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108TH CONGRESS
1ST SESSION**H. R. 743****[Report No. 108-176]**

IN THE SENATE OF THE UNITED STATES

APRIL 3, 2003

Received; read twice and referred to the Committee on Finance

OCTOBER 29, 2003

Reported by Mr. GRASSLEY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes.

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 “~~Social Security Protection Act of 2003~~”.

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

Sec. 1. Short title and table of contents.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

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

Subtitle B—Enforcement

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

TITLE II—PROGRAM PROTECTIONS

- Sec. 201. Civil monetary penalty authority with respect to knowing withholding of material facts.
- Sec. 202. Issuance by Commissioner of Social Security of receipts to acknowledge submission of reports of changes in work or earnings status of disabled beneficiaries.
- Sec. 203. Denial of title II benefits to persons fleeing prosecution, custody, or confinement, and to persons violating probation or parole.
- Sec. 204. Requirements relating to offers to provide for a fee a product or service available without charge from the Social Security Administration.
- Sec. 205. Refusal to recognize certain individuals as claimant representatives.
- Sec. 206. Penalty for corrupt or forcible interference with administration of Social Security Act.
- Sec. 207. Use of symbols, emblems, or names in reference to social security or medicare.
- Sec. 208. Disqualification from payment during trial work period upon conviction of fraudulent concealment of work activity.
- Sec. 209. Authority for judicial orders of restitution.

TITLE III—ATTORNEY FEE PAYMENT SYSTEM IMPROVEMENTS

- Sec. 301. Cap on attorney assessments.
- Sec. 302. Extension of attorney fee payment system to title XVI claims.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

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

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

Subtitle B—Miscellaneous Amendments

- Sec. 411. Elimination of transcript requirement in remand cases fully favorable to the claimant.
- Sec. 412. Nonpayment of benefits upon removal from the United States.
- Sec. 413. Reinstatement of certain reporting requirements.
- Sec. 414. Clarification of definitions regarding certain survivor benefits.
- Sec. 415. Clarification respecting the FICA and SECA tax exemptions for an individual whose earnings are subject to the laws of a totalization agreement partner.
- Sec. 416. Coverage under divided retirement system for public employees in Kentucky.
- Sec. 417. Compensation for the Social Security Advisory Board.
- Sec. 418. 60-month period of employment requirement for application of government pension offset exemption.

Subtitle C—Technical Amendments

- Sec. 421. Technical correction relating to responsible agency head.
- Sec. 422. Technical correction relating to retirement benefits of ministers.
- Sec. 423. Technical corrections relating to domestic employment.
- Sec. 424. Technical corrections of outdated references.
- Sec. 425. Technical correction respecting self-employment income in community property States.

1 **TITLE I—PROTECTION OF**
 2 **BENEFICIARIES**
 3 **Subtitle A—Representative Payees**
 4 **SEC. 101. AUTHORITY TO REISSUE BENEFITS MISUSED BY**
 5 **ORGANIZATIONAL REPRESENTATIVE PAYEES.**

6 (a) TITLE II AMENDMENTS.—

7 (1) REISSUANCE OF BENEFITS.—Section
 8 205(j)(5) of the Social Security Act (42
 9 U.S.C. 405(j)(5)) is amended by inserting after the

1 first sentence the following new sentences: “In any
2 case in which a representative payee that—

3 “(A) is not an individual (regardless of whether
4 it is a ‘qualified organization’ within the meaning of
5 paragraph (4)(B)); or

6 “(B) is an individual who, for any month dur-
7 ing a period when misuse occurs, serves 15 or more
8 individuals who are beneficiaries under this title,
9 title VIII, title XVI, or any combination of such ti-
10 tles;

11 misuses all or part of an individual’s benefit paid to such
12 representative payee, the Commissioner of Social Security
13 shall certify for payment to the beneficiary or the bene-
14 ficiary’s alternative representative payee an amount equal
15 to the amount of such benefit so misused. The provisions
16 of this paragraph are subject to the limitations of para-
17 graph (7)(B).”.

18 (2) MISUSE OF BENEFITS DEFINED.—Section
19 205(j) of such Act (42 U.S.C. 405(j)) is amended
20 by adding at the end the following new paragraph:

21 “(8) For purposes of this subsection, misuse of bene-
22 fits by a representative payee occurs in any case in which
23 the representative payee receives payment under this title
24 for the use and benefit of another person and converts
25 such payment, or any part thereof, to a use other than

1 for the use and benefit of such other person. The Commis-
2 sioner of Social Security may prescribe by regulation the
3 meaning of the term ‘use and benefit’ for purposes of this
4 paragraph.”.

5 (b) TITLE VIII AMENDMENTS.—

6 (1) REISSUANCE OF BENEFITS.—Section 807(i)
7 of the Social Security Act (42 U.S.C. 1007(i)) (as
8 amended by section 209(b)(1) of this Act) is amend-
9 ed further by inserting after the first sentence the
10 following new sentences: “In any case in which a
11 representative payee that—

12 “(A) is not an individual; or

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

18 misuses all or part of an individual’s benefit paid to
19 such representative payee, the Commissioner of So-
20 cial Security shall pay to the beneficiary or the bene-
21 ficiary’s alternative representative payee an amount
22 equal to the amount of such benefit so misused. The
23 provisions of this paragraph are subject to the limi-
24 tations of subsection (1)(2).”.

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

4 “(j) MISUSE OF BENEFITS.—For purposes of this
5 title, misuse of benefits by a representative payee occurs
6 in any case in which the representative payee receives pay-
7 ment under this title for the use and benefit of another
8 person under this title and converts such payment, or any
9 part thereof, to a use other than for the use and benefit
10 of such person. The Commissioner of Social Security may
11 prescribe by regulation the meaning of the term ‘use and
12 benefit’ for purposes of this subsection.”.

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

17 (e) TITLE XVI AMENDMENTS.—

18 (1) REISSUANCE OF BENEFITS.—Section
19 1631(a)(2)(E) of such Act (42
20 U.S.C. 1383(a)(2)(E)) is amended by inserting
21 after the first sentence the following new sentences:

22 “‘In any case in which a representative payee that—
23 “(i) is not an individual (regardless of whether
24 it is a ‘qualified organization’ within the meaning of
25 subparagraph (D)(ii)); or

1 “(ii) is an individual who, for any month during
 2 a period when misuse occurs, serves 15 or more indi-
 3 viduals who are beneficiaries under this title, title II,
 4 title VIII, or any combination of such titles;
 5 misuses all or part of an individual’s benefit paid to the
 6 representative payee, the Commissioner of Social Security
 7 shall pay to the beneficiary or the beneficiary’s alternative
 8 representative payee an amount equal to the amount of
 9 the benefit so misused. The provisions of this subpara-
 10 graph are subject to the limitations of subparagraph
 11 (H)(ii).”.

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

15 (A) in paragraph (12), by striking “and”
 16 at the end;

17 (B) in paragraph (13), by striking the pe-
 18 riod and inserting “; and”; and

19 (C) by inserting after paragraph (13) the
 20 following new paragraph:

21 “(14) for the 9-month period beginning after
 22 the month in which received, any amount received by
 23 such individual (or spouse) or any other person
 24 whose income is deemed to be included in such indi-
 25 vidual’s (or spouse’s) income for purposes of this

1 title as restitution for benefits under this title, title
2 II, or title VIII that a representative payee of such
3 individual (or spouse) or such other person under
4 section 205(j), 807, or 1631(a)(2) has misused.”

5 (3) MISUSE OF BENEFITS DEFINED.—Section
6 1631(a)(2)(A) of such Act (42
7 U.S.C. 1383(a)(2)(A)) is amended by adding at the
8 end the following new clause:

9 “(iv) For purposes of this paragraph, misuse of bene-
10 fits by a representative payee occurs in any case in which
11 the representative payee receives payment under this title
12 for the use and benefit of another person and converts
13 such payment, or any part thereof, to a use other than
14 for the use and benefit of such other person. The Commis-
15 sioner of Social Security may prescribe by regulation the
16 meaning of the term ‘use and benefit’ for purposes of this
17 clause.”

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to any case of benefit misuse by
20 a representative payee with respect to which the Commis-
21 sioner makes the determination of misuse on or after Jan-
22 uary 1, 1995.

1 **SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.**

2 (a) CERTIFICATION OF BONDING AND LICENSING
3 REQUIREMENTS FOR NONGOVERNMENTAL ORGANIZA-
4 TIONAL REPRESENTATIVE PAYEES.—

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

8 (A) in paragraph (2)(C)(v), by striking “a
9 community-based nonprofit social service agen-
10 cy licensed or bonded by the State” in sub-
11 clause (I) and inserting “a certified community-
12 based nonprofit social service agency (as de-
13 fined in paragraph (9))”;

14 (B) in paragraph (3)(F), by striking “com-
15 munity-based nonprofit social service agencies”
16 and inserting “certified community-based non-
17 profit social service agencies (as defined in
18 paragraph (9))”;

19 (C) in paragraph (4)(B), by striking “any
20 community-based nonprofit social service agen-
21 cy which is bonded or licensed in each State in
22 which it serves as a representative payee” and
23 inserting “any certified community-based non-
24 profit social service agency (as defined in para-
25 graph (9))”; and

1 (D) by adding after paragraph (8) (as
2 added by section 101(a)(2) of this Act) the fol-
3 lowing new paragraph:

4 “(9) For purposes of this subsection, the term ‘cer-
5 tified community-based nonprofit social service agency’
6 means a community-based nonprofit social service agency
7 which is in compliance with requirements, under regula-
8 tions which shall be prescribed by the Commissioner, for
9 annual certification to the Commissioner that it is bonded
10 in accordance with requirements specified by the Commis-
11 sioner and that it is licensed in each State in which it
12 serves as a representative payee (if licensing is available
13 in such State) in accordance with requirements specified
14 by the Commissioner. Any such annual certification shall
15 include a copy of any independent audit on such agency
16 which may have been performed since the previous certifi-
17 cation.”.

18 (2) TITLE XVI AMENDMENTS.—Section
19 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is
20 amended—

21 (A) in subparagraph (B)(vii), by striking
22 “a community-based nonprofit social service
23 agency licensed or bonded by the State” in sub-
24 clause (I) and inserting “a certified community-

1 based nonprofit social service agency (as de-
 2 fined in subparagraph (I))”;

3 ~~(B)~~ in subparagraph (D)(ii)—

4 (i) by striking “or any community-
 5 based” and all that follows through “in ac-
 6 cordance” in subclause (H) and inserting
 7 “or any certified community-based non-
 8 profit social service agency (as defined in
 9 subparagraph (I)); if the agency, in ac-
 10 cordance”;

11 (ii) by redesignating items (aa) and
 12 (bb) as subclauses (I) and (H), respectively
 13 (and adjusting the margination accord-
 14 ingly); and

15 (iii) by striking “subclause (H)(bb)”
 16 and inserting “subclause (H)”; and

17 (C) by adding at the end the following new
 18 subparagraph:

19 “(I) For purposes of this paragraph, the term ‘cer-
 20 tified community-based nonprofit social service agency’
 21 means a community-based nonprofit social service agency
 22 which is in compliance with requirements, under regula-
 23 tions which shall be prescribed by the Commissioner, for
 24 annual certification to the Commissioner that it is bonded
 25 in accordance with requirements specified by the Commis-

1 sioner and that it is licensed in each State in which it
 2 serves as a representative payee (if licensing is available
 3 in the State) in accordance with requirements specified by
 4 the Commissioner. Any such annual certification shall in-
 5 clude a copy of any independent audit on the agency which
 6 may have been performed since the previous certifi-
 7 cation.”.

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

12 (b) PERIODIC ONSITE REVIEW.—

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

16 “(6)(A) In addition to such other reviews of rep-
 17 resentative payees as the Commissioner of Social Security
 18 may otherwise conduct, the Commissioner shall provide for
 19 the periodic onsite review of any person or agency located
 20 in the United States that receives the benefits payable
 21 under this title (alone or in combination with benefits pay-
 22 able under title VIII or title XVI) to another individual
 23 pursuant to the appointment of such person or agency as
 24 a representative payee under this subsection, section 807,
 25 or section 1631(a)(2) in any case in which—

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

4 “(ii) the representative payee is a certified com-
5 munity-based nonprofit social service agency (as de-
6 fined in paragraph (9) of this subsection or section
7 1631(a)(2)(I)); or

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

12 “(B) Within 120 days after the end of each fiscal
13 year, the Commissioner shall submit to the Committee on
14 Ways and Means of the House of Representatives and the
15 Committee on Finance of the Senate a report on the re-
16 sults of periodic onsite reviews conducted during the fiscal
17 year pursuant to subparagraph (A) and of any other re-
18 views of representative payees conducted during such fis-
19 cal year in connection with benefits under this title. Each
20 such report shall describe in detail all problems identified
21 in such reviews and any corrective action taken or planned
22 to be taken to correct such problems; and shall include—

23 “(i) the number of such reviews;

24 “(ii) the results of such reviews;

1 “(iii) the number of cases in which the rep-
2 resentative payee was changed and why;

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

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

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

12 “(vii) the final disposition of such cases of mis-
13 use of funds, including any criminal penalties im-
14 posed; and

15 “(viii) such other information as the Commis-
16 sioner deems appropriate.”.

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

21 “(k) PERIODIC ONSITE REVIEW.—(1) In addition to
22 such other reviews of representative payees as the Com-
23 missioner of Social Security may otherwise conduct, the
24 Commissioner may provide for the periodic onsite review
25 of any person or agency that receives the benefits payable

1 under this title (alone or in combination with benefits pay-
 2 able under title II or title XVI) to another individual pur-
 3 suant to the appointment of such person or agency as a
 4 representative payee under this section, section 205(j), or
 5 section 1631(a)(2) in any case in which—

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

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

12 “(2) Within 120 days after the end of each fiscal
 13 year, the Commissioner shall submit to the Committee on
 14 Ways and Means of the House of Representatives and the
 15 Committee on Finance of the Senate a report on the re-
 16 sults of periodic onsite reviews conducted during the fiscal
 17 year pursuant to paragraph (1) and of any other reviews
 18 of representative payees conducted during such fiscal year
 19 in connection with benefits under this title. Each such re-
 20 port shall describe in detail all problems identified in such
 21 reviews and any corrective action taken or planned to be
 22 taken to correct such problems, and shall include—

23 “(A) the number of such reviews;

24 “(B) the results of such reviews;

1 “(C) the number of cases in which the rep-
2 resentative payee was changed and why;

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

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

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

12 “(G) the final disposition of such cases of mis-
13 use of funds, including any criminal penalties im-
14 posed; and

15 “(H) such other information as the Commis-
16 sioner deems appropriate.”.

17 (3) TITLE XVI AMENDMENT.—Section
18 1631(a)(2)(G) of such Act (42
19 U.S.C. 1383(a)(2)(G)) is amended to read as fol-
20 lows:

21 “(G)(i) In addition to such other reviews of rep-
22 resentative payees as the Commissioner of Social Security
23 may otherwise conduct, the Commissioner shall provide for
24 the periodic onsite review of any person or agency that
25 receives the benefits payable under this title (alone or in

1 combination with benefits payable under title II or title
2 VIII) to another individual pursuant to the appointment
3 of the person or agency as a representative payee under
4 this paragraph, section 205(j), or section 807 in any case
5 in which—

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

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

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

17 “(ii) Within 120 days after the end of each fiscal
18 year, the Commissioner shall submit to the Committee on
19 Ways and Means of the House of Representatives and the
20 Committee on Finance of the Senate a report on the re-
21 sults of periodic onsite reviews conducted during the fiscal
22 year pursuant to clause (i) and of any other reviews of
23 representative payees conducted during such fiscal year in
24 connection with benefits under this title. Each such report
25 shall describe in detail all problems identified in the re-

1 views and any corrective action taken or planned to be
2 taken to correct the problems; and shall include—

3 “(I) the number of the reviews;

4 “(II) the results of such reviews;

5 “(III) the number of cases in which the rep-
6 resentative payee was changed and why;

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

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

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

16 “(VII) the final disposition of such cases of
17 misuse of funds; including any criminal penalties im-
18 posed; and

19 “(VIII) such other information as the Commis-
20 sioner deems appropriate.”.

1 **SEC. 103. DISQUALIFICATION FROM SERVICE AS REP-**
 2 **RESENTATIVE PAYEE OF PERSONS CON-**
 3 **VICTED OF OFFENSES RESULTING IN IMPRIS-**
 4 **ONMENT FOR MORE THAN 1 YEAR OR FLEE-**
 5 **ING PROSECUTION, CUSTODY, OR CONFINEMENT.**
 6 **MENT.**

7 (a) TITLE II AMENDMENTS.—Section 205(j)(2) of
 8 the Social Security Act (42 U.S.C. 405(j)(2)) is amend-
 9 ed—

10 (1) in subparagraph (B)(i)—

11 (A) by striking “and” at the end of sub-
 12 clause (III);

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

15 (C) by inserting after subclause (III) the
 16 following new subclauses:

17 “(IV) obtain information concerning whether
 18 such person has been convicted of any other offense
 19 under Federal or State law which resulted in impris-
 20 onment for more than 1 year;

21 “(V) obtain information concerning whether
 22 such person is a person described in section
 23 202(x)(1)(A)(iv), and”;

24 (2) in subparagraph (B), by adding at the end
 25 the following new clause:

1 “(iii) Notwithstanding the provisions of section 552a
2 of title 5, United States Code, or any other provision of
3 Federal or State law (other than section 6103 of the Inter-
4 nal Revenue Code of 1986 and section 1106(e) of this
5 Act), the Commissioner shall furnish any Federal, State,
6 or local law enforcement officer, upon the written request
7 of the officer, with the current address, social security ac-
8 count number, and photograph (if applicable) of any per-
9 son investigated under this paragraph, if the officer fur-
10 nishes the Commissioner with the name of such person
11 and such other identifying information as may reasonably
12 be required by the Commissioner to establish the unique
13 identity of such person, and notifies the Commissioner
14 that—

15 “(I) such person is described in section
16 202(x)(1)(A)(iv),

17 “(II) such person has information that is nec-
18 essary for the officer to conduct the officer’s official
19 duties, and

20 “(III) the location or apprehension of such per-
21 son is within the officer’s official duties.”;

22 (3) in subparagraph (C)(i)(II), by striking
23 “subparagraph (B)(i)(IV),” and inserting “subpara-
24 graph (B)(i)(VI)” and striking “section

1 ~~1631(a)(2)(B)(ii)(IV)~~” and inserting “section
2 ~~1631(a)(2)(B)(ii)(VI)~~”; and

3 (4) in subparagraph (C)(i)—

4 (A) by striking “or” at the end of sub-
5 clause (H);

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

8 (C) by adding at the end the following new
9 subclauses:

10 “(IV) such person has previously been convicted
11 as described in subparagraph (B)(i)(IV), unless the
12 Commissioner determines that such certification
13 would be appropriate notwithstanding such convic-
14 tion; or

15 “(V) such person is person described in section
16 202(x)(1)(A)(iv).”.

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

19 (1) in subsection (b)(2)—

20 (A) by striking “and” at the end of sub-
21 paragraph (C);

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

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

1 ~~“(D) obtain information concerning wheth-~~
2 ~~er such person has been convicted of any other~~
3 ~~offense under Federal or State law which re-~~
4 ~~sulted in imprisonment for more than 1 year;~~

5 ~~“(E) obtain information concerning wheth-~~
6 ~~er such person is a person described in section~~
7 ~~804(a)(2); and”;~~

8 ~~(2) in subsection (b), by adding at the end the~~
9 ~~following new paragraph:~~

10 ~~“(3) Notwithstanding the provisions of section~~
11 ~~552a of title 5, United States Code, or any other~~
12 ~~provision of Federal or State law (other than section~~
13 ~~6103 of the Internal Revenue Code of 1986 and sec-~~
14 ~~tion 1106(e) of this Act), the Commissioner shall~~
15 ~~furnish any Federal, State, or local law enforcement~~
16 ~~officer, upon the written request of the officer, with~~
17 ~~the current address, social security account number,~~
18 ~~and photograph (if applicable) of any person inves-~~
19 ~~tigated under this subsection, if the officer furnishes~~
20 ~~the Commissioner with the name of such person and~~
21 ~~such other identifying information as may reason-~~
22 ~~ably be required by the Commissioner to establish~~
23 ~~the unique identity of such person, and notifies the~~
24 ~~Commissioner that—~~

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

3 “(B) such person has information that is
4 necessary for the officer to conduct the officer’s
5 official duties; and

6 “(C) the location or apprehension of such
7 person is within the officer’s official duties.”;
8 and

9 ~~(3)~~ in subsection (d)(1)—

10 (A) by striking “or” at the end of subpara-
11 graph (B);

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

15 (C) by adding at the end the following new
16 subparagraphs:

17 “(D) such person has previously been con-
18 victed as described in subsection (b)(2)(D); un-
19 less the Commissioner determines that such
20 payment would be appropriate notwithstanding
21 such conviction; or

22 “(E) such person is a person described in
23 section 804(a)(2).”.

