

104TH CONGRESS
1ST SESSION

H. R. 2233

To amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and related statutes to ease administration of the railroad retirement and railroad unemployment insurance programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Ms. MOLINARI (by request) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and related statutes to ease administration of the railroad retirement and railroad unemployment insurance programs, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Railroad Retirement and Railroad Unemployment Insur-
6 ance Amendments Act of 1995”.

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

Sec. 1. Short title and table of contents.

TITLE I—FINANCIAL AMENDMENTS

Sec. 101. Disclosure of information to Railroad Retirement Board.

Sec. 102. Uncashed checks.

Sec. 103. Investment of Railroad Retirement Trust Funds.

TITLE II—BENEFIT AMENDMENTS

Sec. 201. Annuities as marital property.

Sec. 202. Requirement for a social security number.

Sec. 203. Repeal of obsolete provision.

TITLE III—ADMINISTRATIVE SIMPLIFICATION AMENDMENTS

Sec. 301. Single administrative account.

Sec. 302. Continuing disability reviews.

TITLE IV—DEBT COLLECTION AMENDMENTS

Sec. 401. Debt collection.

TITLE V—PENALTY AMENDMENTS

Sec. 501. Criminal penalties.

Sec. 502. Program Fraud Civil Remedies Act finds and penalties.

3 **TITLE I—FINANCIAL**
4 **AMENDMENTS**

5 **SEC. 101. DISCLOSURE OF INFORMATION TO RAILROAD RE-**
6 **TIREMENT BOARD.**

7 Section 6103(l)(1)(C) of the Internal Revenue Code
8 of 1986 is amended to read as follows:

9 “(C) taxes imposed by chapters 22 and
10 23A, to the Railroad Retirement Board for pur-
11 poses of its administration of the Railroad Re-
12 tirement and Railroad Unemployment Insur-
13 ance Acts.”

1 **SEC. 102. UNCASHED CHECKS.**

2 (a) IN GENERAL.—Section 3334(b) of title 31 of the
3 United States Code is amended—

4 (1) in paragraph (2), by striking “The” and in-
5 serting “Except as provided in paragraph (3), the”;
6 and

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

8 “(3) The proceeds of checks canceled pursuant
9 to paragraph (1) which were drawn on accounts es-
10 tablished under the Railroad Retirement Act or the
11 Railroad Unemployment Insurance Act shall be re-
12 credited to the account or accounts initially charged
13 for the payment.”

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to checks issued before October
16 1, 1989.

17 **SEC. 103. INVESTMENT OF RAILROAD RETIREMENT TRUST**
18 **FUNDS.**

19 Section 15(e) of the Railroad Retirement Act is
20 amended—

21 (1) by striking “notes” in the fifth sentence and
22 inserting “obligations”; and

23 (2) by striking “three years” in the fifth sen-
24 tence and inserting “four years”.

1 **TITLE II—BENEFIT**
2 **AMENDMENTS**

3 **SEC. 201. ANNUITIES AS MARITAL PROPERTY.**

4 (a) IN GENERAL.—Section 14(b)(2) of the Railroad
5 Retirement Act is amended to read as follows:

6 “(2) This section shall not operate to prohibit the
7 characterization or treatment of that portion of an annuity
8 under this Act which is computed under section 3(b), 3(e),
9 3(g) or 3(h) of this Act as community property for the
10 purposes of, or property subject to, distribution in accord-
11 ance with a court decree of divorce, annulment, or legal
12 separation or the terms of any court-approved property
13 settlement incident to any such court decree. The Board
14 shall make payments of such portions in accordance with
15 any such characterization or treatment or any such decree
16 or settlement.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply with respect to annuity payments
19 payable for months beginning after August 12, 1983.

20 **SEC. 202. REQUIREMENT FOR A SOCIAL SECURITY NUM-**
21 **BER.**

22 (a) IN GENERAL.—Section 2 of the Railroad Retire-
23 ment Act of 1974 is amended by adding at the end the
24 following:

1 “(i) The Board shall require, as a condition for either
2 the receipt of an annuity or to be included in the computa-
3 tion of an annuity under this Act, that an individual fur-
4 nish satisfactory proof of a social security account number
5 assigned to such individual by the Social Security Admin-
6 istration.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to claims for benefits not awarded
9 prior to the date of the enactment of this Act.

