and inserting
24 in lieu thereof “Social Security Board”.

1 (3) Section 1872 of such Act is amended by inserting
2 after “title II” the following: “, except that, in applying
3 such provisions with respect to this title, any reference
4 therein to the Social Security Board shall be considered
5 a reference to the Secretary”.

6 (4) Sections 1862(d)(3), 1869(b)(1), and 1869(c) of
7 such Act and the last sentence of section 1876(c)(5)(B)
8 of such Act are amended by inserting after “section
9 205(g)” the following: “, except that, in so applying such
10 sections, any reference therein to the Social Security
11 Board shall be considered a reference to the Secretary”.

12 (e) Section 1910(c)(2) of such Act is amended, in the
13 first sentence, by inserting after “section 205(g)” the fol-
14 lowing: “, except that, in so applying such sections, any
15 reference therein to the Social Security Board shall be
16 considered a reference to the Secretary”.

17 (f) Title 5, United States Code, is amended—

18 (1) by adding at the end of section 5313 the
19 following new items:

20 “Members, Social Security Board (3).

21 “Commissioner of Social Security.”;

22 (2) by adding at the end of section 5314 the
23 following new item:

24 “Deputy Commissioner of Social Security.”;

1 (3) by adding at the end of section 5315 the
2 following new items:

3 “General Counsel, Social Security Administra-
4 tion.

5 “Additional officers, Social Security Adminis-
6 tration (6).”;

7 (4) by adding at the end of section 5316 the
8 following new items:

9 “Inspector General, Social Security Administra-
10 tion.

11 “Additional officers, Social Security Adminis-
12 tration (6).”; and

13 (5) by striking out “Secretary of Health and
14 Human Services” each place it appears in section
15 8141 and inserting in lieu thereof “Social Security
16 Board”.

17 (g) The Food Stamp Act of 1977 is amended—

18 (1) in section 6 (7 U.S.C. 2015), by striking
19 out “Secretary of Health and Human Services” and
20 inserting in lieu thereof “Social Security Board”;
21 and

22 (2) in section 17(d) (7 U.S.C. 2026(d)), by in-
23 sserting after “Services” the following: “and the So-
24 cial Security Board”.

1 (h) Section 707 of title 14, United States Code, is
2 amended by striking out “Secretary of Health and Human
3 Services” each place it appears and inserting in lieu there-
4 of “Social Security Board”.

5 (i)(1) Subsections (c)(1), (c)(2)(E), (g)(1), (g)(3)(A),
6 and (g)(3)(B) of section 1402 of the Internal Revenue
7 Code of 1954 are amended by striking out “Secretary of
8 Health and Human Services” each place it appears and
9 inserting in lieu thereof “Social Security Board”.

10 (2) Section 3121(b)(10)(B) of such Code is amended
11 by striking out each place it appears “Secretary of Health
12 and Human Services” and inserting in lieu thereof “Social
13 Security Board”.

14 (3) Subsections (d) and (f) of section 6057 of such
15 Code are amended by striking out “Secretary of Health
16 and Human Services” each place it appears and inserting
17 in lieu thereof “Social Security Board”.

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

19 (A) by striking out “Department of Health and
20 Human Services” and inserting in lieu thereof “So-
21 cial Security Administration”; and

22 (B) by striking out “Secretary of Health and
23 Human Services” and inserting in lieu thereof “So-
24 cial Security Board”.

1 (5) Section 6511(d)(5) of such Code is amended by
2 striking out “Secretary of Health and Human Services”
3 and inserting in lieu thereof “Social Security Board”.

4 (j) Section 3005 of title 38, United States Code, is
5 amended by striking out “Secretary of Health and Human
6 Services” and “Secretary” each place they appear and in-
7 serting in lieu thereof “Social Security Board”.