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

4 (1) in clause (ii)—

5 (A) by striking “and” at the end of sub-
6 clause (III);

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

9 (C) by inserting after subclause (III) the
10 following new subclauses:

11 “(IV) obtain information concerning whether
12 the person has been convicted of any other offense
13 under Federal or State law which resulted in impris-
14 onment for more than 1 year;

15 “(V) obtain information concerning whether
16 such person is a person described in section
17 1611(e)(4)(A); and”;

18 (2) in clause (iii)(II)—

19 (A) by striking “clause (ii)(IV)” and in-
20 serting “clause (ii)(VI)”; and

21 (B) by striking “section
22 205(j)(2)(B)(i)(IV)” and inserting “section
23 205(j)(2)(B)(i)(VI)”;

24 (3) in clause (iii)—

1 (A) by striking “or” at the end of sub-
2 clause (H);

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

5 (C) by adding at the end the following new
6 subclauses:

7 “(IV) the person has previously been convicted
8 as described in clause (ii)(IV) of this subparagraph,
9 unless the Commissioner determines that the pay-
10 ment would be appropriate notwithstanding the con-
11 viction; or

12 “(V) such person is a person described in sec-
13 tion 1611(e)(4)(A).”;

14 (4) by adding at the end the following new
15 clause:

16 “(xiv) Notwithstanding the provisions of section 552a
17 of title 5, United States Code, or any other provision of
18 Federal or State law (other than section 6103 of the Inter-
19 nal Revenue Code of 1986 and section 1106(e) of this
20 Act), the Commissioner shall furnish any Federal, State,
21 or local law enforcement officer, upon the written request
22 of the officer, with the current address, social security ac-
23 count number, and photograph (if applicable) of any per-
24 son investigated under this subparagraph, if the officer
25 furnishes the Commissioner with the name of such person

1 and such other identifying information as may reasonably
2 be required by the Commissioner to establish the unique
3 identity of such person, and notifies the Commissioner
4 that—

5 “(I) such person is described in section
6 1611(e)(4)(A);

7 “(II) such person has information that is nec-
8 essary for the officer to conduct the officer’s official
9 duties; and

10 “(III) the location or apprehension of such per-
11 son is within the officer’s official duties.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the first day of the thir-
14 teenth month beginning after the date of the enactment
15 of this Act.

16 (e) REPORT TO THE CONGRESS.—The Commissioner
17 of Social Security, in consultation with the Inspector Gen-
18 eral of the Social Security Administration, shall prepare
19 a report evaluating whether the existing procedures and
20 reviews for the qualification (including disqualification) of
21 representative payees are sufficient to enable the Commis-
22 sioner to protect benefits from being misused by represent-
23 ative payees. The Commissioner shall submit the report
24 to the Committee on Ways and Means of the House of
25 Representatives and the Committee on Finance of the

1 Senate no later than 270 days after the date of the enact-
2 ment of this Act. The Commissioner shall include in such
3 report any recommendations that the Commissioner con-
4 siderers appropriate.

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

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

10 (1) in the first sentence, by striking “A” and
11 inserting “Except as provided in the next sentence,
12 a”; and

13 (2) in the second sentence, by striking “The
14 Secretary” and inserting the following:

15 “A qualified organization may not collect a fee from an
16 individual for any month with respect to which the Com-
17 missioner of Social Security or a court of competent juris-
18 diction has determined that the organization misused all
19 or part of the individual’s benefit, and any amount so col-
20 lected by the qualified organization for such month shall
21 be treated as a misused part of the individual’s benefit
22 for purposes of paragraphs (5) and (6). The Commis-
23 sioner”.

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

4 (1) in the first sentence, by striking “A” and
5 inserting “Except as provided in the next sentence,
6 a”; and

7 (2) in the second sentence, by striking “The
8 Commissioner” and inserting the following: “A
9 qualified organization may not collect a fee from an
10 individual for any month with respect to which the
11 Commissioner of Social Security or a court of com-
12 petent jurisdiction has determined that the organiza-
13 tion misused all or part of the individual’s benefit,
14 and any amount so collected by the qualified organi-
15 zation for such month shall be treated as a misused
16 part of the individual’s benefit for purposes of sub-
17 paragraphs (E) and (F). The Commissioner”.

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

1 **SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR**
2 **MISUSED BENEFITS.**

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

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

8 (2) in paragraphs (2)(C)(v), (3)(F), and (4)(B),
9 by striking “paragraph (9)” and inserting “para-
10 graph (10)”;

11 (3) in paragraph (6)(A)(ii), by striking “para-
12 graph (9)” and inserting “paragraph (10)”; and

13 (4) by inserting after paragraph (6) the fol-
14 lowing new paragraph:

15 “(7)(A) If the Commissioner of Social Security or a
16 court of competent jurisdiction determines that a rep-
17 resentative payee that is not a Federal, State, or local gov-
18 ernment agency has misused all or part of an individual’s
19 benefit that was paid to such representative payee under
20 this subsection, the representative payee shall be liable for
21 the amount misused, and such amount (to the extent not
22 repaid by the representative payee) shall be treated as an
23 overpayment of benefits under this title to the representa-
24 tive payee for all purposes of this Act and related laws
25 pertaining to the recovery of such overpayments. Subject
26 to subparagraph (B), upon recovering all or any part of

1 such amount, the Commissioner shall certify an amount
2 equal to the recovered amount for payment to such indi-
3 vidual or such individual's alternative representative
4 payee.

5 “(B) The total of the amount certified for payment
6 to such individual or such individual's alternative rep-
7 resentative payee under subparagraph (A) and the amount
8 certified for payment under paragraph (5) may not exceed
9 the total benefit amount misused by the representative
10 payee with respect to such individual.”.

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

14 “(1) LIABILITY FOR MISUSED AMOUNTS.—

15 “(1) IN GENERAL.—If the Commissioner of So-
16 cial Security or a court of competent jurisdiction de-
17 termines that a representative payee that is not a
18 Federal, State, or local government agency has mis-
19 used all or part of a qualified individual's benefit
20 that was paid to such representative payee under
21 this section, the representative payee shall be liable
22 for the amount misused, and such amount (to the
23 extent not repaid by the representative payee) shall
24 be treated as an overpayment of benefits under this
25 title to the representative payee for all purposes of

1 this Act and related laws pertaining to the recovery
2 of such overpayments. Subject to paragraph (2),
3 upon recovering all or any part of such amount, the
4 Commissioner shall make payment of an amount
5 equal to the recovered amount to such qualified indi-
6 vidual or such qualified individual's alternative rep-
7 resentative payee.

8 “(2) LIMITATION.—The total of the amount
9 paid to such individual or such individual's alter-
10 native representative payee under paragraph (1) and
11 the amount paid under subsection (i) may not ex-
12 ceed the total benefit amount misused by the rep-
13 resentative payee with respect to such individual.”.

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

17 (1) in subparagraph (G)(i)(II), by striking “sec-
18 tion 205(j)(9)” and inserting “section 205(j)(10)”;
19 and

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

22 “(H)(i) If the Commissioner of Social Security or a
23 court of competent jurisdiction determines that a rep-
24 resentative payee that is not a Federal, State, or local gov-
25 ernment agency has misused all or part of an individual's

1 benefit that was paid to the representative payee under
2 this paragraph, the representative payee shall be liable for
3 the amount misused, and the amount (to the extent not
4 repaid by the representative payee) shall be treated as an
5 overpayment of benefits under this title to the representa-
6 tive payee for all purposes of this Act and related laws
7 pertaining to the recovery of the overpayments. Subject
8 to clause (ii), upon recovering all or any part of the
9 amount, the Commissioner shall make payment of an
10 amount equal to the recovered amount to such individual
11 or such individual's alternative representative payee.

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

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to benefit misuse by a representa-
19 tive payee in any case with respect to which the Commis-
20 sioner of Social Security or a court of competent jurisdic-
21 tion makes the determination of misuse after 180 days
22 after the date of the enactment of this Act.

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

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

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

9 (2) by inserting after subparagraph (D) the fol-
10 lowing new subparagraph:

11 “(E) In any case in which the person described in
12 subparagraph (A) or (D) receiving payments on behalf of
13 another fails to submit a report required by the Commis-
14 sioner of Social Security under subparagraph (A) or (D),
15 the Commissioner may, after furnishing notice to such
16 person and the individual entitled to such payment, re-
17 quire that such person appear in person at a field office
18 of the Social Security Administration serving the area in
19 which the individual resides in order to receive such pay-
20 ments.”.

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

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

25 (2) by inserting after paragraph (2) the fol-
26 lowing new paragraph:

1 ~~“(3) AUTHORITY TO REDIRECT DELIVERY OF~~
2 ~~BENEFIT PAYMENTS WHEN A REPRESENTATIVE~~
3 ~~PAYEE FAILS TO PROVIDE REQUIRED ACCOUNT-~~
4 ~~ING.—In any case in which the person described in~~
5 ~~paragraph (1) or (2) receiving benefit payments on~~
6 ~~behalf of a qualified individual fails to submit a re-~~
7 ~~port required by the Commissioner of Social Secu-~~
8 ~~urity under paragraph (1) or (2), the Commissioner~~
9 ~~may, after furnishing notice to such person and the~~
10 ~~qualified individual, require that such person appear~~
11 ~~in person at a United States Government facility~~
12 ~~designated by the Social Security Administration as~~
13 ~~servicing the area in which the qualified individual re-~~
14 ~~sides in order to receive such benefit payments.”.~~

15 ~~(c) TITLE XVI AMENDMENT.—Section~~
16 ~~1631(a)(2)(C) of such Act (42 U.S.C. 1383(a)(2)(C)) is~~
17 ~~amended by adding at the end the following new clause:~~

18 ~~“(v) In any case in which the person described in~~
19 ~~clause (i) or (iv) receiving payments on behalf of another~~
20 ~~fails to submit a report required by the Commissioner of~~
21 ~~Social Security under clause (i) or (iv), the Commissioner~~
22 ~~may, after furnishing notice to the person and the indi-~~
23 ~~vidual entitled to the payment, require that such person~~
24 ~~appear in person at a field office of the Social Security~~

1 Administration serving the area in which the individual
2 resides in order to receive such payments.”.

3 (d) **EFFECTIVE DATE.**—The amendment made by
4 this section shall take effect 180 days after the date of
5 the enactment of this Act.

6 **Subtitle B—Enforcement**

7 **SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RE-** 8 **SPECT TO WRONGFUL CONVERSIONS BY REP-** 9 **RESENTATIVE PAYEES.**

10 (a) **IN GENERAL.**—Section 1129(a) of the Social Se-
11 curity Act (42 U.S.C. 1320a–8) is amended by adding at
12 the end the following new paragraph:

13 “(3) Any person (including an organization, agency,
14 or other entity) who, having received, while acting in the
15 capacity of a representative payee pursuant to section
16 205(j), 807, or 1631(a)(2), a payment under title II, VIII,
17 or XVI for the use and benefit of another individual, con-
18 verts such payment, or any part thereof, to a use that
19 such person knows or should know is other than for the
20 use and benefit of such other individual shall be subject
21 to, in addition to any other penalties that may be pre-
22 scribed by law, a civil money penalty of not more than
23 \$5,000 for each such conversion. Such person shall also
24 be subject to an assessment, in lieu of damages sustained
25 by the United States resulting from the conversion, of not

1 more than twice the amount of any payments so con-
2 verted.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply with respect to violations com-
5 mitted after the date of the enactment of this Act.

6 **TITLE II—PROGRAM** 7 **PROTECTIONS**

8 **SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RE-**
9 **SPECT TO KNOWING WITHHOLDING OF MATE-**
10 **RIAL FACTS.**

11 (a) **TREATMENT OF WITHHOLDING OF MATERIAL**
12 **FACTS.**—

13 (1) **CIVIL PENALTIES.**—Section 1129(a)(1) of
14 the Social Security Act (42 U.S.C. 1320a-8(a)(1))
15 is amended—

16 (A) by striking “who” in the first sentence
17 and inserting “who—”;

18 (B) by striking “makes” in the first sen-
19 tence and all that follows through “shall be sub-
20 ject to,” and inserting the following:

21 “(A) makes, or causes to be made, a statement
22 or representation of a material fact, for use in deter-
23 mining any initial or continuing right to or the
24 amount of monthly insurance benefits under title II
25 or benefits or payments under title VIII or XVI;

1 that the person knows or should know is false or
2 misleading;

3 “(B) makes such a statement or representation
4 for such use with knowing disregard for the truth;
5 or

6 “(C) omits from a statement or representation
7 for such use, or otherwise withholds disclosure of, a
8 fact which the person knows or should know is mate-
9 rial to the determination of any initial or continuing
10 right to or the amount of monthly insurance benefits
11 under title II or benefits or payments under title
12 VIII or XVI, if the person knows, or should know,
13 that the statement or representation with such omis-
14 sion is false or misleading or that the withholding of
15 such disclosure is misleading;

16 shall be subject to,”

17 (C) by inserting “or each receipt of such
18 benefits or payments while withholding disclo-
19 sure of such fact” after “each such statement
20 or representation” in the first sentence;

21 (D) by inserting “or because of such with-
22 holding of disclosure of a material fact” after
23 “because of such statement or representation”
24 in the second sentence; and

1 (E) by inserting “or such a withholding of
2 disclosure” after “such a statement or rep-
3 resentation” in the second sentence.

4 (2) ADMINISTRATIVE PROCEDURE FOR IMPOS-
5 ING PENALTIES.—Section 1129A(a) of such Act (42
6 U.S.C. 1320a–8a(a)) is amended—

7 (A) by striking “who” the first place it ap-
8 pears and inserting “who—”; and

9 (B) by striking “makes” and all that fol-
10 lows through “shall be subject to,” and insert-
11 ing the following:

12 “(1) makes, or causes to be made, a statement
13 or representation of a material fact, for use in deter-
14 mining any initial or continuing right to or the
15 amount of monthly insurance benefits under title II
16 or benefits or payments under title XVI that the
17 person knows or should know is false or misleading;

18 “(2) makes such a statement or representation
19 for such use with knowing disregard for the truth;
20 or

21 “(3) omits from a statement or representation
22 for such use, or otherwise withholds disclosure of, a
23 fact which the person knows or should know is mate-
24 rial to the determination of any initial or continuing
25 right to or the amount of monthly insurance benefits

1 under title II or benefits or payments under title
2 XVI, if the person knows, or should know, that the
3 statement or representation with such omission is
4 false or misleading or that the withholding of such
5 disclosure is misleading,
6 shall be subject to.”

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

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 1129(b)(3)(A) of such Act (42
15 U.S.C. 1320a-8(b)(3)(A)) is amended by striking
16 “charging fraud or false statements”.

17 (2) Section 1129(e)(1) of such Act (42
18 U.S.C. 1320a-8(e)(1)) is amended by striking “and
19 representations” and inserting “, representations, or
20 actions”.

21 (3) Section 1129(e)(1)(A) of such Act (42
22 U.S.C. 1320a-8(e)(1)(A)) is amended by striking
23 “statement or representation referred to in sub-
24 section (a) was made” and inserting “violation oc-
25 curred”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply with respect to violations com-
3 mitted after the date on which the Commissioner imple-
4 ments the centralized computer file described in section
5 202.

6 **SEC. 202. ISSUANCE BY COMMISSIONER OF SOCIAL SECU-**
7 **RITY OF RECEIPTS TO ACKNOWLEDGE SUB-**
8 **MISSION OF REPORTS OF CHANGES IN WORK**
9 **OR EARNINGS STATUS OF DISABLED BENE-**
10 **FICIARIES.**

11 Effective as soon as possible, but not later than 1
12 year after the date of the enactment of this Act, until such
13 time as the Commissioner of Social Security implements
14 a centralized computer file recording the date of the sub-
15 mission of information by a disabled beneficiary (or rep-
16 resentative) regarding a change in the beneficiary's work
17 or earnings status, the Commissioner shall issue a receipt
18 to the disabled beneficiary (or representative) each time
19 he or she submits documentation, or otherwise reports to
20 the Commissioner, on a change in such status.

1 **SEC. 203. DENIAL OF TITLE II BENEFITS TO PERSONS FLEE-**
2 **ING PROSECUTION, CUSTODY, OR CONFINEMENT,**
3 **AND TO PERSONS VIOLATING PROBATION OR PAROLE.**
4

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

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

11 (2) in paragraph (1)(A)(ii)(IV), by striking
12 “or” at the end;

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

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

17 “(iv) is fleeing to avoid prosecution, or custody
18 or confinement after conviction, under the laws of
19 the place from which the person flees, for a crime,
20 or an attempt to commit a crime, which is a felony
21 under the laws of the place from which the person
22 flees, or which, in the case of the State of New Jersey,
23 is a high misdemeanor under the laws of such
24 State, or

25 “(v) is violating a condition of probation or parole
26 imposed under Federal or State law.

1 In the case of an individual from whom such monthly ben-
2 efits have been withheld pursuant to clause (iv) or (v),
3 the Commissioner may, for good cause shown, pay such
4 withheld benefits to the individual.”; and

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

7 “(C) Notwithstanding the provisions of section 552a
8 of title 5, United States Code, or any other provision of
9 Federal or State law (other than section 6103 of the Inter-
10 nal Revenue Code of 1986 and section 1106(e) of this
11 Act), the Commissioner shall furnish any Federal, State,
12 or local law enforcement officer, upon the written request
13 of the officer, with the current address, Social Security
14 number, and photograph (if applicable) of any beneficiary
15 under this title, if the officer furnishes the Commissioner
16 with the name of the beneficiary, and other identifying in-
17 formation as reasonably required by the Commissioner to
18 establish the unique identity of the beneficiary, and noti-
19 fies the Commissioner that—

20 “(i) the beneficiary—

21 “(I) is described in clause (iv) or (v) of
22 paragraph (1)(A); and

23 “(II) has information that is necessary for
24 the officer to conduct the officer’s official du-
25 ties; and

1 “(ii) the location or apprehension of the bene-
2 fiary is within the officer’s official duties.”.

3 (b) REGULATIONS.—Not later than the first day of
4 the first month that begins on or after the date that is
5 9 months after the date of the enactment of this Act, the
6 Commissioner of Social Security shall promulgate regula-
7 tions governing payment by the Commissioner, for good
8 cause shown, of withheld benefits, pursuant to the last
9 sentence of section 202(x)(1)(A) of the Social Security Act
10 (as amended by subsection (a)).

11 (c) EFFECTIVE DATE.—The amendments made by
12 subsection (a) shall take effect on the first day of the first
13 month that begins on or after the date that is 9 months
14 after the date of the enactment of this Act.

15 **SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PRO-**
16 **VIDE FOR A FEE A PRODUCT OR SERVICE**
17 **AVAILABLE WITHOUT CHARGE FROM THE SO-**
18 **CIAL SECURITY ADMINISTRATION.**

19 (a) IN GENERAL.—Section 1140 of the Social Secu-
20 rity Act (42 U.S.C. 1320b–10) is amended—

21 (1) in subsection (a), by adding at the end the
22 following new paragraph:

23 “(4)(A) No person shall offer, for a fee, to assist an
24 individual to obtain a product or service that the person
25 knows or should know is provided free of charge by the

1 Social Security Administration unless, at the time the
2 offer is made, the person provides to the individual to
3 whom the offer is tendered a notice that—

4 “(i) explains that the product or service is avail-
5 able free of charge from the Social Security Admin-
6 istration, and

7 “(ii) complies with standards prescribed by the
8 Commissioner of Social Security respecting the con-
9 tent of such notice and its placement, visibility, and
10 legibility.

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

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

15 “(ii) to prepare, or assist in the preparation of,
16 an individual’s plan for achieving self-support under
17 title XVI.”; and

18 (2) in the heading, by striking “PROHIBITION
19 OF MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN
20 REFERENCE” and inserting “PROHIBITIONS RELAT-
21 ING TO REFERENCES”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to offers of assistance made after
24 the sixth month ending after the Commissioner of Social
25 Security promulgates final regulations prescribing the

1 standards applicable to the notice required to be provided
2 in connection with such offer. The Commissioner shall
3 promulgate such final regulations within 1 year after the
4 date of the enactment of this Act.

5 **SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS**
6 **AS CLAIMANT REPRESENTATIVES.**

7 Section 206(a)(1) of the Social Security Act (42
8 U.S.C. 406(a)(1)) is amended by inserting after the sec-
9 ond sentence the following: “Notwithstanding the pre-
10 ceding sentences, the Commissioner, after due notice and
11 opportunity for hearing, (A) may refuse to recognize as
12 a representative, and may disqualify a representative al-
13 ready recognized, any attorney who has been disbarred or
14 suspended from any court or bar to which he or she was
15 previously admitted to practice or who has been disquali-
16 fied from participating in or appearing before any Federal
17 program or agency, and (B) may refuse to recognize, and
18 may disqualify, as a non-attorney representative any attor-
19 ney who has been disbarred or suspended from any court
20 or bar to which he or she was previously admitted to prac-
21 tice. A representative who has been disqualified or sus-
22 pended pursuant to this section from appearing before the
23 Social Security Administration as a result of collecting or
24 receiving a fee in excess of the amount authorized shall
25 be barred from appearing before the Social Security Ad-

1 person shall be fined not more than \$3,000, imprisoned
 2 not more than 1 year, or both. In this subsection, the
 3 term ‘threats of force’ means threats of harm to the officer
 4 or employee of the United States or to a contractor of
 5 the Social Security Administration, or to a member of the
 6 family of such an officer or employee or contractor.’’.