10 **SEC. 203. REPEAL OF OBSOLETE PROVISION.**

11 Section 17 of the Railroad Unemployment Insurance
12 Act (45 U.S.C. 368) providing supplemental benefits is re-
13 pealed.

14 **TITLE III—ADMINISTRATIVE**
15 **SIMPLIFICATION AMENDMENTS**

16 **SEC. 301. SINGLE ADMINISTRATIVE ACCOUNT.**

17 (a) RAILROAD RETIREMENT.—Section 15(h) of the
18 Railroad Retirement Act of 1974 is amended to read as
19 follows:

20 “(h)(1) Notwithstanding any other provision of law,
21 there are authorized to be made available for expenditure
22 out of the Railroad Retirement Account, the Railroad Re-
23 tirement Supplemental Account, the Social Security
24 Equivalent Benefit Account, and the railroad unemploy-
25 ment insurance account, such sums as the Congress may

1 deem appropriate to pay the costs of administration of this
2 Act and the Railroad Unemployment Insurance Act.

3 “(2) If at the beginning of a fiscal year or at any
4 time during a fiscal year there is a lapse in appropriations
5 to pay the costs of administration of this Act or the Rail-
6 road Unemployment Insurance Act, the Board is author-
7 ized to make expenditures out of the above mentioned ac-
8 counts to pay the costs of such administration at a level
9 not exceeding the most recent current level until the ear-
10 lier of—

11 “(A) enactment into law of an appropriation
12 Act or Resolution providing for the payment of such
13 costs; or

14 “(B) enactment into law of an Act repealing
15 this provision.

16 “(3) During each fiscal year or after the close of such
17 fiscal year (or at both times), the Board shall analyze the
18 costs of administration of this Act and the Railroad Un-
19 employment Insurance Act during the appropriate part or
20 all of the fiscal year in order to determine the portion of
21 such costs which should be borne by each of the accounts
22 and shall certify to the Secretary of the Treasury the
23 amount, if any, which should be transferred among such
24 accounts in order to assure that each of the accounts bears
25 its proper share of the costs incurred during such fiscal

1 year for administration of this Act and the Railroad Un-
2 employment Insurance Act. The Secretary of the Treasury
3 is authorized and directed to transfer any such amount
4 (determined under the preceding sentence) among such
5 accounts in accordance with any certification so made. De-
6 terminations of the Board as to whether funds made avail-
7 able for administration of this Act and the Railroad Un-
8 employment Insurance Act are properly chargeable with
9 the authorized expenses, or parts thereof, incurred in the
10 administration of this Act or the Railroad Unemployment
11 Insurance Act shall be binding and conclusive for all pur-
12 poses and upon all persons, including the Comptroller
13 General and any other administrative or accounting offi-
14 cer, employee, or agent of the United States, and shall
15 not be subject to review in any manner.”.

16 (b) DEPOSIT OF UNEMPLOYMENT CONTRIBU-
17 TIONS.—Section 8(i) of the Railroad Unemployment In-
18 surance Act is amended to read as follows:

19 “(i) The contributions required by this Act shall be
20 collected by the Board and shall be deposited by it with
21 the Secretary of the Treasury of the United States to the
22 credit of the railroad unemployment insurance account.”.

23 (c) UNEMPLOYMENT ACCOUNT.—Section 10(a) of
24 the Railroad Unemployment Insurance Act is amended—

25 (1) by inserting “(1)” after “(a)”;

1 (2) by striking “(i) such part of all contribu-
2 tions collected pursuant to section 8 of this Act as
3 is in excess of 0.65 per centum of the total com-
4 pensation on which such contributions are based,”
5 and inserting “(i) all contributions collected pursu-
6 ant to section 8 of this Act”; and

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

8 “(2) Notwithstanding any other provision of law,
9 there are authorized to be made available for expenditure
10 out of the railroad unemployment insurance account, the
11 Railroad Retirement Account, the Railroad Retirement
12 Supplemental Account, and the Social Security Equivalent
13 Benefit Account, such sums as the Congress may deem
14 appropriate to pay the costs of administration of this Act
15 and the Railroad Retirement Act. If at the beginning of
16 a fiscal year or at any time during a fiscal year there is
17 a lapse in appropriations to pay the costs of administra-
18 tion of this Act or the Railroad Retirement Act, the Board
19 is authorized to make expenditures out of the above men-
20 tioned accounts to pay the costs of such administration
21 at a level not exceeding the most recent current level until
22 the earlier of (A) enactment into law of an appropriation
23 Act or Resolution providing for the payment of such costs
24 or (B) enactment into law of an Act repealing this provi-
25 sion. During each fiscal year or after the close of such