8 (k) The Inspector General Act of 1978 (5 U.S.C.
9 App.) is amended—

10 (1) in section 2(1), by striking out “and the
11 Veterans’ Administration” and inserting in lieu
12 thereof “the Veterans’ Administration, and the So-
13 cial Security Administration”;

14 (2) in section 9(a)(1), by striking out “and” at
15 the end of subparagraph (M), and by adding at the
16 end thereof the following new subparagraph:

17 “(O) of the Social Security Administration
18 (to the extent provided in the Social Security
19 Reorganization Act of 1985), the functions of
20 the Inspector General of the Department of
21 Health and Human Services relating to the ad-
22 ministration of the old-age, survivors, and dis-
23 ability insurance program under title II of the
24 Social Security Act and of the supplemental se-

1 curity income program under title XVI of such
2 Act; and”;

3 (3) in section 11(1), by striking out “or” after
4 “Transportation” and inserting in lieu thereof a
5 comma, and by inserting after “Affairs,” the follow-
6 ing: “or the Social Security Board,”; and

7 (4) in section 11(2), by striking out “or” after
8 “Transportation”, and by inserting after “Veterans’
9 Administration,” the following: “or the Social Secu-
10 rity Administration,”.

11 **SEC. 204. RULES OF CONSTRUCTION.**

12 (a) REFERENCES TO THE DEPARTMENT OF HEALTH
13 AND HUMAN SERVICES.—Whenever any reference is made
14 in any provision of law (other than this Act or a provision
15 of law amended by this Act), regulation, rule, record, or
16 document to the Department of Health and Human Serv-
17 ices with respect such Department’s functions under the
18 old-age, survivors, and disability insurance program under
19 title II of the Social Security Act or the supplemental se-
20 curity income program under title XVI of such Act, such
21 reference shall be considered a reference to the Social Se-
22 curity Administration.

23 (b) REFERENCES TO THE SECRETARY OF HEALTH
24 AND HUMAN SERVICES.—Whenever any reference is made
25 in any provision of law (other than this Act or a provision

1 of law amended by this Act), regulation, rule, record, or
2 document to the Secretary of Health and Human Services
3 with respect to such Secretary's functions under such pro-
4 grams, such reference shall be considered a reference to
5 the Social Security Board.

6 (c) REFERENCES TO OTHER OFFICERS AND EM-
7 PLOYEES.—Whenever any reference is made in any provi-
8 sion of law (other than this Act or a provision of law
9 amended by this Act), regulation, rule, record, or docu-
10 ment to any other officer or employee of the Department
11 of Health and Human Services with respect to such officer
12 or employee's functions under such programs, such ref-
13 erence shall be considered a reference to the appropriate
14 officer or employee of the Social Security Administration.

15 TITLE III—EFFECTIVE DATES AND

16 TRANSITIONAL RULES

17 **SEC. 301. EFFECTIVE DATES.**

18 (a) AMENDMENTS IN TITLE I.—(1) Sections 101,
19 102(a), 103, and 104 of this Act shall take effect 180 days
20 after the date of the enactment of this Act.

21 (2) Section 102(b) of this Act shall take effect on
22 the date of the enactment of this Act.

23 (b) AMENDMENTS IN TITLE II.—Title II of this Act
24 shall take effect 180 days after the date of the enactment
25 of this Act, except that subsections (f)(1), (f)(2), (f)(3),

1 (f)(4), and (k) of section 206 shall take effect on the date
2 of the enactment of this Act.

3 **SEC. 302. TRANSITIONAL RULES.**

4 (a) INTERIM AUTHORITY FOR APPOINTMENT AND
5 COMPENSATION.—At any time after the date of the enact-
6 ment of this Act—

7 (1) any of the officers provided for in section
8 702 of the Social Security Act (as amended by title
9 I of this Act) may be nominated and appointed, as
10 provided in such section, and

11 (2) the Social Security Board, upon nomination
12 and appointment of all of the members thereof, may
13 prescribe regulations providing for the orderly trans-
14 fer of proceedings before the Secretary of Health
15 and Human Services to the Social Security Board.
16 Funds available to any official or component of the De-
17 partment of Health and Human Services, functions of
18 which are transferred to the Social Security Board or the
19 Social Security Administration by this Act, may with the
20 approval of the Director of the Office of Management and
21 Budget, be used to pay the compensation and expenses
22 of any officer appointed pursuant to this section until such
23 time as funds for that purpose are otherwise available.

24 (b) CONTINUATION OF ORDERS, DETERMINATIONS,
25 RULES, REGULATIONS, ETC.—All orders, determinations,

1 rules, regulations, permits, contracts, certificates, licenses,
2 and privileges—

3 (1) which have been issued, made, promulgated,
4 granted, or allowed to become effective, in the exer-
5 cise of functions (A) which were exercised by the
6 Secretary of Health and Human Services (or his del-
7 egate), and (B) which relate to functions which, by
8 reason of this Act, the amendments made thereby,
9 and regulations prescribed thereunder, are vested in
10 the Social Security Board, and

11 (2) which are in effect immediately before the
12 effective date specified in section 301(a)(1),

13 shall (to the extent that they relate to functions described
14 in paragraph (1)(B)) continue in effect according to their
15 terms until modified, terminated, suspended, set aside, or
16 repealed by such Board.