7 **SEC. 207. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-**
 8 **ERENCE TO SOCIAL SECURITY OR MEDICARE.**

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

11 (1) in subparagraph (A), by inserting “ ‘Centers for Medicare & Medicaid Services’,” after
 12 “ ‘Health Care Financing Administration’,”, by
 13 striking “or ‘Medicaid’, ” and inserting “ ‘Medicaid’, ‘Death Benefits Update’, ‘Federal Benefit In-
 14 formation’, ‘Funeral Expenses’, or ‘Final Supplemental Plan’,” and by inserting “ ‘CMS’,” after
 15 “ ‘HCFA’,”;

16 (2) in subparagraph (B), by inserting “Centers for Medicare & Medicaid Services,” after “Health
 17 Care Financing Administration,” each place it ap-
 18 pears; and

19 (3) in the matter following subparagraph (B),
 20 by striking “the Health Care Financing Administra-

1 tion,” each place it appears and inserting “the Cen-
 2 ters for Medicare & Medicaid Services,”.

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

6 **SEC. 208. DISQUALIFICATION FROM PAYMENT DURING**
 7 **TRIAL WORK PERIOD UPON CONVICTION OF**
 8 **FRAUDULENT CONCEALMENT OF WORK AC-**
 9 **TIVITY.**

10 (a) **IN GENERAL.**—Section 222(e) of the Social Secu-
 11 rity Act (42 U.S.C. 422(e)) is amended by adding at the
 12 end the following new paragraph:

13 “(5) Upon conviction by a Federal court that an indi-
 14 vidual has fraudulently concealed work activity during a
 15 period of trial work from the Commissioner of Social Secu-
 16 rity by—

17 “(A) providing false information to the Com-
 18 missioner of Social Security as to whether the indi-
 19 vidual had earnings in or for a particular period, or
 20 as to the amount thereof;

21 “(B) receiving disability insurance benefits
 22 under this title while engaging in work activity
 23 under another identity, including under another so-
 24 cial security account number or a number pur-
 25 porting to be a social security account number; or

1 “(b)(1) Any Federal court, when sentencing a defend-
 2 ant convicted of an offense under subsection (a), may
 3 order, in addition to or in lieu of any other penalty author-
 4 ized by law, that the defendant make restitution to the
 5 Social Security Administration.

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

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

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

16 (1) by striking “(i) RESTITUTION.—In any case
 17 where” and inserting the following:

18 “(i) RESTITUTION.—

19 “(1) IN GENERAL.—In any case where”; and

20 (2) by adding at the end the following new
 21 paragraph:

22 “(2) COURT ORDER FOR RESTITUTION.—

23 “(A) IN GENERAL.—Any Federal court,
 24 when sentencing a defendant convicted of an of-
 25 fense under subsection (a), may order, in addi-

1 tion to or in lieu of any other penalty author-
2 ized by law, that the defendant make restitution
3 to the Social Security Administration.

4 “(B) RELATED PROVISIONS.—Sections
5 3612, 3663, and 3664 of title 18, United States
6 Code, shall apply with respect to the issuance
7 and enforcement of orders of restitution under
8 this paragraph. In so applying such sections,
9 the Social Security Administration shall be con-
10 sidered the victim.

11 “(C) STATED REASONS FOR NOT ORDER-
12 ING RESTITUTION.—If the court does not order
13 restitution, or orders only partial restitution,
14 under this paragraph, the court shall state on
15 the record the reasons therefor.”.

16 (e) AMENDMENTS TO TITLE XVI.—Section 1632 of
17 such Act (42 U.S.C. 1383a) is amended—

18 (1) by redesignating subsection (b) as sub-
19 section (c); and

20 (2) by inserting after subsection (a) the fol-
21 lowing new subsection:

22 “(b)(1) Any Federal court, when sentencing a defend-
23 ant convicted of an offense under subsection (a), may
24 order, in addition to or in lieu of any other penalty author-

1 ized by law, that the defendant make restitution to the
2 Social Security Administration.

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

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

11 (d) SPECIAL ACCOUNT FOR RECEIPT OF RESTITU-
12 TION PAYMENTS.—Section 704(b) of such Act (42 U.S.C.
13 904(b)) is amended by adding at the end the following
14 new paragraph:

15 “(3)(A) Except as provided in subparagraph (B),
16 amounts received by the Social Security Administration
17 pursuant to an order of restitution under section 208(b),
18 807(i), or 1632(b) shall be credited to a special fund es-
19 tablished in the Treasury of the United States for
20 amounts so received or recovered. The amounts so cred-
21 ited, to the extent and in the amounts provided in advance
22 in appropriations Acts, shall be available to defray ex-
23 penses incurred in carrying out titles II, VIII, and XVI.

24 “(B) Subparagraph (A) shall not apply with respect
25 to amounts received in connection with misuse by a rep-

1 representative payee (within the meaning of sections 205(j),
 2 807, and 1631(a)(2)) of funds paid as benefits under title
 3 II, VIII, or XVI. Such amounts received in connection
 4 with misuse of funds paid as benefits under title II shall
 5 be transferred to the Managing Trustee of the Federal
 6 Old-Age and Survivors Insurance Trust Fund or the Fed-
 7 eral Disability Insurance Trust Fund, as determined ap-
 8 propriate by the Commissioner of Social Security, and
 9 such amounts shall be deposited by the Managing Trustee
 10 into such Trust Fund. All other such amounts shall be
 11 deposited by the Commissioner into the general fund of
 12 the Treasury as miscellaneous receipts.”.

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

17 **TITLE III—ATTORNEY FEE PAY-**
 18 **MENT SYSTEM IMPROVE-**
 19 **MENTS**

20 **SEC. 301. CAP ON ATTORNEY ASSESSMENTS.**

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

23 (1) by inserting “, except that the maximum
 24 amount of the assessment may not exceed the great-
 25 er of \$75 or the adjusted amount as provided pursu-

1 ant to the following two sentences” after “subpara-
2 graph (B)”;

3 (2) by adding at the end the following new sen-
4 tence: “In the case of any calendar year beginning
5 after the amendments made by section 301 of the
6 Social Security Protection Act of 2003 take effect,
7 the dollar amount specified in the preceding sentence
8 (including a previously adjusted amount) shall be
9 adjusted annually under the procedures used to ad-
10 just benefit amounts under section 215(i)(2)(A)(ii),
11 except such adjustment shall be based on the higher
12 of \$75 or the previously adjusted amount that would
13 have been in effect for December of the preceding
14 year, but for the rounding of such amount pursuant
15 to the following sentence. Any amount so adjusted
16 that is not a multiple of \$1 shall be rounded to the
17 next lowest multiple of \$1, but in no case less than
18 \$75.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to fees for representa-
21 tion of claimants which are first required to be certified
22 or paid under section 206 of the Social Security Act on
23 or after the first day of the first month that begins after
24 180 days after the date of the enactment of this Act.

1 **SEC. 302. EXTENSION OF ATTORNEY FEE PAYMENT SYSTEM**
2 **TO TITLE XVI CLAIMS.**

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

5 (1) in subparagraph (A), in the matter pre-
6 ceeding clause (i)—

7 (A) by striking “section 206(a)” and in-
8 serting “section 206”;

9 (B) by striking “(other than paragraph (4)
10 thereof)” and inserting “(other than sub-
11 sections (a)(4) and (d) thereof)”; and

12 (C) by striking “paragraph (2) thereof”
13 and inserting “such section”;

14 (2) in subparagraph (A)(i), by striking “in sub-
15 paragraphs (A)(ii)(I) and (C)(i),” and inserting “in
16 subparagraphs (A)(ii)(I) and (D)(i) of subsection
17 (a)(2)”, and by striking “and” at the end;

18 (3) by striking subparagraph (A)(ii) and insert-
19 ing the following:

20 “(ii) by substituting, in subsections (a)(2)(B)
21 and (b)(1)(B)(i), the phrase ‘section 1631(a)(7)(A)
22 or the requirements of due process of law’ for the
23 phrase ‘subsection (g) or (h) of section 223’;

24 “(iii) by substituting, in subsection (a)(2)(C)(i),
25 the phrase ‘under title II’ for the phrase ‘under title
26 XVI’;

1 “(iv) by substituting, in subsection (b)(1)(A),
2 the phrase ‘pay the amount of such fee’ for the
3 phrase ‘certify the amount of such fee for payment’
4 and by striking, in subsection (b)(1)(A), the phrase
5 ‘or certified for payment’; and

6 “(v) by substituting, in subsection (b)(1)(B)(ii),
7 the phrase ‘deemed to be such amounts as deter-
8 mined before any applicable reduction under section
9 1631(g), and reduced by the amount of any reduc-
10 tion in benefits under this title or title II made pur-
11 suant to section 1127(a)’ for the phrase ‘determined
12 before any applicable reduction under section
13 1127(a)’;” and

14 (4) by striking subparagraph (B) and inserting
15 the following new subparagraphs:

16 “(B) Subject to subparagraph (C), if the claimant is
17 determined to be entitled to past-due benefits under this
18 title and the person representing the claimant is an attor-
19 ney, the Commissioner of Social Security shall pay out of
20 such past-due benefits to such attorney an amount equal
21 to the lesser of—

22 “(i) so much of the maximum fee as does not
23 exceed 25 percent of such past-due benefits (as de-
24 termined before any applicable reduction under sec-
25 tion 1631(g) and reduced by the amount of any re-

1 duction in benefits under this title or title II pursu-
2 ant to section 1127(a)), or

3 “(ii) the amount of past-due benefits available
4 after any applicable reductions under sections
5 1631(g) and 1127(a).

6 “(C)(i) Whenever a fee for services is required to be
7 paid to an attorney from a claimant’s past-due benefits
8 pursuant to subparagraph (B), the Commissioner shall
9 impose on the attorney an assessment calculated in ac-
10 cordance with clause (ii).

11 “(ii)(I) The amount of an assessment under clause
12 (i) shall be equal to the product obtained by multiplying
13 the amount of the representative’s fee that would be re-
14 quired to be paid by subparagraph (B) before the applica-
15 tion of this subparagraph, by the percentage specified in
16 subclause (II), except that the maximum amount of the
17 assessment may not exceed \$75. In the case of any cal-
18 endar year beginning after the amendments made by sec-
19 tion 302 of the Social Security Protection Act of 2003
20 take effect, the dollar amount specified in the preceding
21 sentence (including a previously adjusted amount) shall be
22 adjusted annually under the procedures used to adjust
23 benefit amounts under section 215(i)(2)(A)(ii), except
24 such adjustment shall be based on the higher of \$75 or
25 the previously adjusted amount that would have been in

1 effect for December of the preceding year, but for the
2 rounding of such amount pursuant to the following sen-
3 tence. Any amount so adjusted that is not a multiple of
4 \$1 shall be rounded to the next lowest multiple of \$1, but
5 in no case less than \$75.

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

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

17 “(iv) An attorney subject to an assessment under
18 clause (i) may not, directly or indirectly, request or other-
19 wise obtain reimbursement for such assessment from the
20 claimant whose claim gave rise to the assessment.

21 “(v) Assessments on attorneys collected under this
22 subparagraph shall be deposited in the Treasury in a sepa-
23 rate fund created for this purpose.

24 “(vi) The assessments authorized under this subpara-
25 graph shall be collected and available for obligation only

1 to the extent and in the amount provided in advance in
2 appropriations Acts. Amounts so appropriated are au-
3 thorized to remain available until expended, for adminis-
4 trative expenses in carrying out this title and related
5 laws.”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall apply with respect to fees for rep-
9 resentation of claimants which are first required to
10 be certified or paid under section 1631(d)(2) of the
11 Social Security Act on or after the first day of the
12 first month that begins after 270 days after the date
13 of the enactment of this Act.

14 (2) SUNSET.—Such amendments shall not
15 apply with respect to fees for representation of
16 claimants in the case of any claim for benefits with
17 respect to which the agreement for representation is
18 entered into after 5 years after the date on which
19 the Commissioner of Social Security first imple-
20 ments the amendments made by this section.

21 (c) STUDY REGARDING FEE-WITHHOLDING FOR
22 NON-ATTORNEY REPRESENTATIVES.—

23 (1) STUDY.—As soon as practicable after the
24 date of the enactment of this Act, the Comptroller
25 General of the United States shall undertake a study

1 regarding fee-withholding for non-attorney rep-
2 resentatives representing claimants before the Social
3 Security Administration.

4 (2) MATTERS TO BE STUDIED.—In conducting
5 the study under this subsection, the Comptroller
6 General shall—

7 (A) compare the non-attorney representa-
8 tives who seek fee approval for representing
9 claimants before the Social Security Adminis-
10 tration to attorney representatives who seek
11 such fee approval, with regard to—

12 (i) their training, qualifications, and
13 competency,

14 (ii) the type and quality of services
15 provided, and

16 (iii) the extent to which claimants are
17 protected through oversight of such rep-
18 resentatives by the Social Security Admin-
19 istration or other organizations, and

20 (B) consider the potential results of ex-
21 tending to non-attorney representatives the fee
22 withholding procedures that apply under titles
23 II and XVI of the Social Security Act for the
24 payment of attorney fees, including the effect
25 on claimants and program administration.

1 **SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE**
2 **IN CONNECTION WITH DEMONSTRATION**
3 **PROJECTS PROVIDING FOR REDUCTIONS IN**
4 **DISABILITY INSURANCE BENEFITS BASED ON**
5 **EARNINGS.**

6 Section 302(e) of the Ticket to Work and Work In-
7 centives Improvement Act of 1999 (42 U.S.C. 434 note)
8 is amended by striking “(42 U.S.C. 401 et seq.),” and
9 inserting “(42 U.S.C. 401 et seq.) and the requirements
10 of section 1148 of such Act (42 U.S.C. 1320b–19) as they
11 relate to the program established under title II of such
12 Act.”.

13 **SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PRO-**
14 **VIDED FOR REDUCTIONS IN DISABILITY IN-**
15 **SURANCE BENEFITS BASED ON EARNINGS.**

16 Section 302(f) of the Ticket to Work and Work In-
17 centives Improvement Act of 1999 (42 U.S.C. 434 note)
18 is amended to read as follows:

19 “(f) EXPENDITURES.—Administrative expenses for
20 demonstration projects under this section shall be paid
21 from funds available for the administration of title II or
22 XVIII of the Social Security Act, as appropriate. Benefits
23 payable to or on behalf of individuals by reason of partici-
24 pation in projects under this section shall be made from
25 the Federal Disability Insurance Trust Fund and the Fed-
26 eral Old-Age and Survivors Insurance Trust Fund, as de-

1 terminated appropriate by the Commissioner of Social Secu-
 2 rity, and from the Federal Hospital Insurance Trust Fund
 3 and the Federal Supplementary Medical Insurance Trust
 4 Fund; as determined appropriate by the Secretary of
 5 Health and Human Services, from funds available for ben-
 6 efits under such title II or XVIII.”.

7 **SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK IN-**
 8 **CENTIVE SERVICES TO ADDITIONAL INDIVID-**
 9 **UALS.**

10 (a) **FEDERAL WORK INCENTIVES OUTREACH PRO-**
 11 **GRAM.—**

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

15 “(2) **DISABLED BENEFICIARY.—**The term ‘dis-
 16 abled beneficiary’ means an individual—

17 “(A) who is a disabled beneficiary as de-
 18 fined in section 1148(k)(2) of this Act;

19 “(B) who is receiving a cash payment de-
 20 scribed in section 1616(a) of this Act or a sup-
 21 plementary payment described in section
 22 212(a)(3) of Public Law 93-66 (without regard
 23 to whether such payment is paid by the Com-
 24 missioner pursuant to an agreement under sec-

1 tion 1616(a) of this Act or under section
2 212(b) of Public Law 93-66);

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

6 “(D) who is entitled to benefits under part
7 A of title XVIII of this Act by reason of the pe-
8 nultimate sentence of section 226(b) of this
9 Act.”.

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

14 (b) STATE GRANTS FOR WORK INCENTIVES ASSIST-
15 ANCE.—

16 (1) DEFINITION OF DISABLED BENEFICIARY.—
17 Section 1150(g)(2) of such Act (42 U.S.C. 1320b-
18 21(g)(2)) is amended to read as follows:

19 “(2) DISABLED BENEFICIARY.—The term ‘dis-
20 abled beneficiary’ means an individual—

21 “(A) who is a disabled beneficiary as de-
22 fined in section 1148(k)(2) of this Act;

23 “(B) who is receiving a cash payment de-
24 scribed in section 1616(a) of this Act or a sup-
25 plementary payment described in section

1 ~~212(a)(3) of Public Law 93-66 (without regard~~
2 ~~to whether such payment is paid by the Com-~~
3 ~~missioner pursuant to an agreement under sec-~~
4 ~~tion 1616(a) of this Act or under section~~
5 ~~212(b) of Public Law 93-66);~~

6 ~~“(C) who, pursuant to section 1619(b) of~~
7 ~~this Act, is considered to be receiving benefits~~
8 ~~under title XVI of this Act; or~~

9 ~~“(D) who is entitled to benefits under part~~
10 ~~A of title XVIII of this Act by reason of the pe-~~
11 ~~ultimate sentence of section 226(b) of this~~
12 ~~Act.”.~~

13 ~~(2) ADVOCACY OR OTHER SERVICES NEEDED~~
14 ~~TO MAINTAIN GAINFUL EMPLOYMENT.—Section~~
15 ~~1150(b)(2) of such Act (42 U.S.C. 1320b-21(b)(2))~~
16 ~~is amended by striking “secure or regain” and in-~~
17 ~~serting “secure, maintain, or regain”.~~

18 ~~(3) EFFECTIVE DATE.—The amendments made~~
19 ~~by this subsection shall apply with respect to pay-~~
20 ~~ments provided after the date of the enactment of~~
21 ~~this Act.~~

1 **SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREAT-**
 2 **MENT FOR CERTAIN PURPOSES OF INDI-**
 3 **VIDUAL WORK PLANS UNDER THE TICKET TO**
 4 **WORK AND SELF-SUFFICIENCY PROGRAM.**

5 (a) **IN GENERAL.**—Section 1148(g)(1) of the Social
 6 Security Act (42 U.S.C. 1320b–19) is amended by adding
 7 at the end, after and below subparagraph (E), the fol-
 8 lowing new sentence:

9 “An individual work plan established pursuant to
 10 this subsection shall be treated, for purposes of sec-
 11 tion 51(d)(6)(B)(i) of the Internal Revenue Code of
 12 1986, as an individualized written plan for employ-
 13 ment under a State plan for vocational rehabilitation
 14 services approved under the Rehabilitation Act of
 15 1973.”.

16 (b) **EFFECTIVE DATE.**—The amendment made by
 17 subsection (a) shall take effect as if included in section
 18 505 of the Ticket to Work and Work Incentives Improve-
 19 ment Act of 1999 (Public Law 106–170; 113 Stat. 1921).

20 **Subtitle B—Miscellaneous**
 21 **Amendments**

22 **SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN**
 23 **REMAND CASES FULLY FAVORABLE TO THE**
 24 **CLAIMANT.**

25 (a) **IN GENERAL.**—Section 205(g) of the Social Secu-
 26 rity Act (42 U.S.C. 405(g)) is amended in the sixth sen-

1 tence by striking “and a transcript” and inserting “and,
2 in any case in which the Commissioner has not made a
3 decision fully favorable to the individual, a transcript”.

4 (b) **EFFECTIVE DATE.**—The amendment made by
5 this section shall apply with respect to final determina-
6 tions issued (upon remand) on or after the date of the
7 enactment of this Act.

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

10 (a) **IN GENERAL.**—Paragraphs (1) and (2) of section
11 202(n) of the Social Security Act (42 U.S.C. 402(n)(1),
12 (2)) are each amended by striking “or (1)(E)”.

13 (b) **EFFECTIVE DATE.**—The amendment made by
14 this section to section 202(n)(1) of the Social Security Act
15 shall apply to individuals with respect to whom the Com-
16 missioner of Social Security receives a removal notice from
17 the Attorney General after the date of the enactment of
18 this Act. The amendment made by this section to section
19 202(n)(2) of the Social Security Act shall apply with re-
20 spect to removals occurring after the date of the enact-
21 ment of this Act.

22 **SEC. 413. REINSTATEMENT OF CERTAIN REPORTING RE-**
23 **QUIREMENTS.**

24 Section 3003(a)(1) of the Federal Reports Elimini-
25 nation and Sunset Act of 1995 (31 U.S.C. 1113 note)

1 shall not apply to any report required to be submitted
2 under any of the following provisions of law:

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

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

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

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

11 (B) Section 221(i)(3) of the Social Security Act
12 (42 U.S.C. 421(i)(3)).