1 fiscal year (or at both times), the Board shall analyze the
2 costs of administration of this Act and the Railroad Re-
3 tirement Act during the appropriate part or all of the fis-
4 cal year in order to determine the portion of such costs
5 which should be borne by each of the accounts and shall
6 certify to the Secretary of the Treasury the amount, if
7 any, which should be transferred among such accounts in
8 order to assure that each of the accounts bears its proper
9 share of the costs incurred during such fiscal year for ad-
10 ministration of this Act and the Railroad Retirement Act.
11 The Secretary of the Treasury is authorized and directed
12 to transfer any such amount (determined under the pre-
13 ceding sentence) among such accounts in accordance with
14 any certification so made. Determinations of the Board,
15 as to whether funds made available for administration of
16 this Act and the Railroad Retirement Act of 1974 are
17 properly chargeable with the authorized expenses, or parts
18 thereof, incurred in the administration of this Act or the
19 Railroad Retirement Act of 1974, shall be binding and
20 conclusive for all purposes and upon all persons, including
21 the Comptroller General and any other administrative or
22 accounting officer, employee, or agent of the United
23 States, and shall not be subject to review in any manner.”.

24 (d) REPEAL OF DEFINITION.—Section 1(q) of the
25 Railroad Unemployment Insurance Act is repealed.

1 (e) REPEAL OF ADMINISTRATION FUND.—Section 11
2 of the Railroad Unemployment Insurance Act is repealed.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 8(a)(1)(C)(v) of the Railroad Un-
5 employment Insurance Act is amended to read as
6 follows:

7 “(v) STEP 5.—Add 0.65 to the per-
8 centage rate arrived at under clause (iv),
9 representing the portion of the employer’s
10 contribution which is to be deposited to the
11 credit of the account for administrative
12 purposes.”.

13 (2) Section 8(a)(8)(B) of the Railroad Unem-
14 ployment Insurance Act is amended to read as
15 follows:

16 “(B) STEP 2.—Subtract an amount equal
17 to 0.65 per centum of the contribution rate
18 which was deposited to the credit of the account
19 for administrative purposes.”.

20 (3) Section 8(a)(10) of the Railroad Unemploy-
21 ment Insurance Act is amended—

22 (A) in subparagraph (C), by inserting “(i)”
23 before “not chargeable” and by striking “to the
24 fund under section 11” and inserting “(ii) not
25 chargeable as an expense of administration,

1 other than expenditures from the Limitation on
2 Review or the Special Management Improve-
3 ment Fund”;

4 (B) so that subparagraph (E) reads as fol-
5 lows:

6 “(E) STEP 5.—Subtract an amount equal
7 to the amount by which that portion of the ac-
8 count attributable to the 0.65 per centum con-
9 tribution rate for administrative expenses as of
10 the end of the prior fiscal year exceeded
11 \$6,000,000.”;

12 (C) in subparagraph (F) by adding at the
13 end “, except that portion of employer contribu-
14 tions attributable to the 0.65 per centum con-
15 tribution for administrative expenses”.

16 (4) Section 8(a)(12)(A) of the Railroad Unem-
17 ployment Insurance Act is amended by striking the
18 second sentence and inserting: “In determining such
19 balance as of June 30 of any year, that portion of
20 the balance, up to \$6,000,000, as is attributable to
21 the 0.65 per centum contribution for administrative
22 expenses shall be disregarded if greater than zero.”.

23 (5) Section 8(a)(14)(A) of the Railroad Unem-
24 ployment Insurance Act is amended by striking the
25 second sentence and inserting: “In determining such

1 balance as of June 30 of any year, that portion of
2 the balance, up to \$6,000,000, as is attributable to
3 the 0.65 per centum contribution for administrative
4 expenses shall be disregarded if greater than zero.”.

5 (6) Section 8(e) of the Railroad Unemployment
6 Insurance Act is amended by striking “fund” and
7 inserting “account and shall be treated in the same
8 manner as if the payment were a payment of con-
9 tributions for administrative expenses”.