17 (c) CONTINUATION OF PROCEEDINGS.—The provi-
18 sions of this Act (including the amendments made there-
19 by) shall not affect any proceeding pending at the time
20 this Act takes effect before the Secretary of Health and
21 Human Services with respect to functions vested (by rea-
22 son of this Act, the amendments made thereby, and regu-
23 lations prescribed thereunder) in the Social Security
24 Board, except that such proceedings, to the extent that
25 they relate to such functions, shall continue before such

1 Board. Orders shall be issued under any such proceeding,
2 appeals taken therefrom, and payments shall be made pur-
3 suant to such orders, in like manner as if this Act had
4 not been enacted, and orders issued in any such proceed-
5 ing shall continue in effect until modified, terminated, su-
6 perseded, or repealed by such Board, by a court of com-
7 petent jurisdiction, or by operation of law.

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

10 (1) the provisions of this Act shall not affect
11 suits commenced prior to the effective date specified
12 in section 301(a)(1); and

13 (2) in all such suits proceedings shall be had,
14 appeals taken, and judgments rendered, in the same
15 manner and effect as if this Act had not been en-
16 acted.

17 No cause of action, and no suit, action, or other proceed-
18 ing commenced by or against any officer in his official ca-
19 pacity as an officer of the Department of Health and
20 Human Services, shall abate by reason of the enactment
21 of this Act. Causes of action, suits, actions, or other pro-
22 ceedings may be asserted by or against the United States
23 and the Social Security Administration, or such official of
24 such Administration as may be appropriate, and, in any
25 litigation pending when this section takes effect, the court

1 may at any time, on its own motion or that of a party,
2 enter an order which will give effect to the provisions of
3 this subsection (including, where appropriate, an order for
4 substitution of parties).

5 (e) CONTINUATION OF PENALTIES.—This Act shall
6 not have the effect of releasing or extinguishing any crimi-
7 nal prosecution, penalty, forfeiture, or liability incurred as
8 a result of any function which (by reason of this Act, the
9 amendments made thereby, and regulations prescribed
10 thereunder) is vested in the Social Security Board.

11 (f) JUDICIAL REVIEW.—Orders and actions of the
12 Social Security Board in the exercise of functions vested
13 in such Board under this Act (and the amendments made
14 thereby) shall be subject to judicial review to the same
15 extent and in the same manner as if such orders and ac-
16 tions had been taken by the Secretary of Health and
17 Human Services in the exercise of such functions imme-
18 diately preceding the effective date of this Act. Any statu-
19 tory requirements relating to notice, hearings, action upon
20 the record, or administrative review that apply to any
21 function so vested in such Board shall continue to apply
22 to the exercise of such function by such Board.

23 (g) EXERCISE OF FUNCTIONS.—In the exercise of the
24 functions vested in the Social Security Board under this
25 Act, the amendments made thereby, and regulations pre-

1 scribed thereunder, such Board shall have the same au-
2 thority as that vested in the Secretary of Health and
3 Human Services with respect to the exercise of such func-
4 tions immediately preceding the vesting of such functions
5 in such Board, and actions of such Board shall have the
6 same force and effect as when exercised by such Secretary.

7 (h) OPERATION OF TRANSITIONAL RULES IN THE
8 EVENT OF INTERIM AUTHORITY IN THE COMMIS-
9 SIONER.—For purposes of this section, in any case in
10 which the powers and duties to be transferred to the Social
11 Security Board are transferred to the Commissioner of So-
12 cial Security (or acting Commissioner) in the Department
13 of Health and Human Services for an interim period pur-
14 suant to section 102(b) of this Act, the preceding provi-
15 sions of this section shall apply with respect to the trans-
16 fer of such powers and duties to and from such Commis-
17 sioner (or acting Commissioner) pursuant to such section
18 in the same manner and to the same extent as they would
19 have applied to a direct transfer from the Secretary of
20 Health and Human Services to the Social Security Board
21 if all initial appointments to such Board had been made.

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