13 **SEC. 414. CLARIFICATION OF DEFINITIONS REGARDING**
14 **CERTAIN SURVIVOR BENEFITS.**

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

17 (1) by redesignating subclauses (A) through (C)
18 of clause (6) as subclauses (i) through (iii), respec-
19 tively;

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

22 (3) in clause (E) (as redesignated), by inserting
23 “except as provided in paragraph (2),” before “she
24 was married”;

25 (4) by inserting “(1)” after “(e)”; and

1 (5) by adding at the end the following new
2 paragraph:

3 “(2) The requirements of paragraph (1)(E) in con-
4 nection with the surviving wife of an individual shall be
5 treated as satisfied if—

6 “(A) the individual had been married prior to
7 the individual’s marriage to the surviving wife;

8 “(B) the prior wife was institutionalized during
9 the individual’s marriage to the prior wife due to
10 mental incompetence or similar incapacity;

11 “(C) during the period of the prior wife’s insti-
12 tutionalization, the individual would have divorced
13 the prior wife and married the surviving wife, but
14 the individual did not do so because such divorce
15 would have been unlawful, by reason of the prior
16 wife’s institutionalization, under the laws of the
17 State in which the individual was domiciled at the
18 time (as determined based on evidence satisfactory
19 to the Commissioner of Social Security);

20 “(D) the prior wife continued to remain institu-
21 tionalized up to the time of her death, and

22 “(E) the individual married the surviving wife
23 within 60 days after the prior wife’s death.”.

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

1 (1) by redesignating subclauses (A) through (C)
2 of clause (6) as subclauses (i) through (iii), respec-
3 tively;

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

6 (3) in clause (E) (as redesignated), by inserting
7 “except as provided in paragraph (2),” before “he
8 was married”;

9 (4) by inserting “(1)” after “(g)”; and

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

12 “(2) The requirements of paragraph (1)(E) in con-
13 nection with the surviving husband of an individual shall
14 be treated as satisfied if—

15 “(A) the individual had been married prior to
16 the individual’s marriage to the surviving husband;

17 “(B) the prior husband was institutionalized
18 during the individual’s marriage to the prior hus-
19 band due to mental incompetence or similar inca-
20 pacity;

21 “(C) during the period of the prior husband’s
22 institutionalization, the individual would have di-
23 vored the prior husband and married the surviving
24 husband, but the individual did not do so because
25 such divorce would have been unlawful, by reason of

1 the prior husband's institutionalization, under the
2 laws of the State in which the individual was domi-
3 ciled at the time (as determined based on evidence
4 satisfactory to the Commissioner of Social Security);

5 “(D) the prior husband continued to remain in-
6 stitutionalized up to the time of his death, and

7 “(E) the individual married the surviving hus-
8 band within 60 days after the prior husband's
9 death.”.

10 (e) CONFORMING AMENDMENT.—Section 216(k) of
11 such Act (42 U.S.C. 416(k)) is amended by striking
12 “clause (5) of subsection (e) or clause (5) of subsection
13 (g)” and inserting “clause (E) of subsection (e)(1) or
14 clause (E) of subsection (g)(1)”.

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

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

6 Sections 1401(c), 3101(c), and 3111(c) of the Inter-
 7 nal Revenue Code of 1986 are each amended by striking
 8 “to taxes or contributions for similar purposes under” and
 9 inserting “exclusively to the laws applicable to”.

10 **SEC. 416. COVERAGE UNDER DIVIDED RETIREMENT SYS-**
 11 **TEM FOR PUBLIC EMPLOYEES IN KENTUCKY.**

12 (a) **IN GENERAL.**—Section 218(d)(6)(C) of the Social
 13 Security Act (42 U.S.C. 418(d)(6)(C)) is amended by in-
 14 serting “Kentucky,” after “Illinois,”.

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

17 **SEC. 417. COMPENSATION FOR THE SOCIAL SECURITY AD-**
 18 **VISORY BOARD.**

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

22 “Compensation, Expenses, and Per Diem
 23 “(f) A member of the Board shall, for each day (in-
 24 cluding traveltime) during which the member is attending
 25 meetings or conferences of the Board or otherwise engaged
 26 in the business of the Board, be compensated at the daily

1 rate of basic pay for level IV of the Executive Schedule.
 2 While serving on business of the Board away from their
 3 homes or regular places of business, members may be al-
 4 lowed travel expenses, including per diem in lieu of sub-
 5 sistence, as authorized by section 5703 of title 5, United
 6 States Code, for persons in the Government employed
 7 intermittently.”.

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

10 **SEC. 418. 60-MONTH PERIOD OF EMPLOYMENT REQUIRE-**
 11 **MENT FOR APPLICATION OF GOVERNMENT**
 12 **PENSION OFFSET EXEMPTION.**

13 (a) WIFE’S INSURANCE BENEFITS.—Section
 14 202(b)(4)(A) of the Social Security Act (42 U.S.C.
 15 402(b)(4)(A)) is amended by striking “if, on” and insert-
 16 ing “if, during any portion of the last 60 months of such
 17 service ending with”.

18 (b) HUSBAND’S INSURANCE BENEFITS.—Section
 19 202(c)(2)(A) of such Act (42 U.S.C. 402(c)(2)(A)) is
 20 amended by striking “if, on” and inserting “if, during any
 21 portion of the last 60 months of such service ending with”.

22 (c) WIDOW’S INSURANCE BENEFITS.—Section
 23 202(e)(7)(A) of such Act (42 U.S.C. 402(e)(7)(A)) is
 24 amended by striking “if, on” and inserting “if, during any
 25 portion of the last 60 months of such service ending with”.

1 (d) WIDOWER'S INSURANCE BENEFITS.—Section
2 202(f)(2)(A) of such Act (42 U.S.C. 402(f)(2)(A)) is
3 amended by striking “if, on” and inserting “if, during any
4 portion of the last 60 months of such service ending with”.

5 (e) MOTHER'S AND FATHER'S INSURANCE BENE-
6 FITS.—Section 202(g)(4)(A) of the such Act (42 U.S.C.
7 402(g)(4)(A)) is amended by striking “if, on” and insert-
8 ing “if, during any portion of the last 60 months of such
9 service ending with”.

10 (f) EFFECTIVE DATE.—The amendments made by
11 this section shall apply with respect to applications for
12 benefits under title II of the Social Security Act filed on
13 or after the first day of the first month that begins after
14 the date of the enactment of this Act, except that such
15 amendments shall not apply in connection with monthly
16 periodic benefits of any individual based on earnings while
17 in service described in section 202(b)(4)(A), 202(e)(2)(A),
18 202(e)(7)(A), or 202(f)(2)(A) of the Social Security Act
19 (in the matter preceding clause (i) thereof)—

20 (1) if the last day of such service occurs before
21 the end of the 90-day period following the date of
22 the enactment of this Act, or

23 (2) in any case in which the last day of such
24 service occurs after the end of such 90-day period,
25 such individual performed such service during such

1 90-day period which constituted “employment” as
 2 defined in section 210 of such Act, and all such
 3 service subsequently performed by such individual
 4 has constituted such “employment”.

5 **Subtitle C—Technical Amendments**

6 **SEC. 421. TECHNICAL CORRECTION RELATING TO RESPON-** 7 **SIBLE AGENCY HEAD.**

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

10 (1) by striking “Secretary” the first place it ap-
 11 pears and inserting “Commissioner of Social Secu-
 12 rity”; and

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

15 **SEC. 422. TECHNICAL CORRECTION RELATING TO RETIRE-** 16 **MENT BENEFITS OF MINISTERS.**

17 (a) **IN GENERAL.**—Section 211(a)(7) of the Social
 18 Security Act (42 U.S.C. 411(a)(7)) is amended by insert-
 19 ing “, but shall not include in any such net earnings from
 20 self-employment the rental value of any parsonage or any
 21 parsonage allowance (whether or not excluded under sec-
 22 tion 107 of the Internal Revenue Code of 1986) provided
 23 after the individual retires, or any other retirement benefit
 24 received by such individual from a church plan (as defined

1 in section 414(e) of such Code) after the individual re-
 2 tires² before the semicolon.

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

6 **SEC. 423. TECHNICAL CORRECTIONS RELATING TO DOMES-**
 7 **TIC EMPLOYMENT.**

8 (a) **AMENDMENT TO INTERNAL REVENUE CODE.**—
 9 Section 3121(a)(7)(B) of the Internal Revenue Code of
 10 1986 is amended by striking “described in subsection
 11 (g)(5)” and inserting “on a farm operated for profit”.

12 (b) **AMENDMENT TO SOCIAL SECURITY ACT.**—Sec-
 13 tion 209(a)(6)(B) of the Social Security Act (42
 14 U.S.C. 409(a)(6)(B)) is amended by striking “described
 15 in section 210(f)(5)” and inserting “on a farm operated
 16 for profit”.

17 (c) **CONFORMING AMENDMENT.**—Section 3121(g)(5)
 18 of such Code and section 210(f)(5) of such Act (42
 19 U.S.C. 410(f)(5)) are amended by striking “or is domes-
 20 tic service in a private home of the employer”.

21 **SEC. 424. TECHNICAL CORRECTIONS OF OUTDATED REF-**
 22 **ERENCES.**

23 (a) **CORRECTION OF TERMINOLOGY AND CITATIONS**
 24 **RESPECTING REMOVAL FROM THE UNITED STATES.**—
 25 Section 202(n) of the Social Security Act (42

1 U.S.C. 402(n)) (as amended by section 412) is amended
2 further—

3 (1) by striking “deportation” each place it ap-
4 pears and inserting “removal”;

5 (2) by striking “deported” each place it appears
6 and inserting “removed”;

7 (3) in paragraph (1) (in the matter preceding
8 subparagraph (A)), by striking “under section
9 241(a) (other than under paragraph (1)(C) there-
10 of)” and inserting “under section 237(a) (other than
11 paragraph (1)(C) thereof) or 212(a)(6)(A)”;

12 (4) in paragraph (2), by striking “under any of
13 the paragraphs of section 241(a) of the Immigration
14 and Nationality Act (other than under paragraph
15 (1)(C) thereof)” and inserting “under any of the
16 paragraphs of section 237(a) of the Immigration and
17 Nationality Act (other than paragraph (1)(C) there-
18 of) or under section 212(a)(6)(A) of such Act”;

19 (5) in paragraph (3)—

20 (A) by striking “paragraph (19) of section
21 241(a)” and inserting “subparagraph (D) of
22 section 237(a)(4)”; and

23 (B) by striking “paragraph (19)” and in-
24 serting “subparagraph (D)”; and

1 gross income and deductions of each spouse on the basis
 2 of their respective distributive share of the gross income
 3 and deductions;”.

4 (b) INTERNAL REVENUE CODE OF 1986 AMEND-
 5 MENT.—Section 1402(a)(5)(A) of the Internal Revenue
 6 Code of 1986 is amended by striking “all of the gross in-
 7 come” and all that follows and inserting “the gross income
 8 and deductions attributable to such trade or business shall
 9 be treated as the gross income and deductions of the
 10 spouse carrying on such trade or business or, if such trade
 11 or business is jointly operated, treated as the gross income
 12 and deductions of each spouse on the basis of their respec-
 13 tive distributive share of the gross income and deductions;
 14 and”.

15 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

16 (a) *SHORT TITLE.*—This Act may be cited as the “So-
 17 cial Security Protection Act of 2003”.

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

Sec. 1. Short title and table of contents.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

Sec. 101. Authority to reissue benefits misused by organizational representative payees.

Sec. 102. Oversight of representative payees.

Sec. 103. Disqualification from service as representative payee of persons convicted of offenses resulting in imprisonment for more than 1 year or fleeing prosecution, custody, or confinement.

Sec. 104. Fee forfeiture in case of benefit misuse by representative payees.

Sec. 105. Liability of representative payees for misused benefits.

- Sec. 106. Authority to redirect delivery of benefit payments when a representative payee fails to provide required accounting.*
- Sec. 107. Survey of use of payments by representative payees.*

Subtitle B—Enforcement

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

TITLE II—PROGRAM PROTECTIONS

- Sec. 201. Civil monetary penalty authority with respect to withholding of material facts.*
- Sec. 202. Issuance by Commissioner of Social Security of receipts to acknowledge submission of reports of changes in work or earnings status of disabled beneficiaries.*
- Sec. 203. Denial of title II benefits to persons fleeing prosecution, custody, or confinement, and to persons violating probation or parole.*
- Sec. 204. Requirements relating to offers to provide for a fee a product or service available without charge from the Social Security Administration.*
- Sec. 205. Refusal to recognize certain individuals as claimant representatives.*
- Sec. 206. Criminal penalty for corrupt or forcible interference with administration of Social Security Act.*
- Sec. 207. Use of symbols, emblems, or names in reference to social security or medicare.*
- Sec. 208. Disqualification from payment during trial work period upon conviction of fraudulent concealment of work activity.*
- Sec. 209. Authority for judicial orders of restitution.*
- Sec. 210. Information for administration of provisions related to noncovered employment.*
- Sec. 211. Cross-program recovery of overpayments.*
- Sec. 212. Prohibition on payment of title II benefits to persons not authorized to work in the United States.*

TITLE III—ATTORNEY REPRESENTATIVE FEE PAYMENT SYSTEM IMPROVEMENTS

- Sec. 301. Cap on attorney assessments.*
- Sec. 302. GAO study of fee payment process for claimant representatives.*

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

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

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

Sec. 406. GAO study regarding the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Miscellaneous Amendments

Sec. 411. Elimination of transcript requirement in remand cases fully favorable to the claimant.

Sec. 412. Nonpayment of benefits upon removal from the United States.

Sec. 413. Reinstatement of certain reporting requirements.

Sec. 414. Clarification of definitions regarding certain survivor benefits.

Sec. 415. Clarification respecting the FICA and SECA tax exemptions for an individual whose earnings are subject to the laws of a totalization agreement partner.

Sec. 416. Coverage under divided retirement system for public employees.

Sec. 417. Compensation for the Social Security Advisory Board.

Sec. 418. 60-month period of employment requirement for government pension offset exemption.

Sec. 419. Post-1956 Military Wage Credits.

Subtitle C—Technical Amendments

Sec. 421. Technical correction relating to responsible agency head.

Sec. 422. Technical correction relating to retirement benefits of ministers.

Sec. 423. Technical corrections relating to domestic employment.

Sec. 424. Technical corrections of outdated references.

Sec. 425. Technical correction respecting self-employment income in community property States.

Sec. 426. Technical amendments to the Railroad Retirement and Survivors Improvement Act of 2001.

Subtitle D—Amendments Related to Title XVI

Sec. 430. Exclusion from income for certain infrequent or irregular income and certain interest or dividend income.

Sec. 431. Uniform 9-month resource exclusion periods.

Sec. 432. Modification of dedicated account requirements.

Sec. 433. Elimination of certain restrictions on the application of the student earned income exclusion.

Sec. 434. Exclusion of Americorps and other volunteer benefits for purposes of determining supplemental security income eligibility and benefit amounts and social security disability insurance entitlement.

Sec. 435. Exception to retrospective monthly accounting for nonrecurring income.

Sec. 436. Removal of restriction on payment of benefits to children who are born or who become blind or disabled after their military parents are stationed overseas.

Sec. 437. Treatment of education-related income and resources.

Sec. 438. Monthly treatment of uniformed service compensation.

Sec. 439. Update of resource limits.

Sec. 440. Review of State agency blindness and disability determinations.

1 **TITLE I—PROTECTION OF**
2 **BENEFICIARIES**

3 **Subtitle A—Representative Payees**

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

6 *(a) TITLE II AMENDMENTS.—*

7 *(1) REISSUANCE OF BENEFITS.—Section*
8 *205(j)(5) of the Social Security Act (42*
9 *U.S.C. 405(j)(5)) is amended by inserting after the*
10 *first sentence the following: “In any case in which a*
11 *representative payee that—*

12 *“(A) is not an individual (regardless of whether*
13 *it is a ‘qualified organization’ within the meaning of*
14 *paragraph (4)(B)); or*

15 *“(B) is an individual who, for any month dur-*
16 *ing a period when misuse occurs, serves 15 or more*
17 *individuals who are beneficiaries under this title, title*
18 *VIII, title XVI, or any combination of such titles;*

19 *misuses all or part of an individual’s benefit paid to such*
20 *representative payee, the Commissioner of Social Security*
21 *shall certify for payment to the beneficiary or the bene-*
22 *ficiary’s alternative representative payee an amount equal*
23 *to the amount of such benefit so misused. The provisions*
24 *of this paragraph are subject to the limitations of para-*
25 *graph (7)(B).”.*

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

4 “(8) For purposes of this subsection, misuse of benefits
5 by a representative payee occurs in any case in which the
6 representative payee receives payment under this title for
7 the use and benefit of another person and converts such pay-
8 ment, or any part thereof, to a use other than for the use
9 and benefit of such other person. The Commissioner of So-
10 cial Security may prescribe by regulation the meaning of
11 the term ‘use and benefit’ for purposes of this paragraph.”.

12 (b) *TITLE VIII AMENDMENTS.*—

13 (1) *REISSUANCE OF BENEFITS.*—Section
14 807(i)(1) of the Social Security Act (42
15 U.S.C. 1007(i)) (as amended by section 209(b)(1) of
16 this Act) is amended further by inserting after the
17 first sentence the following: “In any case in which a
18 representative payee that—

19 “(A) is not an individual; or

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

1 *misuses all or part of an individual's benefit paid to*
2 *such representative payee, the Commissioner of Social*
3 *Security shall pay to the beneficiary or the bene-*
4 *ficiary's alternative representative payee an amount*
5 *equal to the amount of such benefit so misused. The*
6 *provisions of this paragraph are subject to the limita-*
7 *tions of subsection (l)(2).”.*

8 (2) *MISUSE OF BENEFITS DEFINED.*—Section
9 807 of such Act (42 U.S.C. 1007) is amended by add-
10 ing at the end the following:

11 “(j) *MISUSE OF BENEFITS.*—For purposes of this title,
12 *misuse of benefits by a representative payee occurs in any*
13 *case in which the representative payee receives payment*
14 *under this title for the use and benefit of another person*
15 *under this title and converts such payment, or any part*
16 *thereof, to a use other than for the use and benefit of such*
17 *person. The Commissioner of Social Security may prescribe*
18 *by regulation the meaning of the term ‘use and benefit’ for*
19 *purposes of this subsection.”.*

20 (3) *TECHNICAL AMENDMENT.*—Section 807(a) of
21 such Act (42 U.S.C. 1007(a)) is amended, in the first
22 sentence, by striking “for his or her benefit” and in-
23 serting “for his or her use and benefit”.

24 (c) *TITLE XVI AMENDMENTS.*—

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

6 “(i) is not an individual (regardless of whether
7 it is a ‘qualified organization’ within the meaning of
8 subparagraph (D)(ii)); or

9 “(ii) is an individual who, for any month dur-
10 ing a period when misuse occurs, serves 15 or more
11 individuals who are beneficiaries under this title, title
12 II, title VIII, or any combination of such titles;
13 misuses all or part of an individual’s benefit paid to such
14 representative payee, the Commissioner of Social Security
15 shall pay to the beneficiary or the beneficiary’s alternative
16 representative payee an amount equal to the amount of such
17 benefit so misused. The provisions of this subparagraph are
18 subject to the limitations of subparagraph (H)(ii).”.

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

22 (A) in paragraph (12), by striking “and”
23 at the end;

24 (B) in paragraph (13), by striking the pe-
25 riod and inserting “; and”; and

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

3 “(14) for the 9-month period beginning after the
4 month in which received, any amount received by
5 such individual (or spouse) or any other person whose
6 income is deemed to be included in such individual’s
7 (or spouse’s) income for purposes of this title as res-
8 titution for benefits under this title, title II, or title
9 VIII that a representative payee of such individual
10 (or spouse) or such other person under section 205(j),
11 807, or 1631(a)(2) has misused.”.

12 (3) MISUSE OF BENEFITS DEFINED.—Section
13 1631(a)(2)(A) of such Act (42 U.S.C. 1383(a)(2)(A))
14 is amended by adding at the end the following:

15 “(iv) For purposes of this paragraph, misuse of bene-
16 fits by a representative payee occurs in any case in which
17 the representative payee receives payment under this title
18 for the use and benefit of another person and converts such
19 payment, or any part thereof, to a use other than for the
20 use and benefit of such other person. The Commissioner of
21 Social Security may prescribe by regulation the meaning
22 of the term ‘use and benefit’ for purposes of this clause.”.

23 (d) EFFECTIVE DATE.—The amendments made by this
24 section shall apply to any case of benefit misuse by a rep-
25 resentative payee with respect to which the Commissioner

1 of Social Security makes the determination of misuse on
2 or after January 1, 1995.