10 (7) Section 10(b) of the Railroad Unemploy-
11 ment Insurance Act is amended by inserting “ad-
12 ministrative costs,” after “the” and before “bene-
13 fits” in the first sentence.

14 (8) Section 10(d) of the Railroad Unemploy-
15 ment Insurance Act is amended by inserting “ad-
16 ministrative costs,” before “benefits” each place it
17 appears.

18 (9) Section 10(e) of the Railroad Unemploy-
19 ment Insurance Act is amended by striking “or the
20 railroad unemployment insurance administration
21 fund”.

22 (10) Section 10(f) of the Railroad Unemploy-
23 ment Insurance Act is amended by inserting “and”
24 before “the railroad unemployment insurance ac-

1 count” and by striking “and the railroad unemploy-
2 ment insurance administration fund,”.

3 (11) Section 10(g) of the Railroad Unemploy-
4 ment Insurance Act is amended by striking “, and
5 out of the railroad unemployment insurance admin-
6 istration fund for the payment of” and inserting
7 “and” and by striking “or such fund, as the case
8 may be,”.

9 (12) Section 12(d) of the Railroad Unemploy-
10 ment Insurance Act is amended by striking “admin-
11 istration fund established pursuant to section 11(a)
12 of this Act” and inserting “account established pur-
13 suant to section 10 of this Act”.

14 (13) Section 12(e) of the Railroad Unemploy-
15 ment Insurance Act is amended by striking “fund”
16 in the last sentence and inserting “account”.

17 (g) EFFECTIVE DATES.—

18 (1) Except as provided in paragraphs (2) and
19 (3), the amendments made by this section shall take
20 effect October 1, 1995.

21 (2) The amendments made by subsections (a)
22 and (c)(3) shall be effective with respect to fiscal
23 years beginning with fiscal year 1996.

24 (3) The amendments made by subsections (d)
25 and (e) shall take effect October 1, 1995, except

1 that the railroad unemployment insurance adminis-
2 tration fund shall be maintained by the Secretary of
3 the Treasury in the unemployment trust fund until
4 all outstanding obligations of the railroad unemploy-
5 ment insurance administration fund incurred prior
6 to October 1, 1995, have been settled. As soon as
7 possible after September 30, 1995, the Board shall
8 determine the amount of the unobligated balance in
9 the railroad unemployment insurance administration
10 fund and shall direct the Secretary of the Treasury
11 to transfer such amount to the railroad unemploy-
12 ment insurance account and the Secretary shall im-
13 mediately make such transfer. The amount so trans-
14 ferred shall be considered as an interfund transfer
15 and shall not be considered as income to the railroad
16 unemployment insurance account for purposes of de-
17 termining the system unallocated charge balance
18 under section 8(a)(10) of the Railroad Unemploy-
19 ment Insurance Act.

20 **SEC. 302. CONTINUING DISABILITY REVIEWS.**

21 (a) IN GENERAL.—Section 15 of the Railroad Retire-
22 ment Act is amended by adding at the end the following
23 new subsection:

24 “(j)(1) There is hereby created in the Railroad Re-
25 tirement Account a Continuing Disability Review Account.

1 The Continuing Disability Review Account shall consist of
2 such amounts as may be transferred to it under this sub-
3 section. The balance in the Continuing Disability Review
4 Account shall be available without further appropriation
5 action for expenditures certified under paragraph (3).

6 “(2)(A) Not later than September 1 of each calendar
7 year, the Board shall—

8 “(i) estimate the present value of savings to the
9 Railroad Retirement Account and the Social Secu-
10 rity Equivalent Benefit Account which will accrue
11 for all years as a result of the cessation of annuity
12 payments during the fiscal year ending on Septem-
13 ber 30 of the prior calendar year based on continu-
14 ing disability reviews carried out pursuant to section
15 2(a)(3) during or prior to such fiscal year,

16 “(ii) determine the portion of such estimate at-
17 tributable to each of the accounts described in clause
18 (i),

19 “(iii) certify the amount of such estimate and
20 such portion to the Secretary of the Treasury, and

21 “(iv) direct that an amount equal to the
22 amount determined by the Board under paragraph
23 (3) of this subsection, but not more than the savings
24 estimated under paragraph (2), be transferred to the
25 Continuing Disability Review Account from the ac-

1 counts described in clause (i) in such proportion as
2 the savings from each account bears to the total sav-
3 ings from both accounts.

4 “(B) Upon receipt of the certification and direction
5 by the Secretary of the Treasury under subparagraph (A),
6 the Secretary shall transfer to the Continuing Disability
7 Review Account the amount so determined.

8 “(3)(A) Not later than September 15 of each cal-
9 endar year, the Board shall—

10 “(i) project the accrual balance of the Continu-
11 ing Disability Review Account as of the close of
12 business on September 30 of the calendar year;

13 “(ii) estimate the total amount of expenditures
14 which will be necessary to carry out continuing dis-
15 ability reviews (earnings reviews and medical im-
16 provement reviews) under section 2(a)(3) of this Act
17 during the fiscal year beginning October 1;

18 “(iii) subtract the amount projected under
19 clause (i) from the amount estimated under clause
20 (ii) so as to determine the amount of additional
21 funds, if any, needed to pay the costs of continuing
22 disability reviews for the fiscal year beginning Octo-
23 ber 1; and

24 “(iv) certify the amount, if any, determined
25 under clause (iii) to the Secretary of the Treasury.

1 section 207 of the Social Security Act, the Board shall
2 also have the authority to recover the amount of any over-
3 payment or erroneous payment of benefits made to an in-
4 dividual under this Act, the Railroad Unemployment In-
5 surance Act, or pursuant to section 7(b)(2) of this Act,
6 from any payment to such individual, or to any other per-
7 son on the basis of the same wages and self-employment
8 income, under section 7(b)(2) of this Act.”.

9 (b) ADMINISTRATIVE OFFSET.—Section 10 of the
10 Railroad Retirement Act of 1974 is amended by adding
11 at the end thereof a new subsection (e) to read as follows:

12 “(e) In addition to the authority otherwise granted
13 by this section to recover erroneous payments and over-
14 payments of benefits under this Act, the Board shall have
15 the authority to recover such erroneous payments and
16 overpayments by means of administrative offset pursuant
17 to section 3716 of title 31, United States Code.”.

18 (c) RAILROAD UNEMPLOYMENT.—Section 2(d) of the
19 Railroad Unemployment Insurance Act is amended—

20 (1) by inserting after “entitled under this Act”
21 and before “or any other Act” in the first sentence
22 thereof the following: “, or in subsequent payments
23 made to the individual, or any person on the basis
24 of the same compensation, wages, or self-employ-
25 ment income, under the Railroad Retirement Act

1 (including payments under section 7(b)(2) thereof,
2 notwithstanding section 207 of the Social Security
3 Act).”; and

4 (2) by adding at the end thereof the following:
5 “In addition to the authority otherwise granted by this
6 subsection to recover erroneous payments and overpay-
7 ments of benefits under this Act, the Board shall have the
8 authority to recover such erroneous payments and over-
9 payments by means of administrative offset pursuant to
10 section 3716 of title 31, United States Code.”.

11 **TITLE V—PENALTY**
12 **AMENDMENTS**

13 **SEC. 501. CRIMINAL PENALTIES.**

14 (a) RAILROAD RETIREMENT.—Section 13(a) of the
15 Railroad Retirement Act of 1974 is amended by striking
16 “one year” and inserting “five years”.

17 (b) RAILROAD UNEMPLOYMENT.—Section 9(a) of the
18 Railroad Unemployment Insurance Act is amended by
19 striking “one year” and inserting “five years”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply with respect to acts or omissions
22 after the date of enactment of this Act.

1 **SEC. 502. PROGRAM FRAUD CIVIL REMEDIES ACT FINDS**
2 **AND PENALTIES.**

3 Section 3806(g)(2) of title 31, United States Code,
4 is amended by adding at the end the following:

5 “(F) Any amount of a penalty or assess-
6 ment imposed by the Railroad Retirement
7 Board under this chapter with respect to a
8 claim or statement made in connection with
9 benefits under the Railroad Retirement Act
10 shall be deposited in the Railroad Retirement
11 Account.

12 “(G) Any amount of a penalty or assess-
13 ment imposed by the Railroad Retirement
14 Board under this chapter with respect to a
15 claim or statement made in connection with
16 benefits under the Railroad Unemployment In-
17 surance Act shall be deposited in the Railroad
18 Unemployment Insurance Account.”.

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