3 **SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.**

4 (a) *CERTIFICATION OF BONDING AND LICENSING RE-*
5 *QUIREMENTS FOR NONGOVERNMENTAL ORGANIZATIONAL*
6 *REPRESENTATIVE PAYEES.—*

7 (1) *TITLE II AMENDMENTS.—Section 205(j) of*
8 *the Social Security Act (42 U.S.C. 405(j)) is amend-*
9 *ed—*

10 (A) *in paragraph (2)(C)(v), by striking “a*
11 *community-based nonprofit social service agency*
12 *licensed or bonded by the State” in subclause (I)*
13 *and inserting “a certified community-based non-*
14 *profit social service agency (as defined in para-*
15 *graph (9))”;*

16 (B) *in paragraph (3)(F), by striking “com-*
17 *munity-based nonprofit social service agencies”*
18 *and inserting “certified community-based non-*
19 *profit social service agencies (as defined in para-*
20 *graph (9))”;*

21 (C) *in paragraph (4)(B), by striking “any*
22 *community-based nonprofit social service agency*
23 *which is bonded or licensed in each State in*
24 *which it serves as a representative payee” and*
25 *inserting “any certified community-based non-*

1 *profit social service agency (as defined in para-*
2 *graph (9))”*; and

3 (D) *by adding after paragraph (8) (as*
4 *added by section 101(a)(2) of this Act) the fol-*
5 *lowing:*

6 “(9) *For purposes of this subsection, the term ‘certified*
7 *community-based nonprofit social service agency’ means a*
8 *community-based nonprofit social service agency which is*
9 *in compliance with requirements, under regulations which*
10 *shall be prescribed by the Commissioner, for annual certifi-*
11 *cation to the Commissioner that it is bonded in accordance*
12 *with requirements specified by the Commissioner and that*
13 *it is licensed in each State in which it serves as a represent-*
14 *ative payee (if licensing is available in the State) in accord-*
15 *ance with requirements specified by the Commissioner. Any*
16 *such annual certification shall include a copy of any inde-*
17 *pendent audit on the agency which may have been per-*
18 *formed since the previous certification.”*.

19 (2) *TITLE XVI AMENDMENTS.—Section*
20 *1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is*
21 *amended—*

22 (A) *in subparagraph (B)(vii), by striking*
23 *“a community-based nonprofit social service*
24 *agency licensed or bonded by the State” in sub-*
25 *clause (I) and inserting “a certified community-*

1 *based nonprofit social service agency (as defined*
2 *in subparagraph (I))”;*

3 *(B) in subparagraph (D)(ii)—*

4 *(i) by striking “or any community-*
5 *based” and all that follows through “in ac-*
6 *cordance” in subclause (II) and inserting*
7 *“or any certified community-based non-*
8 *profit social service agency (as defined in*
9 *subparagraph (I)), if the agency, in accord-*
10 *ance”;*

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

15 *(iii) by striking “subclause (II)(bb)”*
16 *and inserting “subclause (II)”;* and

17 *(C) by adding at the end the following:*

18 *“(I) For purposes of this paragraph, the term ‘certified*
19 *community-based nonprofit social service agency’ means a*
20 *community-based nonprofit social service agency which is*
21 *in compliance with requirements, under regulations which*
22 *shall be prescribed by the Commissioner, for annual certifi-*
23 *cation to the Commissioner that it is bonded in accordance*
24 *with requirements specified by the Commissioner and that*
25 *it is licensed in each State in which it serves as a represent-*

1 *ative payee (if licensing is available in the State) in accord-*
2 *ance with requirements specified by the Commissioner. Any*
3 *such annual certification shall include a copy of any inde-*
4 *pendent audit on the agency which may have been per-*
5 *formed since the previous certification.”.*

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

10 (b) *PERIODIC ONSITE REVIEW.*—

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

14 “(6)(A) *In addition to such other reviews of represent-*
15 *ative payees as the Commissioner of Social Security may*
16 *otherwise conduct, the Commissioner shall provide for the*
17 *periodic onsite review of any person or agency located in*
18 *the United States that receives the benefits payable under*
19 *this title (alone or in combination with benefits payable*
20 *under title VIII or title XVI) to another individual pursu-*
21 *ant to the appointment of such person or agency as a rep-*
22 *resentative payee under this subsection, section 807, or sec-*
23 *tion 1631(a)(2) in any case in which—*

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

4 “(ii) the representative payee is a certified com-
5 munity-based nonprofit social service agency (as de-
6 fined in paragraph (9) of this subsection or section
7 1631(a)(2)(I)); or

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

12 “(B) Within 120 days after the end of each fiscal year,
13 the Commissioner shall submit to the Committee on Ways
14 and Means of the House of Representatives and the Com-
15 mittee on Finance of the Senate a report on the results of
16 periodic onsite reviews conducted during the fiscal year
17 pursuant to subparagraph (A) and of any other reviews of
18 representative payees conducted during such fiscal year in
19 connection with benefits under this title. Each such report
20 shall describe in detail all problems identified in such re-
21 views and any corrective action taken or planned to be
22 taken to correct such problems, and shall include—

23 “(i) the number of such reviews;

24 “(ii) the results of such reviews;

1 “(iii) the number of cases in which the represent-
2 ative payee was changed and why;

3 “(iv) the number of cases involving the exercise
4 of expedited, targeted oversight of the representative
5 payee by the Commissioner conducted upon receipt of
6 an allegation of misuse of funds, failure to pay a ven-
7 dor, or a similar irregularity;

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

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

12 “(vii) the final disposition of such cases of mis-
13 use of funds, including any criminal penalties im-
14 posed; and

15 “(viii) such other information as the Commis-
16 sioner deems appropriate.”.

17 (2) *TITLE VIII AMENDMENT.*—Section 807 of
18 such Act (as amended by section 101(b)(2) of this Act)
19 is amended further by adding at the end the fol-
20 lowing:

21 “(k) *PERIODIC ONSITE REVIEW.*—

22 “(1) *IN GENERAL.*—In addition to such other re-
23 views of representative payees as the Commissioner of
24 Social Security may otherwise conduct, the Commis-
25 sioner may provide for the periodic onsite review of

1 *any person or agency that receives the benefits pay-*
2 *able under this title (alone or in combination with*
3 *benefits payable under title II or title XVI) to another*
4 *individual pursuant to the appointment of such per-*
5 *son or agency as a representative payee under this*
6 *section, section 205(j), or section 1631(a)(2) in any*
7 *case in which—*

8 *“(A) the representative payee is a person*
9 *who serves in that capacity with respect to 15 or*
10 *more such individuals; or*

11 *“(B) the representative payee is an agency*
12 *that serves in that capacity with respect to 50 or*
13 *more such individuals.*

14 *“(2) REPORT.—Within 120 days after the end of*
15 *each fiscal year, the Commissioner shall submit to the*
16 *Committee on Ways and Means of the House of Rep-*
17 *resentatives and the Committee on Finance of the*
18 *Senate a report on the results of periodic onsite re-*
19 *views conducted during the fiscal year pursuant to*
20 *paragraph (1) and of any other reviews of representa-*
21 *tive payees conducted during such fiscal year in con-*
22 *nection with benefits under this title. Each such re-*
23 *port shall describe in detail all problems identified in*
24 *such reviews and any corrective action taken or*

1 *planned to be taken to correct such problems, and*
2 *shall include—*

3 *“(A) the number of such reviews;*

4 *“(B) the results of such reviews;*

5 *“(C) the number of cases in which the rep-*
6 *resentative payee was changed and why;*

7 *“(D) the number of cases involving the exer-*
8 *cise of expedited, targeted oversight of the rep-*
9 *resentative payee by the Commissioner conducted*
10 *upon receipt of an allegation of misuse of funds,*
11 *failure to pay a vendor, or a similar irregu-*
12 *larity;*

13 *“(E) the number of cases discovered in*
14 *which there was a misuse of funds;*

15 *“(F) how any such cases of misuse of funds*
16 *were dealt with by the Commissioner;*

17 *“(G) the final disposition of such cases of*
18 *misuse of funds, including any criminal pen-*
19 *alties imposed; and*

20 *“(H) such other information as the Com-*
21 *missioner deems appropriate.”.*

22 (3) *TITLE XVI AMENDMENT.—Section*
23 *1631(a)(2)(G) of such Act (42 U.S.C. 1383(a)(2)(G))*
24 *is amended to read as follows:*

1 “(G)(i) *In addition to such other reviews of representa-*
2 *tive payees as the Commissioner of Social Security may*
3 *otherwise conduct, the Commissioner shall provide for the*
4 *periodic onsite review of any person or agency that receives*
5 *the benefits payable under this title (alone or in combina-*
6 *tion with benefits payable under title II or title VIII) to*
7 *another individual pursuant to the appointment of the per-*
8 *son or agency as a representative payee under this para-*
9 *graph, section 205(j), or section 807 in any case in which—*

10 “(I) *the representative payee is a person who*
11 *serves in that capacity with respect to 15 or more*
12 *such individuals;*

13 “(II) *the representative payee is a certified com-*
14 *munity-based nonprofit social service agency (as de-*
15 *defined in subparagraph (I) of this paragraph or sec-*
16 *tion 205(j)(9)); or*

17 “(III) *the representative payee is an agency*
18 *(other than an agency described in subclause (II))*
19 *that serves in that capacity with respect to 50 or*
20 *more such individuals.*

21 “(ii) *Within 120 days after the end of each fiscal year,*
22 *the Commissioner shall submit to the Committee on Ways*
23 *and Means of the House of Representatives and the Com-*
24 *mittee on Finance of the Senate a report on the results of*
25 *periodic onsite reviews conducted during the fiscal year*

1 pursuant to clause (i) and of any other reviews of represent-
2 ative payees conducted during such fiscal year in connec-
3 tion with benefits under this title. Each such report shall
4 describe in detail all problems identified in the reviews and
5 any corrective action taken or planned to be taken to correct
6 the problems, and shall include—

7 “(I) the number of the reviews;

8 “(II) the results of such reviews;

9 “(III) the number of cases in which the rep-
10 representative payee was changed and why;

11 “(IV) the number of cases involving the exercise
12 of expedited, targeted oversight of the representative
13 payee by the Commissioner conducted upon receipt of
14 an allegation of misuse of funds, failure to pay a ven-
15 dor, or a similar irregularity;

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

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

20 “(VII) the final disposition of such cases of mis-
21 use of funds, including any criminal penalties im-
22 posed; and

23 “(VIII) such other information as the Commis-
24 sioner deems appropriate.”.

1 **SEC. 103. DISQUALIFICATION FROM SERVICE AS REP-**
2 **RESENTATIVE PAYEE OF PERSONS CON-**
3 **VICTED OF OFFENSES RESULTING IN IMPRIS-**
4 **ONMENT FOR MORE THAN 1 YEAR OR FLEE-**
5 **ING PROSECUTION, CUSTODY, OR CONFINEMENT.**
6 **MENT.**

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

9 (1) in subparagraph (B)(i)—

10 (A) by striking “and” at the end of sub-
11 clause (III);

12 (B) by redesignating subclause (IV) as sub-
13 clause (VI); and

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

16 “(IV) obtain information concerning whether
17 such person has been convicted of any other offense
18 under Federal or State law which resulted in impris-
19 onment for more than 1 year,

20 “(V) obtain information concerning whether such
21 person is a person described in section
22 202(x)(1)(A)(iv), and”;

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

25 “(iii) Notwithstanding the provisions of section 552a
26 of title 5, United States Code, or any other provision of

1 *Federal or State law (other than section 6103 of the Inter-*
 2 *nal Revenue Code of 1986 and section 1106(c) of this Act),*
 3 *the Commissioner shall furnish any Federal, State, or local*
 4 *law enforcement officer, upon the written request of the offi-*
 5 *cer, with the current address, social security account num-*
 6 *ber, and photograph (if applicable) of any person inves-*
 7 *tigated under this paragraph, if the officer furnishes the*
 8 *Commissioner with the name of such person and such other*
 9 *identifying information as may reasonably be required by*
 10 *the Commissioner to establish the unique identity of such*
 11 *person, and notifies the Commissioner that—*

12 *“(I) such person is described in section*
 13 *202(x)(1)(A)(iv),*

14 *“(II) such person has information that is nec-*
 15 *essary for the officer to conduct the officer’s official*
 16 *duties, and*

17 *“(III) the location or apprehension of such per-*
 18 *son is within the officer’s official duties.”;*

19 *(3) in subparagraph (C)(i)(II)—*

20 *(A) by striking “subparagraph (B)(i)(IV),,”*
 21 *and inserting “subparagraph (B)(i)(VI)”;* and

22 *(B) by striking “section*
 23 *1631(a)(2)(B)(ii)(IV)” and inserting “section*
 24 *1631(a)(2)(B)(ii)(VI)”;* and

25 *(4) in subparagraph (C)(i)—*

1 (A) by striking “or” at the end of subclause
2 (II);

3 (B) by striking the period at the end of sub-
4 clause (III) and inserting a comma; and

5 (C) by adding at the end the following:

6 “(IV) such person has previously been convicted
7 as described in subparagraph (B)(i)(IV), unless the
8 Commissioner determines that such certification
9 would be appropriate notwithstanding such convic-
10 tion, or

11 “(V) such person is person described in section
12 202(x)(1)(A)(iv).”.

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

15 (1) in subsection (b)(2)—

16 (A) by striking “and” at the end of sub-
17 paragraph (C);

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

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

22 “(D) obtain information concerning whether
23 such person has been convicted of any other of-
24 fense under Federal or State law which resulted
25 in imprisonment for more than 1 year;

1 “(E) obtain information concerning whether
2 such person is a person described in section
3 804(a)(2); and”;

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

6 “(3) Notwithstanding the provisions of section
7 552a of title 5, United States Code, or any other pro-
8 vision of Federal or State law (other than section
9 6103 of the Internal Revenue Code of 1986 and sec-
10 tion 1106(c) of this Act), the Commissioner shall fur-
11 nish any Federal, State, or local law enforcement offi-
12 cer, upon the written request of the officer, with the
13 current address, social security account number, and
14 photograph (if applicable) of any person investigated
15 under this subsection, if the officer furnishes the Com-
16 missioner with the name of such person and such
17 other identifying information as may reasonably be
18 required by the Commissioner to establish the unique
19 identity of such person, and notifies the Commis-
20 sioner that—

21 “(A) such person is described in section
22 804(a)(2),

23 “(B) such person has information that is
24 necessary for the officer to conduct the officer’s
25 official duties, and

1 “(C) *the location or apprehension of such*
2 *person is within the officer’s official duties.*”;

3 *and*

4 (3) *in subsection (d)(1)—*

5 (A) *by striking “or” at the end of subpara-*
6 *graph (B);*

7 (B) *by striking the period at the end of sub-*
8 *paragraph (C) and inserting a semicolon; and*

9 (C) *by adding at the end the following:*

10 “(D) *such person has previously been con-*
11 *victed as described in subsection (b)(2)(D), un-*
12 *less the Commissioner determines that such pay-*
13 *ment would be appropriate notwithstanding such*
14 *conviction; or*

15 “(E) *such person is a person described in*
16 *section 804(a)(2).*”.

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

19 (1) *in clause (ii)—*

20 (A) *by striking “and” at the end of sub-*
21 *clause (III);*

22 (B) *by redesignating subclause (IV) as sub-*
23 *clause (VI); and*

24 (C) *by inserting after subclause (III) the*
25 *following:*

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

5 “(V) obtain information concerning whether such
6 person is a person described in section 1611(e)(4)(A);
7 and”;

8 (2) in clause (iii)(II)—

9 (A) by striking “clause (ii)(IV)” and insert-
10 ing “clause (ii)(VI)”; and

11 (B) by striking “section
12 205(j)(2)(B)(i)(IV)” and inserting “section
13 205(j)(2)(B)(i)(VI)”;

14 (3) in clause (iii)—

15 (A) by striking “or” at the end of subclause
16 (II);

17 (B) by striking the period at the end of sub-
18 clause (III) and inserting a semicolon; and

19 (C) by adding at the end the following:

20 “(IV) the person has previously been convicted as
21 described in clause (ii)(IV) of this subparagraph, un-
22 less the Commissioner determines that the payment
23 would be appropriate notwithstanding the conviction;
24 or

1 “(V) such person is a person described in section
2 1611(e)(4)(A).”; and

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

4 “(xiv) Notwithstanding the provisions of section 552a
5 of title 5, United States Code, or any other provision of
6 Federal or State law (other than section 6103 of the Inter-
7 nal Revenue Code of 1986 and section 1106(c) of this Act),
8 the Commissioner shall furnish any Federal, State, or local
9 law enforcement officer, upon the written request of the offi-
10 cer, with the current address, social security account num-
11 ber, and photograph (if applicable) of any person inves-
12 tigated under this subparagraph, if the officer furnishes the
13 Commissioner with the name of such person and such other
14 identifying information as may reasonably be required by
15 the Commissioner to establish the unique identity of such
16 person, and notifies the Commissioner that—

17 “(I) such person is described in section
18 1611(e)(4)(A),

19 “(II) such person has information that is nec-
20 essary for the officer to conduct the officer’s official
21 duties, and

22 “(III) the location or apprehension of such per-
23 son is within the officer’s official duties.”.

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

4 (e) *REPORT TO CONGRESS.*—*The Commissioner of So-*
5 *cial Security, in consultation with the Inspector General*
6 *of the Social Security Administration, shall prepare a re-*
7 *port evaluating whether the existing procedures and reviews*
8 *for the qualification (including disqualification) of rep-*
9 *resentative payees are sufficient to enable the Commissioner*
10 *to protect benefits from being misused by representative*
11 *payees. The Commissioner shall submit the report to the*
12 *Committee on Ways and Means of the House of Representa-*
13 *tives and the Committee on Finance of the Senate no later*
14 *than 270 days after the date of the enactment of this Act.*
15 *The Commissioner shall include in such report any rec-*
16 *ommendations that the Commissioner considers appro-*
17 *priate.*

18 **SEC. 104. FEE FORFEITURE IN CASE OF BENEFIT MISUSE BY**

19 **REPRESENTATIVE PAYEES.**

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

23 (1) *in the first sentence, by striking “A” and in-*
24 *serting “Except as provided in the next sentence, a”;*
25 *and*

1 (2) *in the second sentence, by striking “The Sec-*
2 *retary” and inserting the following: “A qualified or-*
3 *ganization may not collect a fee from an individual*
4 *for any month with respect to which the Commis-*
5 *sioner of Social Security or a court of competent ju-*
6 *risdiction has determined that the organization mis-*
7 *used all or part of the individual’s benefit, and any*
8 *amount so collected by the qualified organization for*
9 *such month shall be treated as a misused part of the*
10 *individual’s benefit for purposes of paragraphs (5)*
11 *and (6). The Commissioner”.*

12 (b) *TITLE XVI AMENDMENTS.—Section*
13 *1631(a)(2)(D)(i) of such Act (42 U.S.C. 1383(a)(2)(D)(i))*
14 *is amended—*

15 (1) *in the first sentence, by striking “A” and in-*
16 *serting “Except as provided in the next sentence, a”;*
17 *and*

18 (2) *in the second sentence, by striking “The*
19 *Commissioner” and inserting the following: “A quali-*
20 *fied organization may not collect a fee from an indi-*
21 *vidual for any month with respect to which the Com-*
22 *missioner of Social Security or a court of competent*
23 *jurisdiction has determined that the organization*
24 *misused all or part of the individual’s benefit, and*
25 *any amount so collected by the qualified organization*

1 for such month shall be treated as a misused part of
 2 the individual's benefit for purposes of subparagraphs
 3 (E) and (F). The Commissioner”.

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

10 **SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR MIS-**
 11 **USED BENEFITS.**

12 (a) *TITLE II AMENDMENTS.*—Section 205(j) of the So-
 13 cial Security Act (42 U.S.C. 405(j)) (as amended by sec-
 14 tions 101 and 102) is amended further—

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

17 (2) in paragraphs (2)(C)(v), (3)(F), and (4)(B),
 18 by striking “paragraph (9)” and inserting “para-
 19 graph (10)”;

20 (3) in paragraph (6)(A)(ii), by striking “para-
 21 graph (9)” and inserting “paragraph (10)”;

22 (4) by inserting after paragraph (6) the fol-
 23 lowing:

24 “(7)(A) If the Commissioner of Social Security or a
 25 court of competent jurisdiction determines that a represent-

1 *ative payee that is not a Federal, State, or local government*
2 *agency has misused all or part of an individual's benefit*
3 *that was paid to such representative payee under this sub-*
4 *section, the representative payee shall be liable for the*
5 *amount misused, and such amount (to the extent not repaid*
6 *by the representative payee) shall be treated as an overpay-*
7 *ment of benefits under this title to the representative payee*
8 *for all purposes of this Act and related laws pertaining to*
9 *the recovery of such overpayments. Subject to subparagraph*
10 *(B), upon recovering all or any part of such amount, the*
11 *Commissioner shall certify an amount equal to the recov-*
12 *ered amount for payment to such individual or such indi-*
13 *vidual's alternative representative payee.*

14 “(B) *The total of the amount certified for payment to*
15 *such individual or such individual's alternative representa-*
16 *tive payee under subparagraph (A) and the amount cer-*
17 *tified for payment under paragraph (5) may not exceed the*
18 *total benefit amount misused by the representative payee*
19 *with respect to such individual.*”

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

23 “(l) *LIABILITY FOR MISUSED AMOUNTS.—*

24 “(1) *IN GENERAL.—If the Commissioner of So-*
25 *cial Security or a court of competent jurisdiction de-*

1 *termines that a representative payee that is not a*
2 *Federal, State, or local government agency has mis-*
3 *used all or part of a qualified individual's benefit*
4 *that was paid to such representative payee under this*
5 *section, the representative payee shall be liable for the*
6 *amount misused, and such amount (to the extent not*
7 *repaid by the representative payee) shall be treated as*
8 *an overpayment of benefits under this title to the rep-*
9 *resentative payee for all purposes of this Act and re-*
10 *lated laws pertaining to the recovery of such overpay-*
11 *ments. Subject to paragraph (2), upon recovering all*
12 *or any part of such amount, the Commissioner shall*
13 *make payment of an amount equal to the recovered*
14 *amount to such qualified individual or such qualified*
15 *individual's alternative representative payee.*

16 *“(2) LIMITATION.—The total of the amount paid*
17 *to such individual or such individual's alternative*
18 *representative payee under paragraph (1) and the*
19 *amount paid under subsection (i) may not exceed the*
20 *total benefit amount misused by the representative*
21 *payee with respect to such individual.”.*

22 *(c) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of*
23 *such Act (42 U.S.C. 1383(a)(2)) (as amended by section*
24 *102(b)(3)) is amended further—*

1 (1) in subparagraph (G)(i)(II), by striking “sec-
2 tion 205(j)(9)” and inserting “section 205(j)(10”;
3 and

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

6 “(H)(i) If the Commissioner of Social Security or a
7 court of competent jurisdiction determines that a represent-
8 ative payee that is not a Federal, State, or local government
9 agency has misused all or part of an individual’s benefit
10 that was paid to the representative payee under this para-
11 graph, the representative payee shall be liable for the
12 amount misused, and the amount (to the extent not repaid
13 by the representative payee) shall be treated as an overpay-
14 ment of benefits under this title to the representative payee
15 for all purposes of this Act and related laws pertaining to
16 the recovery of the overpayments. Subject to clause (ii),
17 upon recovering all or any part of the amount, the Commis-
18 sioner shall make payment of an amount equal to the recov-
19 ered amount to such individual or such individual’s alter-
20 native representative payee.

21 “(ii) The total of the amount paid to such individual
22 or such individual’s alternative representative payee under
23 clause (i) and the amount paid under subparagraph (E)
24 may not exceed the total benefit amount misused by the rep-
25 resentative payee with respect to such individual.”.

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

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

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

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

15 (2) *by inserting after subparagraph (D) the fol-*
16 *lowing:*

17 “(E) *In any case in which the person described in sub-*
18 *paragraph (A) or (D) receiving payments on behalf of an-*
19 *other fails to submit a report required by the Commissioner*
20 *of Social Security under subparagraph (A) or (D), the*
21 *Commissioner may, after furnishing notice to such person*
22 *and the individual entitled to such payment, require that*
23 *such person appear in person at a field office of the Social*
24 *Security Administration serving the area in which the indi-*
25 *vidual resides in order to receive such payments.”.*

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

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

5 (2) by inserting after paragraph (2) the fol-
6 lowing:

7 “(3) *AUTHORITY TO REDIRECT DELIVERY OF*
8 *BENEFIT PAYMENTS WHEN A REPRESENTATIVE PAYEE*
9 *FAILS TO PROVIDE REQUIRED ACCOUNTING.*—In any
10 case in which the person described in paragraph (1)
11 or (2) receiving benefit payments on behalf of a quali-
12 fied individual fails to submit a report required by
13 the Commissioner of Social Security under paragraph
14 (1) or (2), the Commissioner may, after furnishing
15 notice to such person and the qualified individual, re-
16 quire that such person appear in person at a United
17 States Government facility designated by the Social
18 Security Administration as serving the area in which
19 the qualified individual resides in order to receive
20 such benefit payments.”.

21 (c) *TITLE XVI AMENDMENT.*—Section 1631(a)(2)(C)
22 of such Act (42 U.S.C. 1383(a)(2)(C)) is amended by add-
23 ing at the end the following:

24 “(v) In any case in which the person described in
25 clause (i) or (iv) receiving payments on behalf of another

1 *fails to submit a report required by the Commissioner of*
2 *Social Security under clause (i) or (iv), the Commissioner*
3 *may, after furnishing notice to the person and the indi-*
4 *vidual entitled to the payment, require that such person ap-*
5 *pear in person at a field office of the Social Security Ad-*
6 *ministration serving the area in which the individual re-*
7 *sides in order to receive such payments.”.*

8 (d) *EFFECTIVE DATE.*—*The amendments made by this*
9 *section shall take effect 180 days after the date of the enact-*
10 *ment of this Act.*

11 **SEC. 107. SURVEY OF USE OF PAYMENTS BY REPRESENTA-**
12 **TIVE PAYEES.**

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

16 “(c) *Notwithstanding subsection (a)(1), of the amount*
17 *appropriated to carry out that subsection for fiscal year*
18 *2004, \$17,800,000 of such amount shall be transferred and*
19 *made available to the Inspector General of the Social Secu-*
20 *rity Administration for purposes of conducting a statis-*
21 *tically significant survey to determine how payments made*
22 *to individuals, organizations, and State or local govern-*
23 *ment agencies that are representative payees for benefits*
24 *paid under title II or XVI are being managed and used*
25 *on behalf of the beneficiaries for whom such benefits are*

1 *paid. Not later than February 1, 2005, the Inspector Gen-*
2 *eral of the Social Security Administration shall submit a*
3 *report on the survey conducted in accordance with this sub-*
4 *section to the Committee on Ways and Means of the House*
5 *of Representatives and the Committee on Finance of the*
6 *Senate.”.*

7 ***Subtitle B—Enforcement***

8 ***SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RE-*** 9 ***SPECT TO WRONGFUL CONVERSIONS BY REP-*** 10 ***RESENTATIVE PAYEES.***

11 *(a) IN GENERAL.—Section 1129(a) of the Social Secu-*
12 *rity Act (42 U.S.C. 1320a–8) is amended by adding at the*
13 *end the following:*

14 *“(3) Any person (including an organization, agency,*
15 *or other entity) who, having received, while acting in the*
16 *capacity of a representative payee pursuant to section*
17 *205(j), 807, or 1631(a)(2), a payment under title II, VIII,*
18 *or XVI for the use and benefit of another individual, con-*
19 *verts such payment, or any part thereof, to a use that such*
20 *person knows or should know is other than for the use and*
21 *benefit of such other individual shall be subject to, in addi-*
22 *tion to any other penalties that may be prescribed by law,*
23 *a civil money penalty of not more than \$5,000 for each*
24 *such conversion. Such person shall also be subject to an as-*
25 *essment, in lieu of damages sustained by the United States*

1 *resulting from the conversion, of not more than twice the*
 2 *amount of any payments so converted.”.*

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

6 **TITLE II—PROGRAM**

7 **PROTECTIONS**

8 **SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RE-**

9 **SPECT TO WITHHOLDING OF MATERIAL**

10 **FACTS.**

11 (a) *TREATMENT OF WITHHOLDING OF MATERIAL*
 12 *FACTS.*—

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

16 (A) *by striking “who” in the first sentence*
 17 *and inserting “who—”;*

18 (B) *by striking “makes” in the first sen-*
 19 *tence and all that follows through “shall be sub-*
 20 *ject to,” and inserting the following:*

21 “(A) *makes, or causes to be made, a statement or*
 22 *representation of a material fact, for use in deter-*
 23 *mining any initial or continuing right to or the*
 24 *amount of monthly insurance benefits under title II*
 25 *or benefits or payments under title VIII or XVI, that*

1 *the person knows or should know is false or mis-*
2 *leading,*

3 *“(B) makes such a statement or representation*
4 *for such use with knowing disregard for the truth, or*

5 *“(C) omits from a statement or representation*
6 *for such use, or otherwise withholds disclosure of, a*
7 *fact which the person knows or should know is mate-*
8 *rial to the determination of any initial or continuing*
9 *right to or the amount of monthly insurance benefits*
10 *under title II or benefits or payments under title VIII*
11 *or XVI, if the person knows, or should know, that the*
12 *statement or representation with such omission is*
13 *false or misleading or that the withholding of such*
14 *disclosure is misleading,*

15 *shall be subject to,”;*

16 *(C) by inserting “or each receipt of such*
17 *benefits or payments while withholding disclo-*
18 *sure of such fact” after “each such statement or*
19 *representation” in the first sentence;*

20 *(D) by inserting “or because of such with-*
21 *holding of disclosure of a material fact” after*
22 *“because of such statement or representation” in*
23 *the second sentence; and*

1 (E) by inserting “or such a withholding of
2 disclosure” after “such a statement or represen-
3 tation” in the second sentence.

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

7 (A) by striking “who” the first place it ap-
8 pears and inserting “who—”; and

9 (B) by striking “makes” and all that follows
10 through “shall be subject to,” and inserting the
11 following:

12 “(1) makes, or causes to be made, a statement or
13 representation of a material fact, for use in deter-
14 mining any initial or continuing right to or the
15 amount of monthly insurance benefits under title II
16 or benefits or payments under title XVI that the per-
17 son knows or should know is false or misleading,

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

20 “(3) omits from a statement or representation for
21 such use, or otherwise withholds disclosure of, a fact
22 which the person knows or should know is material
23 to the determination of any initial or continuing
24 right to or the amount of monthly insurance benefits
25 under title II or benefits or payments under title XVI,

1 *if the person knows, or should know, that the state-*
2 *ment or representation with such omission is false or*
3 *misleading or that the withholding of such disclosure*
4 *is misleading,*
5 *shall be subject to,”.*

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

12 **(c) CONFORMING AMENDMENTS.**—

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

16 **(2)** *Section 1129(c)(1) of such Act (42*
17 *U.S.C. 1320a–8(c)(1)) is amended by striking “and*
18 *representations” and inserting “, representations, or*
19 *actions”.*

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

24 **(d) EFFECTIVE DATE.**—*The amendments made by this*
25 *section shall apply with respect to violations committed*

1 *after the date on which the Commissioner of Social Security*
2 *implements the centralized computer file described in sec-*
3 *tion 202.*

4 **SEC. 202. ISSUANCE BY COMMISSIONER OF SOCIAL SECU-**
5 **RITY OF RECEIPTS TO ACKNOWLEDGE SUB-**
6 **MISSION OF REPORTS OF CHANGES IN WORK**
7 **OR EARNINGS STATUS OF DISABLED BENE-**
8 **FICIARIES.**

9 *Effective as soon as possible, but not later than 1 year*
10 *after the date of the enactment of this Act, until such time*
11 *as the Commissioner of Social Security implements a cen-*
12 *tralized computer file recording the date of the submission*
13 *of information by a disabled beneficiary (or representative)*
14 *regarding a change in the beneficiary's work or earnings*
15 *status, the Commissioner shall issue a receipt to the disabled*
16 *beneficiary (or representative) each time he or she submits*
17 *documentation, or otherwise reports to the Commissioner,*
18 *on a change in such status.*

19 **SEC. 203. DENIAL OF TITLE II BENEFITS TO PERSONS FLEE-**
20 **ING PROSECUTION, CUSTODY, OR CONFINE-**
21 **MENT, AND TO PERSONS VIOLATING PROBA-**
22 **TION OR PAROLE.**

23 *(a) IN GENERAL.—Section 202(x) of the Social Secu-*
24 *rity Act (42 U.S.C. 402(x)) is amended—*

1 (1) *in the heading, by striking “Prisoners” and*
2 *all that follows and inserting the following: “Pris-*
3 *oners, Certain Other Inmates of Publicly Funded In-*
4 *stitutions, Fugitives, Probationers, and Parolees”;*

5 (2) *in paragraph (1)(A)(ii)(IV), by striking “or”*
6 *at the end;*

7 (3) *in paragraph (1)(A)(iii), by striking the pe-*
8 *riod at the end and inserting a comma;*

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

11 *“(iv) is fleeing to avoid prosecution, or custody*
12 *or confinement after conviction, under the laws of the*
13 *place from which the person flees, for a crime, or an*
14 *attempt to commit a crime, which is a felony under*
15 *the laws of the place from which the person flees, or,*
16 *in jurisdictions that do not define crimes as felonies,*
17 *is punishable by death or imprisonment for a term*
18 *exceeding 1 year regardless of the actual sentence im-*
19 *posed, and a Federal, State, or local law enforcement*
20 *agency has notified the Commissioner that such agen-*
21 *cy intends to pursue the individual by seeking arrest,*
22 *extradition, or prosecution, or*

23 *“(v) is violating a condition of probation or pa-*
24 *role imposed under Federal or State law, and a Fed-*
25 *eral, State, or local law enforcement agency has noti-*

1 *fied the Commissioner that such agency intends to*
2 *seek revocation of the individual’s probation or pa-*
3 *role.*

4 *In the case of an individual from whom such monthly bene-*
5 *fits have been withheld pursuant to clause (iv) or (v), the*
6 *Commissioner of Social Security may, for good cause*
7 *shown, pay such withheld benefits to the individual.”; and*

8 *(5) in paragraph (3), by adding at the end the*
9 *following:*

10 *“(C) Notwithstanding the provisions of section 552a*
11 *of title 5, United States Code, or any other provision of*
12 *Federal or State law (other than section 6103 of the Inter-*
13 *nal Revenue Code of 1986 and section 1106(c) of this Act),*
14 *the Commissioner shall furnish any Federal, State, or local*
15 *law enforcement officer, upon the written request of the offi-*
16 *cer, with the current address, Social Security number, and*
17 *photograph (if applicable) of any beneficiary under this*
18 *title, if the officer furnishes the Commissioner with the*
19 *name of the beneficiary, and other identifying information*
20 *as reasonably required by the Commissioner to establish the*
21 *unique identity of the beneficiary, and notifies the Commis-*
22 *sioner that—*

23 *“(i) the beneficiary is described in clause (iv) or*
24 *(v) of paragraph (1)(A);*

1 “(ii) the Commissioner has information with re-
2 spect to the beneficiary that is necessary for the officer
3 to conduct the officer’s official duties; and

4 “(iii) the location or apprehension of the bene-
5 ficiary is within the officer’s official duties.”.

6 (b) CONFORMING AMENDMENTS TO TITLE XVI.—Sec-
7 tion 1611(e) of the Social Security Act (42 U.S.C. 1382(e))
8 is amended—

9 (1) in paragraph (4)—

10 (A) in subparagraph (A), by striking “or
11 which, in the case of the State of
12 New Jersey, is a high misdemeanor under the
13 laws of such State” and inserting “or, in juris-
14 dictions that do not define crimes as felonies, is
15 punishable by death or imprisonment for a term
16 exceeding 1 year regardless of the actual sentence
17 imposed, and a Federal, State, or local law en-
18 forcement agency has notified the Commissioner
19 of Social Security that the agency intends to
20 pursue the person by seeking arrest, extradition,
21 or prosecution”;

22 (B) in subparagraph (B), by inserting “and
23 a Federal, State, or local law enforcement agency
24 has notified the Commissioner of Social Security

1 that the agency intends to seek revocation of the
2 person’s probation or parole” after “law”; and

3 (C) by adding at the end the following sen-
4 tence after and below subparagraph (B):

5 *“In the case of an individual whose eligibility for a month
6 or months has been suspended pursuant to subparagraph
7 (A) or (B), the Commissioner of Social Security may, for
8 good cause shown, restore such individual’s eligibility for
9 all such months.”; and*

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

12 “(A) the recipient is described in subparagraph
13 (A) or (B) of paragraph (4);

14 “(B) the Commissioner has information with re-
15 spect to the recipient that is necessary for the officer
16 to conduct the officer’s official duties; and

17 “(C) the location or apprehension of the recipient
18 is within the officer’s official duties.”.

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

1 (d) *REGULATIONS.*—Not later than the first day of the
 2 first month that begins on or after the date that is 9 months
 3 after the date of the enactment of this Act, the Commissioner
 4 of Social Security shall promulgate regulations governing
 5 payment by the Commissioner, for good cause shown, of
 6 withheld benefits pursuant to the last sentences of sections
 7 202(x)(1)(A) and 1611(e)(4) of the Social Security Act (as
 8 amended by subsections (a) and (b), respectively).

9 (e) *EFFECTIVE DATE.*—The amendments made by sub-
 10 section (a) shall take effect on the first day of the first
 11 month that begins on or after the date that is 9 months
 12 after the date of the enactment of this Act.

13 **SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PRO-**
 14 **VIDE FOR A FEE A PRODUCT OR SERVICE**
 15 **AVAILABLE WITHOUT CHARGE FROM THE SO-**
 16 **CIAL SECURITY ADMINISTRATION.**

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

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

21 “(4)(A) No person shall offer, for a fee, to assist an
 22 individual to obtain a product or service that the person
 23 knows or should know is provided free of charge by the So-
 24 cial Security Administration unless, at the time the offer

1 *is made, the person provides to the individual to whom the*
2 *offer is tendered a notice that—*

3 “(i) *explains that the product or service is avail-*
4 *able free of charge from the Social Security Adminis-*
5 *tration, and*

6 “(ii) *complies with standards prescribed by the*
7 *Commissioner of Social Security respecting the con-*
8 *tent of such notice and its placement, visibility, and*
9 *legibility.*

10 “(B) *Subparagraph (A) shall not apply to any offer—*

11 “(i) *to serve as a claimant representative in con-*
12 *nection with a claim arising under title II, title VIII,*
13 *or title XVI; or*

14 “(ii) *to prepare, or assist in the preparation of,*
15 *an individual’s plan for achieving self-support under*
16 *title XVI.”; and*

17 (2) *in the heading, by striking “PROHIBITION OF*
18 *MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-*
19 *ERENCE” and inserting “PROHIBITIONS RELATING TO*
20 *REFERENCES”.*

21 (b) *EFFECTIVE DATE.—The amendments made by this*
22 *section shall apply to offers of assistance made after the*
23 *sixth month ending after the Commissioner of Social Secu-*
24 *rity promulgates final regulations prescribing the stand-*
25 *ards applicable to the notice required to be provided in con-*

1 nection with such offer. The Commissioner shall promul-
2 gate such final regulations within 1 year after the date of
3 the enactment of this Act.

4 **SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS**
5 **AS CLAIMANT REPRESENTATIVES.**

6 Section 206(a)(1) of the Social Security Act (42
7 U.S.C. 406(a)(1)) is amended by inserting after the second
8 sentence the following: “Notwithstanding the preceding sen-
9 tences, the Commissioner, after due notice and opportunity
10 for hearing, (A) may refuse to recognize as a representative,
11 and may disqualify a representative already recognized,
12 any attorney who has been disbarred or suspended from any
13 court or bar to which he or she was previously admitted
14 to practice or who has been disqualified from participating
15 in or appearing before any Federal program or agency, and
16 (B) may refuse to recognize, and may disqualify, as a non-
17 attorney representative any attorney who has been dis-
18 barred or suspended from any court or bar to which he or
19 she was previously admitted to practice. A representative
20 who has been disqualified or suspended pursuant to this sec-
21 tion from appearing before the Social Security Administra-
22 tion as a result of collecting or receiving a fee in excess
23 of the amount authorized shall be barred from appearing
24 before the Social Security Administration as a representa-
25 tive until full restitution is made to the claimant and,

1 *thereafter, may be considered for reinstatement only under*
2 *such rules as the Commissioner may prescribe.”.*

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

6 *Part A of title XI of the Social Security Act (42*
7 *U.S.C. 1301 et seq.) is amended by inserting after section*
8 *1129A the following:*

9 *“ATTEMPTS TO INTERFERE WITH ADMINISTRATION OF*
10 *SOCIAL SECURITY ACT*

11 *“SEC. 1129B. Whoever corruptly or by force or threats*
12 *of force (including any threatening letter or communica-*
13 *tion) attempts to intimidate or impede any officer, em-*
14 *ployee, or contractor of the Social Security Administration*
15 *(including any State employee of a disability determina-*
16 *tion service or any other individual designated by the Com-*
17 *missioner of Social Security) acting in an official capacity*
18 *to carry out a duty under this Act, or in any other way*
19 *corruptly or by force or threats of force (including any*
20 *threatening letter or communication) obstructs or impedes,*
21 *or attempts to obstruct or impede, the due administration*
22 *of this Act, shall be guilty of a felony and upon conviction*
23 *thereof shall be fined not more than \$5,000, imprisoned not*
24 *more than 3 years, or both, except that if the offense is com-*
25 *mitted only by threats of force, the person shall be guilty*
26 *of a felony and upon conviction thereof shall be fined not*

1 *more than \$3,000, imprisoned not more than 1 year, or*
2 *both. In this subsection, the term ‘threats of force’ means*
3 *threats of harm to the officer or employee of the United*
4 *States or to a contractor of the Social Security Administra-*
5 *tion, or to a member of the family of such an officer or*
6 *employee or contractor.’’.*

7 **SEC. 207. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-**
8 **ERENCE TO SOCIAL SECURITY OR MEDICARE.**

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

11 (1) *in subparagraph (A), by inserting “‘Centers*
12 *for Medicare & Medicaid Services’,” after “‘Health*
13 *Care Financing Administration’,”, by striking “or*
14 *‘Medicaid’,” and inserting “‘Medicaid’, ‘Death Bene-*
15 *fits Update’, ‘Federal Benefit Information’, ‘Funeral*
16 *Expenses’, or ‘Final Supplemental Plan’,” and by in-*
17 *serting “‘CMS’,” after “‘HCFA’,”;*

18 (2) *in subparagraph (B), by inserting “Centers*
19 *for Medicare & Medicaid Services,” after “Health*
20 *Care Financing Administration,” each place it ap-*
21 *pears; and*

22 (3) *in the matter following subparagraph (B), by*
23 *striking “the Health Care Financing Administra-*
24 *tion,” each place it appears and inserting “the Cen-*
25 *ters for Medicare & Medicaid Services,”.*

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

4 **SEC. 208. DISQUALIFICATION FROM PAYMENT DURING**
5 **TRIAL WORK PERIOD UPON CONVICTION OF**
6 **FRAUDULENT CONCEALMENT OF WORK AC-**
7 **TIVITY.**

8 (a) *IN GENERAL.*—*Section 222(c) of the Social Secu-*
9 *rity Act (42 U.S.C. 422(c)) is amended by adding at the*
10 *end the following:*

11 “(5) *Upon conviction by a Federal court that an indi-*
12 *vidual has fraudulently concealed work activity during a*
13 *period of trial work from the Commissioner of Social Secu-*
14 *rity by—*

15 “(A) *providing false information to the Commis-*
16 *sioner of Social Security as to whether the individual*
17 *had earnings in or for a particular period, or as to*
18 *the amount thereof;*

19 “(B) *receiving disability insurance benefits*
20 *under this title while engaging in work activity under*
21 *another identity, including under another social secu-*
22 *rity account number or a number purporting to be a*
23 *social security account number; or*

24 “(C) *taking other actions to conceal work activ-*
25 *ity with an intent fraudulently to secure payment in*

1 *the Commissioner of Social Security making a benefit pay-*
2 *ment (or an increase in such a payment) that should not*
3 *have been made, shall consider the Commissioner of Social*
4 *Security a victim of the crime.”.*

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

7 (1) *by striking “(i) RESTITUTION.—In any case*
8 *where” and inserting the following:*

9 “(i) *RESTITUTION.—*

10 (1) *IN GENERAL.—In any case where”; and*

11 (2) *by adding at the end the following:*

12 “(2) *SSA TREATED AS A VICTIM.—Any Federal*
13 *court, when sentencing a defendant convicted of an of-*
14 *fense that results in the Commissioner of Social Secu-*
15 *urity making a benefit payment (or an increase in*
16 *such a payment) that should not have been made,*
17 *shall consider the Commissioner of Social Security a*
18 *victim of the crime.”.*

19 (c) *AMENDMENTS TO TITLE XVI.—Section 1632 of*
20 *such Act (42 U.S.C. 1383a) is amended—*

21 (1) *by redesignating subsection (b) as subsection*
22 *(c); and*

23 (2) *by inserting after subsection (a) the fol-*
24 *lowing:*

1 “(b) *Any Federal court, when sentencing a defendant*
2 *convicted of an offense under subsection (a) that results in*
3 *the Commissioner of Social Security making a benefit pay-*
4 *ment (or an increase in such a payment) that should not*
5 *have been made, shall consider the Commissioner of Social*
6 *Security a victim of the crime.*”.

7 (d) *SPECIAL ACCOUNT FOR RECEIPT OF RESTITUTION*
8 *PAYMENTS.—Section 704(b) of such Act (42 U.S.C. 904(b))*
9 *is amended by adding at the end the following:*

10 “(3)(A) *Except as provided in subparagraph (B),*
11 *amounts received by the Social Security Administration*
12 *pursuant to an order of restitution under section 208(b),*
13 *807(i), or 1632(b) shall be credited to a special fund estab-*
14 *lished in the Treasury of the United States for amounts so*
15 *received or recovered. The amounts so credited, to the extent*
16 *and in the amounts provided in advance in appropriations*
17 *Acts, shall be available to defray expenses incurred in car-*
18 *rying out titles II, VIII, and XVI.*

19 “(B) *Subparagraph (A) shall not apply with respect*
20 *to amounts received in connection with misuse by a rep-*
21 *resentative payee (within the meaning of sections 205(j),*
22 *807, and 1631(a)(2)) of funds paid as benefits under title*
23 *II, VIII, or XVI. Such amounts received in connection with*
24 *misuse of funds paid as benefits under title II shall be*
25 *transferred to the Managing Trustee of the Federal Old-Age*

1 *and Survivors Insurance Trust Fund or the Federal Dis-*
2 *ability Insurance Trust Fund, as determined appropriate*
3 *by the Commissioner of Social Security, and such amounts*
4 *shall be deposited by the Managing Trustee into such Trust*
5 *Fund. All other such amounts shall be deposited by the*
6 *Commissioner into the general fund of the Treasury as mis-*
7 *cellaneous receipts.”.*

8 *(e) EFFECTIVE DATE.—The amendments made by sub-*
9 *sections (a), (b), and (c) shall apply with respect to viola-*
10 *tions occurring on or after the date of the enactment of this*
11 *Act.*

12 **SEC. 210. INFORMATION FOR ADMINISTRATION OF PROVI-**
13 **SIONS RELATED TO NONCOVERED EMPLOY-**
14 **MENT.**

15 *(a) COLLECTION.—Paragraph (2) of section 6047(d) of*
16 *the Internal Revenue Code of 1986 (relating to reports by*
17 *employers, plan administrators, etc.) is amended by adding*
18 *at the end the following new sentence: “In the case of any*
19 *employer deferred compensation plan (as defined in section*
20 *3405(e)(5)) of a State, a political subdivision thereof, or*
21 *any agency or instrumentality of either, the Secretary shall*
22 *in such forms or regulations require the identification of*
23 *any designated distribution (as so defined) if paid to any*
24 *participant or beneficiary of such plan based in whole or*
25 *in part upon an individual’s earnings for service in the*

1 *employ of any such governmental entity which did not con-*
 2 *stitute employment (as defined in section 3121(b)).”.*

3 (b) *DISCLOSURE.*—Section 6103(l)(1) of the Internal
 4 Revenue Code of 1986 (relating to disclosure of certain re-
 5 turns and return information to Social Security Adminis-
 6 tration and Railroad Retirement Board) is amended—

7 (1) in subparagraph (B), by striking “and”; and

8 (2) in subparagraph (C), by striking the period
 9 and inserting “; and”; and

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

11 “(D) any designated distribution described
 12 in the second sentence of section 6047(d)(2) to
 13 the Social Security Administration for purposes
 14 of its administration of the Social Security
 15 Act.”.

16 (c) *EFFECTIVE DATE.*—The amendments made by this
 17 section shall apply to distributions made after December 31,
 18 2003.

19 **SEC. 211. AUTHORITY FOR CROSS-PROGRAM RECOVERY OF**
 20 **BENEFIT OVERPAYMENTS.**

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

23 “CROSS-PROGRAM RECOVERY OF OVERPAYMENTS FROM
 24 *BENEFITS*

25 “(a) *IN GENERAL.*—Subject to subsection (b), whenever
 26 the Commissioner of Social Security determines that more

1 *than the correct amount of any payment has been made*
2 *to a person under a program described in subsection (e),*
3 *the Commissioner of Social Security may recover the*
4 *amount incorrectly paid by decreasing any amount which*
5 *is payable to such person under any other program speci-*
6 *fied in that subsection.*

7 “(b) *LIMITATION APPLICABLE TO CURRENT BENE-*
8 *FITS.—*

9 “(1) *IN GENERAL.—In carrying out subsection*
10 *(a), the Commissioner of Social Security may not de-*
11 *crease the monthly amount payable to an individual*
12 *under a program described in subsection (e) that is*
13 *paid when regularly due—*

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

18 “(B) *in the case of benefits under title XVI,*
19 *by an amount greater than the lesser of—*

20 “(i) *the amount of the benefit payable*
21 *to the person for that month; or*

22 “(ii) *an amount equal to 10 percent of*
23 *the person’s income for that month (includ-*
24 *ing such monthly benefit but excluding pay-*
25 *ments under title II when recovery is also*

1 *made from title II payments and excluding*
2 *income excluded pursuant to section*
3 *1612(b)).*

4 “(2) *EXCEPTION.—Paragraph (1) shall not*
5 *apply if—*

6 “(A) *the person or the spouse of the person*
7 *was involved in willful misrepresentation or con-*
8 *cealment of material information in connection*
9 *with the amount incorrectly paid; or*

10 “(B) *the person so requests.*

11 “(c) *NO EFFECT ON ELIGIBILITY OR BENEFIT AMOUNT*
12 *UNDER TITLE VIII OR XVI.—In any case in which the*
13 *Commissioner of Social Security takes action in accordance*
14 *with subsection (a) to recover an amount incorrectly paid*
15 *to any person, neither that person, nor (with respect to the*
16 *program described in subsection (e)(3)) any individual*
17 *whose eligibility for benefits under such program or whose*
18 *amount of such benefits, is determined by considering any*
19 *part of that person’s income, shall, as a result of such ac-*
20 *tion—*

21 “(1) *become eligible for benefits under the pro-*
22 *gram described in paragraph (2) or (3) of subsection*
23 *(e); or*

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

4 “(d) *INAPPLICABILITY OF PROHIBITION AGAINST AS-*
5 *SESSMENT AND LEGAL PROCESS.*—Section 207 shall not
6 apply to actions taken under the provisions of this section
7 to decrease amounts payable under titles II and XVI.

8 “(e) *PROGRAMS DESCRIBED.*—The programs described
9 in this subsection are the following:

10 “(1) *The old-age, survivors, and disability insur-*
11 *ance benefits program under title II.*

12 “(2) *The special benefits for certain World War*
13 *II veterans program under title VIII.*

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

20 (b) *CONFORMING AMENDMENTS.*—

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

23 “(g) *For provisions relating to the cross-program re-*
24 *covery of overpayments made under programs administered*
25 *by the Commissioner of Social Security, see section 1147.”.*

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

3 (A) *in subsection (a)(1)—*

4 (i) *by striking subparagraph (B);*

5 (ii) *in the matter preceding subpara-*
6 *graph (A), by striking “any payment” and*
7 *all that follows through “under this title”*
8 *and inserting “any payment under this*
9 *title”; and*

10 (iii) *by striking “; or” and inserting a*
11 *period;*

12 (B) *by striking subsection (b) and redesign-*
13 *ating subsections (c), (d), and (e) as subsections*
14 *(b), (c), and (d), respectively; and*

15 (C) *by adding at the end the following:*

16 “(e) *CROSS-PROGRAM RECOVERY OF OVERPAY-*
17 *MENTS.—For provisions relating to the cross-program re-*
18 *covery of overpayments made under programs administered*
19 *by the Commissioner of Social Security, see section 1147.”.*

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

22 (4) *Section 1631(b) of the Social Security Act*
23 *(42 U.S.C. 1383(b)) is amended—*

24 (A) *in paragraph (1)(B)—*

1 (2) *in subsection (b), by inserting before the pe-*
2 *riod at the end the following: “, and who satisfies the*
3 *criterion specified in subsection (c)”;* and

4 (3) *by adding at the end the following:*

5 “*(c) For purposes of subsections (a) and (b), the cri-*
6 *terion specified in this subsection is that the individual,*
7 *if not a United States citizen or national, has been assigned*
8 *a social security account number that was, at the time of*
9 *assignment, or at any later time, consistent with the re-*
10 *quirements of subclause (I) or (III) of section*
11 *205(c)(2)(B)(i).”.*

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

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

16 (2) *by inserting after subparagraph (B), the fol-*
17 *lowing:*

18 “*(C) if not a United States citizen or national,*
19 *has been assigned a social security account number*
20 *that was, at the time of assignment, or at any later*
21 *time, consistent with the requirements of subclause (I)*
22 *or (III) of section 205(c)(2)(B)(i).”.*

23 (c) *EFFECTIVE DATE.*—*The amendments made by this*
24 *section apply to benefit applications filed on or after Janu-*
25 *ary 1, 2004.*

1 **TITLE III—ATTORNEY REP-**
2 **RESENTATIVE FEE PAYMENT**
3 **SYSTEM IMPROVEMENTS**

4 **SEC. 301. CAP ON ATTORNEY ASSESSMENTS.**

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

7 (1) by inserting “, except that the maximum
8 amount of the assessment may not exceed the greater
9 of \$75 or the adjusted amount as provided pursuant
10 to the following two sentences” after “subparagraph
11 (B)”; and

12 (2) by adding at the end the following: “In the
13 case of any calendar year beginning after the amend-
14 ments made by section 301 of the Social Security
15 Protection Act of 2003 take effect, the dollar amount
16 specified in the preceding sentence (including a pre-
17 viously adjusted amount) shall be adjusted annually
18 under the procedures used to adjust benefit amounts
19 under section 215(i)(2)(A)(ii), except such adjustment
20 shall be based on the higher of \$75 or the previously
21 adjusted amount that would have been in effect for
22 December of the preceding year, but for the rounding
23 of such amount pursuant to the following sentence.
24 Any amount so adjusted that is not a multiple of \$1

1 *shall be rounded to the next lowest multiple of \$1,*
2 *but in no case less than \$75.”.*

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

9 **SEC. 302. GAO STUDY REGARDING FEE PAYMENT PROCESS**

10 **FOR CLAIMANT REPRESENTATIVES.**

11 **(a) STUDY.**—

12 **(1) IN GENERAL.**—*The Comptroller General of*
13 *the United States shall study and evaluate the ap-*
14 *pointment and payment of claimant representatives*
15 *under titles II and XVI of the Social Security Act (42*
16 *U.S.C. 401 et seq., 1381 et seq.).*

17 **(2) CONSULTATION REQUIRED.**—*The Comptroller*
18 *General shall consult with beneficiaries under title II*
19 *of such Act, beneficiaries under title XVI of such Act,*
20 *claimant representatives of beneficiaries under such*
21 *titles, and other interested parties, in conducting the*
22 *study and evaluation required under paragraph (1).*

23 **(b) REPORT.**—*Not later than 2 years after the date*
24 *of enactment of this Act, the Comptroller General shall sub-*
25 *mit to the Committee on Ways and Means of the House*

1 *of Representatives and the Committee on Finance of the*
2 *Senate a report that includes the following:*

3 (1) *A survey of the relevant characteristics of*
4 *claimant representatives that provides statistically*
5 *significant results for characteristics which include*
6 *(but are not limited to)—*

7 (A) *qualifications and experience;*

8 (B) *the type of employment of such rep-*
9 *resentatives, such as with an advocacy group,*
10 *State or local government, or insurance or other*
11 *company;*

12 (C) *geographical distribution between urban*
13 *and rural areas;*

14 (D) *the nature of claimants' cases, such as*
15 *whether the cases are for disability insurance*
16 *benefits only, supplemental security income bene-*
17 *fits only, or concurrent benefits;*

18 (E) *the relationship of such representatives*
19 *to claimants, such as whether the representative*
20 *is a friend, family member, or client of the*
21 *claimant; and*

22 (F) *the amount of compensation (if any)*
23 *paid to the representatives and the method of*
24 *payment of such compensation.*

1 (2) *An assessment of the quality and effectiveness*
2 *of the services provided by claimant representatives,*
3 *including a comparison of claimant satisfaction or*
4 *complaints and benefit outcomes, adjusted for dif-*
5 *ferences in representatives' caseload, claimants' diag-*
6 *nostic group, level of decision, and other relevant fac-*
7 *tors.*

8 (3) *An assessment of the costs and benefits of the*
9 *appointment and payment of representatives with re-*
10 *spect to claimant satisfaction or complaints, benefit*
11 *outcomes, and program administration.*

12 (4) *An assessment of the potential results, in-*
13 *cluding the effect on claimants and program adminis-*
14 *tration, of extending to title XVI of the Social Secu-*
15 *rity Act the fee withholding procedures which apply*
16 *under title II of that Act and of allowing non-attor-*
17 *ney representatives to be subject to any fee with-*
18 *holding procedures applicable under title II and XVI*
19 *of such Act, and whether the rules and procedures em-*
20 *ployed by the Commissioner of Social Security to*
21 *evaluate the qualifications and performance of claim-*
22 *ant representatives should be revised prior to any ex-*
23 *tensions of fee withholding.*

1 **TITLE IV—MISCELLANEOUS AND**
2 **TECHNICAL AMENDMENTS**
3 **Subtitle A—Amendments Relating**
4 **to the Ticket to Work and Work**
5 **Incentives Improvement Act of**
6 **1999**

7 **SEC. 401. ELIMINATION OF DEMONSTRATION AUTHORITY**
8 **SUNSET DATE.**

9 *Section 234(d)(2) of the Social Security Act (42*
10 *U.S.C. 434(d)(2)) is amended—*

11 *(1) in the paragraph heading, by striking “TER-*
12 *MINATION AND FINAL” and inserting “FINAL”; and*

13 *(2) by striking the first sentence.*

14 **SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE**
15 **IN CONNECTION WITH DEMONSTRATION**
16 **PROJECTS PROVIDING FOR REDUCTIONS IN**
17 **DISABILITY INSURANCE BENEFITS BASED ON**
18 **EARNINGS.**

19 *Section 302(c) of the Ticket to Work and Work Incen-*
20 *tives Improvement Act of 1999 (42 U.S.C. 434 note) is*
21 *amended by striking “(42 U.S.C. 401 et seq.),” and insert-*
22 *ing “(42 U.S.C. 401 et seq.) and the requirements of section*
23 *1148 of such Act (42 U.S.C. 1320b–19) as they relate to*
24 *the program established under title II of such Act,”.*

1 **SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PRO-**
2 **VIDING FOR REDUCTIONS IN DISABILITY IN-**
3 **SURANCE BENEFITS BASED ON EARNINGS.**

4 *Section 302(f) of the Ticket to Work and Work Incen-*
5 *tives Improvement Act of 1999 (42 U.S.C. 434 note) is*
6 *amended to read as follows:*

7 “(f) *EXPENDITURES.*—*Administrative expenses for*
8 *demonstration projects under this section shall be paid from*
9 *funds available for the administration of title II or XVIII*
10 *of the Social Security Act, as appropriate. Benefits payable*
11 *to or on behalf of individuals by reason of participation*
12 *in projects under this section shall be made from the Federal*
13 *Disability Insurance Trust Fund and the Federal Old-Age*
14 *and Survivors Insurance Trust Fund, as determined appro-*
15 *priate by the Commissioner of Social Security, and from*
16 *the Federal Hospital Insurance Trust Fund and the Federal*
17 *Supplementary Medical Insurance Trust Fund, as deter-*
18 *mined appropriate by the Secretary of Health and Human*
19 *Services, from funds available for benefits under such title*
20 *II or XVIII.”.*

21 **SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK IN-**
22 **CENTIVE SERVICES TO ADDITIONAL INDIVID-**
23 **UALS.**

24 (a) *FEDERAL WORK INCENTIVES OUTREACH PRO-*
25 *GRAM.*—

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

4 “(2) *DISABLED BENEFICIARY.*—The term ‘dis-
5 abled beneficiary’ means an individual—

6 “(A) who is a disabled beneficiary as de-
7 fined in section 1148(k)(2) of this Act;

8 “(B) who is receiving a cash payment de-
9 scribed in section 1616(a) of this Act or a sup-
10 plementary payment described in section
11 212(a)(3) of Public Law 93–66 (without regard
12 to whether such payment is paid by the Commis-
13 sioner pursuant to an agreement under section
14 1616(a) of this Act or under section 212(b) of
15 Public Law 93–66);

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

19 “(D) who is entitled to benefits under part
20 A of title XVIII of this Act by reason of the pe-
21 nultimate sentence of section 226(b) of this Act.”.

22 (2) *EFFECTIVE DATE.*—The amendment made by
23 this subsection shall apply with respect to grants, co-
24 operative agreements, or contracts entered into on or
25 after the date of the enactment of this Act.

1 (b) *STATE GRANTS FOR WORK INCENTIVES ASSIST-*
2 *ANCE.*—

3 (1) *DEFINITION OF DISABLED BENEFICIARY.*—
4 Section 1150(g)(2) of such Act (42 U.S.C. 1320b-
5 21(g)(2)) is amended to read as follows:

6 “(2) *DISABLED BENEFICIARY.*—The term ‘dis-
7 abled beneficiary’ means an individual—

8 “(A) who is a disabled beneficiary as de-
9 fined in section 1148(k)(2) of this Act;

10 “(B) who is receiving a cash payment de-
11 scribed in section 1616(a) of this Act or a sup-
12 plementary payment described in section
13 212(a)(3) of Public Law 93–66 (without regard
14 to whether such payment is paid by the Commis-
15 sioner pursuant to an agreement under section
16 1616(a) of this Act or under section 212(b) of
17 Public Law 93–66);

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

21 “(D) who is entitled to benefits under part
22 A of title XVIII of this Act by reason of the pe-
23 nultimate sentence of section 226(b) of this Act.”.

24 (2) *ADVOCACY OR OTHER SERVICES NEEDED TO*
25 *MAINTAIN GAINFUL EMPLOYMENT.*—Section

1 1150(b)(2) of such Act (42 U.S.C. 1320b–21(b)(2)) is
2 amended by striking “secure or regain” and inserting
3 “secure, maintain, or regain”.

4 (3) *EFFECTIVE DATE.*—The amendments made
5 by this subsection shall apply with respect to pay-
6 ments provided after the date of the enactment of this
7 Act.

8 **SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREAT-**
9 **MENT FOR CERTAIN PURPOSES OF INDI-**
10 **VIDUAL WORK PLANS UNDER THE TICKET TO**
11 **WORK AND SELF-SUFFICIENCY PROGRAM.**

12 (a) *IN GENERAL.*—Section 1148(g)(1) of the Social Se-
13 curity Act (42 U.S.C. 1320b–19(g)(1)) is amended by add-
14 ing at the end, after and below subparagraph (E), the fol-
15 lowing:

16 “An individual work plan established pursuant to
17 this subsection shall be treated, for purposes of section
18 51(d)(6)(B)(i) of the Internal Revenue Code of 1986,
19 as an individualized written plan for employment
20 under a State plan for vocational rehabilitation serv-
21 ices approved under the Rehabilitation Act of 1973.”.

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

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

3 (a) *GAO REPORT.*—Not later than 12 months after the
4 date of enactment of this Act, the Comptroller General of
5 the United States shall submit a report to Congress regard-
6 ing the Ticket to Work and Self-Sufficiency Program estab-
7 lished under section 1148 of the Social Security Act (42
8 U.S.C. 1320b–19) that—

9 (1) *examines the annual and interim reports*
10 *issued by States, the Ticket to Work and Work Incen-*
11 *tives Advisory Panel established under section 101(f)*
12 *of the Ticket to Work and Work Incentives Improve-*
13 *ment Act of 1999 (42 U.S.C. 1320b–19 note), and the*
14 *Commissioner of Social Security regarding such pro-*
15 *gram;*

16 (2) *assesses the effectiveness of the activities car-*
17 *ried out under such program; and*

18 (3) *recommends such legislative or administra-*
19 *tive changes as the Comptroller General determines*
20 *are appropriate to improve the effectiveness of such*
21 *program.*

1 **Subtitle B—Miscellaneous**
2 **Amendments**

3 **SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN**
4 **REMAND CASES FULLY FAVORABLE TO THE**
5 **CLAIMANT.**

6 (a) *IN GENERAL.*—Section 205(g) of the Social Secu-
7 rity Act (42 U.S.C. 405(g)) is amended in the sixth sen-
8 tence by striking “and a transcript” and inserting “and,
9 in any case in which the Commissioner has not made a
10 decision fully favorable to the individual, a transcript”.

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

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

17 (a) *IN GENERAL.*—Section 202(n) of the Social Secu-
18 rity Act (42 U.S.C. 402(n)) is amended—

19 (1) in paragraph (1), by striking “section 241(a)
20 (other than under paragraph (1)(C) or (1)(E) thereof)
21 of the Immigration and Nationality Act” and insert-
22 ing “section 237(a) of the Immigration and Nation-
23 ality Act (other than under paragraph (1)(C) of such
24 section) or under section 212(a)(6)(A) of such Act”;

1 (2) *in paragraph (2), by striking “section 241(a)*
2 *of the Immigration and Nationality Act (other than*
3 *under paragraph (1)(C) or (1)(E) thereof)” and in-*
4 *serting “section 237(a) of the Immigration and Na-*
5 *tionality Act (other than under paragraph (1)(C) of*
6 *such section) or under section 212(a)(6)(A) of such*
7 *Act”;*

8 (3) *in paragraph (3), by striking “paragraph*
9 *(19) of section 241(a) of the Immigration and Nation-*
10 *ality Act (relating to persecution of others on account*
11 *of race, religion, national origin, or political opinion,*
12 *under the direction of or in association with the Nazi*
13 *government of Germany or its allies) shall be consid-*
14 *ered to have been deported under such paragraph*
15 *(19)” and inserting “paragraph (4)(D) of section*
16 *241(a) of the Immigration and Nationality Act (re-*
17 *lating to participating in Nazi persecutions or geno-*
18 *cide) shall be considered to have been deported under*
19 *such paragraph (4)(D)”;* and

20 (4) *in paragraph (3) (as amended by paragraph*
21 *(3) of this subsection), by striking “241(a)” and in-*
22 *serting “237(a)”.*

23 (b) *TECHNICAL CORRECTIONS.—*

24 (1) *TERMINOLOGY REGARDING REMOVAL FROM*
25 *THE UNITED STATES.—Section 202(n) of the Social*

1 *Security Act (42 U.S.C. 402(n)) (as amended by sub-*
2 *section (a)) is amended further—*

3 *(A) by striking “deportation” each place it*
4 *appears and inserting “removal”;*

5 *(B) by striking “deported” each place it ap-*
6 *pears and inserting “removed”; and*

7 *(C) in the heading, by striking “Deporta-*
8 *tion” and inserting “Removal”.*

9 (2) *REFERENCES TO THE SECRETARY OF HOME-*
10 *LAND SECURITY.—Section 202(n) of the Social Secu-*
11 *urity Act (42 U.S.C. 402(n)) (as amended by sub-*
12 *section (a) and paragraph (1)) is amended further by*
13 *inserting “or the Secretary of Homeland Security”*
14 *after “the Attorney General” each place it appears.*

15 (c) *EFFECTIVE DATES.—*

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

17 (A) *subsection (a)(1) shall apply to individ-*
18 *uals with respect to whom the Commissioner of*
19 *Social Security receives a removal notice after*
20 *the date of the enactment of this Act;*

21 (B) *subsection (a)(2) shall apply with re-*
22 *spect to notifications of removals received by the*
23 *Commissioner of Social Security after the date of*
24 *enactment of this Act; and*

1 (B) Section 221(i)(3) of the Social Security Act
2 (42 U.S.C. 421(i)(3)).

3 **SEC. 414. CLARIFICATION OF DEFINITIONS REGARDING**
4 **CERTAIN SURVIVOR BENEFITS.**

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

7 (1) by redesignating subclauses (A) through (C)
8 of clause (6) as subclauses (i) through (iii), respec-
9 tively;

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

12 (3) in clause (E) (as redesignated), by inserting
13 “except as provided in paragraph (2),” before “she
14 was married”;

15 (4) by inserting “(1)” after “(c)”; and

16 (5) by adding at the end the following:

17 “(2) The requirements of paragraph (1)(E) in connec-
18 tion with the surviving wife of an individual shall be treat-
19 ed as satisfied if—

20 “(A) the individual had been married prior to
21 the individual’s marriage to the surviving wife,

22 “(B) the prior wife was institutionalized during
23 the individual’s marriage to the prior wife due to
24 mental incompetence or similar incapacity,

1 “(C) during the period of the prior wife’s insti-
2 tutionalization, the individual would have divorced
3 the prior wife and married the surviving wife, but the
4 individual did not do so because such divorce would
5 have been unlawful, by reason of the prior wife’s in-
6 stitutionalization, under the laws of the State in
7 which the individual was domiciled at the time (as
8 determined based on evidence satisfactory to the Com-
9 missioner of Social Security),

10 “(D) the prior wife continued to remain institu-
11 tionalized up to the time of her death, and

12 “(E) the individual married the surviving wife
13 within 60 days after the prior wife’s death.”.

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

16 (1) by redesignating subclauses (A) through (C)
17 of clause (6) as subclauses (i) through (iii), respec-
18 tively;

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

21 (3) in clause (E) (as redesignated), by inserting
22 “except as provided in paragraph (2),” before “he was
23 married”;

24 (4) by inserting “(1)” after “(g)”; and

25 (5) by adding at the end the following:

1 “(2) *The requirements of paragraph (1)(E) in connec-*
2 *tion with the surviving husband of an individual shall be*
3 *treated as satisfied if—*

4 “(A) *the individual had been married prior to*
5 *the individual’s marriage to the surviving husband,*

6 “(B) *the prior husband was institutionalized*
7 *during the individual’s marriage to the prior husband*
8 *due to mental incompetence or similar incapacity,*

9 “(C) *during the period of the prior husband’s in-*
10 *stitutionalization, the individual would have divorced*
11 *the prior husband and married the surviving hus-*
12 *band, but the individual did not do so because such*
13 *divorce would have been unlawful, by reason of the*
14 *prior husband’s institutionalization, under the laws*
15 *of the State in which the individual was domiciled at*
16 *the time (as determined based on evidence satisfactory*
17 *to the Commissioner of Social Security),*

18 “(D) *the prior husband continued to remain in-*
19 *stitutionalized up to the time of his death, and*

20 “(E) *the individual married the surviving hus-*
21 *band within 60 days after the prior husband’s*
22 *death.”.*

23 (c) *CONFORMING AMENDMENT.—Section 216(k) of*
24 *such Act (42 U.S.C. 416(k)) is amended by striking “clause*
25 *(5) of subsection (c) or clause (5) of subsection (g)” and*

1 *inserting “clause (E) of subsection (c)(1) or clause (E) of*
2 *subsection (g)(1)”.*

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

7 **SEC. 415. CLARIFICATION RESPECTING THE FICA AND SECA**
8 **TAX EXEMPTIONS FOR AN INDIVIDUAL**
9 **WHOSE EARNINGS ARE SUBJECT TO THE**
10 **LAWS OF A TOTALIZATION AGREEMENT PART-**
11 **NER.**

12 Sections 1401(c), 3101(c), and 3111(c) of the Internal
13 Revenue Code of 1986 are each amended by striking “to
14 taxes or contributions for similar purposes under” and in-
15 serting “exclusively to the laws applicable to”.

16 **SEC. 416. COVERAGE UNDER DIVIDED RETIREMENT SYSTEM**
17 **FOR PUBLIC EMPLOYEES.**

18 (a) *IN GENERAL.*—Section 218(d)(6)(C) of the Social
19 Security Act (42 U.S.C. 418(d)(6)(C)) is amended by strik-
20 ing “the State of Alaska, California, Connecticut, Florida,
21 Georgia, Illinois, Massachusetts, Minnesota, Nevada, New
22 Jersey, New Mexico, New York, North Dakota, Pennsyl-
23 vania, Rhode Island, Tennessee, Texas, Vermont, Wash-
24 ington, Wisconsin, or Hawaii” and inserting “a State”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
2 *section (a) takes effect on January 1, 2003.*

3 **SEC. 417. COMPENSATION FOR THE SOCIAL SECURITY ADVI-**
4 **SORY BOARD.**

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

8 “*Compensation, Expenses, and Per Diem*
9 “*(f) A member of the Board shall, for each day (includ-*
10 *ing traveltime) during which the member is attending meet-*
11 *ings or conferences of the Board or otherwise engaged in*
12 *the business of the Board, be compensated at the daily rate*
13 *of basic pay for level IV of the Executive Schedule. While*
14 *-serving on business of the Board away from their homes*
15 *or regular places of business, members may be allowed trav-*
16 *el expenses, including per diem in lieu of subsistence, as*
17 *authorized by section 5703 of title 5, United States Code,*
18 *for persons in the Government employed intermittently.”.*

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

1 **SEC. 418. 60-MONTH PERIOD OF EMPLOYMENT REQUIRE-**
2 **MENT FOR GOVERNMENT PENSION OFFSET**
3 **EXEMPTION.**

4 (a) *WIFE'S INSURANCE BENEFITS.*—Section 202(b)(4)
5 of the Social Security Act (42 U.S.C. 402(b)(4)) is amend-
6 ed—

7 (1) in subparagraph (A), by striking “if, on the
8 last day she was employed by such entity” and insert-
9 ing “if, during any portion of such service”; and

10 (2) in subparagraph (B)—

11 (A) in clause (ii), by striking “Subpara-
12 graph (A)(ii)” and inserting “Clauses (i) and
13 (ii) of subparagraph (A)”; and

14 (B) by adding at the end the following:

15 “(iii) Subparagraph (A)(i) shall not apply with re-
16 spect to monthly periodic benefits based in whole or in part
17 on service which constituted ‘employment’ as defined in sec-
18 tion 210 pursuant to an agreement executed with the Com-
19 missioner of Social Security under section 218, provided
20 that the wife (or divorced wife) was employed in such serv-
21 ice—

22 “(I) on the date of enactment of this clause and
23 such service was continuous throughout the 60-month
24 period ending on the last day the wife (or divorced
25 wife) was employed in the service of the State (or po-

1 *litical subdivision thereof, as defined in section*
2 *218(b)(2)), or*

3 *“(II) in the case of such an agreement that was*
4 *executed by the Commissioner of Social Security after*
5 *the date of enactment of this clause, on the date such*
6 *an agreement was executed by the Commissioner of*
7 *Social Security and such service was continuous*
8 *throughout the 60-month period ending on the last*
9 *day the wife (or divorced wife) was employed in the*
10 *service of the State (or political subdivision thereof, as*
11 *so defined).”.*

12 *(b) HUSBAND’S INSURANCE BENEFITS.—Section*
13 *202(c)(2) of such Act (42 U.S.C. 402(c)(2)) is amended—*

14 *(1) in subparagraph (A), by striking “if, on the*
15 *last day he was employed by such entity” and insert-*
16 *ing “if, during any portion of such service”; and*

17 *(2) in subparagraph (B)—*

18 *(A) in clause (ii), by striking “Subpara-*
19 *graph (A)(ii)” and inserting “Clauses (i) and*
20 *(ii) of subparagraph (A)”;* and

21 *(B) by adding at the end the following:*

22 *“(iii) Subparagraph (A)(i) shall not apply with re-*
23 *spect to monthly periodic benefits based in whole or in part*
24 *on service which constituted ‘employment’ as defined in sec-*
25 *tion 210 pursuant to an agreement executed with the Com-*

1 *missioner of Social Security under section 218, provided*
2 *that the husband (or divorced husband) was employed in*
3 *such service—*

4 “(I) *on the date of enactment of this clause and*
5 *such service was continuous throughout the 60-month*
6 *period ending on the last day the husband (or di-*
7 *vorced husband) was employed in the service of the*
8 *State (or political subdivision thereof, as defined in*
9 *section 218(b)(2)), or*

10 “(II) *in the case of such an agreement that was*
11 *executed by the Commissioner of Social Security after*
12 *the date of enactment of this clause, on the date such*
13 *an agreement was executed by the Commissioner of*
14 *Social Security and such service was continuous*
15 *throughout the 60-month period ending on the last*
16 *day the husband (or divorced husband) was employed*
17 *in the service of the State (or political subdivision*
18 *thereof, as so defined).”.*

19 (c) *WIDOW’S INSURANCE BENEFITS.—Section*
20 *202(e)(7) of such Act (42 U.S.C. 402(e)(7)) is amended—*

21 (1) *in subparagraph (A), by striking “if, on the*
22 *last day she was employed by such entity” and insert-*
23 *ing “if, during any portion of such service”; and*

24 (2) *in subparagraph (B)—*

1 (A) in clause (ii), by striking “Subpara-
2 graph (A)(ii)” and inserting “Clauses (i) and
3 (ii) of subparagraph (A)”; and

4 (B) by adding at the end the following:

5 “(iii) Subparagraph (A)(i) shall not apply with re-
6 spect to monthly periodic benefits based in whole or in part
7 on service which constituted ‘employment’ as defined in sec-
8 tion 210 pursuant to an agreement executed with the Com-
9 missioner of Social Security under section 218, provided
10 that the widow (or surviving divorced wife) was employed
11 in such service—

12 “(I) on the date of enactment of this clause and
13 such service was continuous throughout the 60-month
14 period ending on the last day the widow (or surviving
15 divorced wife) was employed in the service of the
16 State (or political subdivision thereof, as defined in
17 section 218(b)(2)), or

18 “(II) in the case of such an agreement that was
19 executed by the Commissioner of Social Security after
20 the date of enactment of this clause, on the date such
21 an agreement was executed by the Commissioner of
22 Social Security and such service was continuous
23 throughout the 60-month period ending on the last
24 day the widow (or surviving divorced wife) was em-

1 *employed in the service of the State (or political subdivi-*
2 *sion thereof, as so defined).”.*

3 (d) *WIDOWER’S INSURANCE BENEFITS.*—Section
4 202(f)(2) of such Act (42 U.S.C. 402(f)(2)) is amended—

5 (1) *in subparagraph (A), by striking “if, on the*
6 *last day he was employed by such entity” and insert-*
7 *ing “if, during any portion of such service”; and*

8 (2) *in subparagraph (B)—*

9 (A) *in clause (ii), by striking “Subpara-*
10 *graph (A)(ii)” and inserting “Clauses (i) and*
11 *(ii) of subparagraph (A)”;* and

12 (B) *by adding at the end the following:*

13 *“(iii) Subparagraph (A)(i) shall not apply with re-*
14 *spect to monthly periodic benefits based in whole or in part*
15 *on service which constituted ‘employment’ as defined in sec-*
16 *tion 210 pursuant to an agreement executed with the Com-*
17 *missioner of Social Security under section 218, provided*
18 *that the widower (or surviving divorced husband) was em-*
19 *ployed in such service—*

20 *“(I) on the date of enactment of this clause and*
21 *such service was continuous throughout the 60-month*
22 *period ending on the last day the widower (or sur-*
23 *viving divorced husband) was employed in the service*
24 *of the State (or political subdivision thereof, as de-*
25 *fined in section 218(b)(2)), or*

1 “(II) in the case of such an agreement that was
2 executed by the Commissioner of Social Security after
3 the date of enactment of this clause, on the date such
4 an agreement was executed by the Commissioner of
5 Social Security and such service was continuous
6 throughout the 60-month period ending on the last
7 day the widower (or surviving divorced husband) was
8 employed in the service of the State (or political sub-
9 division thereof, as so defined).”.

10 (e) *MOTHER’S AND FATHER’S INSURANCE BENE-*
11 *FITS.*—Section 202(g)(4) of the such Act (42 U.S.C.
12 402(g)(4)) is amended—

13 (1) in subparagraph (A), by striking “if, on the
14 last day the individual was employed by such entity”
15 and inserting “if, during any portion of such serv-
16 ice”; and

17 (2) in subparagraph (B)—

18 (A) in clause (ii), by striking “Subpara-
19 graph (A)(ii)” and inserting “Clauses (i) and
20 (ii) of subparagraph (A)”; and

21 (B) by adding at the end the following:

22 “(iii) Subparagraph (A)(i) shall not apply with re-
23 spect to monthly periodic benefits based in whole or in part
24 on service which constituted ‘employment’ as defined in sec-
25 tion 210 pursuant to an agreement executed with the Com-

1 *missioner of Social Security under section 218, provided*
2 *that the individual was employed in such service—*

3 “(I) *on the date of enactment of this clause and*
4 *such service was continuous throughout the 60-month*
5 *period ending on the last day the individual was em-*
6 *ployed in the service of the State (or political subdivi-*
7 *sion thereof, as defined in section 218(b)(2)), or*

8 “(II) *in the case of such an agreement that was*
9 *executed by the Commissioner of Social Security after*
10 *the date of enactment of this clause, on the date such*
11 *an agreement was executed by the Commissioner of*
12 *Social Security and such service was continuous*
13 *throughout the 60-month period ending on the last*
14 *day the individual was employed in the service of the*
15 *State (or political subdivision thereof, as so de-*
16 *fined).”.*

17 (f) *EFFECTIVE DATE.—The amendments made by this*
18 *section shall apply with respect to applications for benefits*
19 *under title II of the Social Security Act filed on or after*
20 *the first day of the first month that begins after the date*
21 *of the enactment of this Act, except that such amendments*
22 *shall not apply with respect to applications for benefits*
23 *under title II of the Social Security Act based on earnings*
24 *while in the service of any State (or political subdivision*

1 *thereof, as defined in section 218(b)(2) of the Social Secu-*
2 *rity Act)—*

3 *(1) if the last day of such service occurs before*
4 *December 31, 2003, or*

5 *(2) in any case in which the last day of such*
6 *service occurs before June 30, 2004, subject to a con-*
7 *tract for such service entered into prior to September*
8 *30, 2003.*

9 **SEC. 419. POST-1956 MILITARY WAGE CREDITS.**

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

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

17 *“(1) \$624,971,854 to the Federal Old-Age and*
18 *Survivors Insurance Trust Fund;*

19 *“(2) \$105,379,671 to the Federal Disability In-*
20 *surance Trust Fund; and*

21 *“(3) \$173,306,134 to the Federal Hospital Insur-*
22 *ance Trust Fund.*

23 *Amounts transferred in accordance with this subsection*
24 *shall be in satisfaction of certain outstanding obligations*
25 *for deemed wage credits for 2000 and 2001.”.*

1 **(b) CONFORMING AMENDMENTS.—**

2 **(1) REPEAL OF AUTHORITY FOR ANNUAL APPRO-**
 3 **PRIATIONS AND RELATED ADJUSTMENTS TO COM-**
 4 **PENSATE THE SOCIAL SECURITY TRUST FUND FOR**
 5 **MILITARY WAGE CREDITS.—Section 229 of the Social**
 6 **Security Act (42 U.S.C. 429) is amended—**

7 **(A) by striking “(a)”;** and

8 **(B) by striking subsection (b).**

9 **(2) AMENDMENT TO REFLECT THE TERMINATION**
 10 **OF WAGE CREDITS EFFECTIVE AFTER CALENDAR YEAR**
 11 **2001 BY SECTION 8134 OF PUBLIC LAW 107–117.—Sec-**
 12 **tion 229(a)(2) of the Social Security Act (42 U.S.C.**
 13 **429(a)(2)), as amended by paragraph (1), is amended**
 14 **by inserting “and before 2002” after “1977”.**

15 **Subtitle C—Technical Amendments**

16 **SEC. 421. TECHNICAL CORRECTION RELATING TO RESPON-** 17 **SIBLE AGENCY HEAD.**

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

20 **(1) by striking “Secretary” the first place it ap-**
 21 **pears and inserting “Commissioner of Social Secu-**
 22 **urity”;** and

23 **(2) by striking “Secretary” each subsequent place**
 24 **it appears and inserting “Commissioner”.**

1 **SEC. 422. TECHNICAL CORRECTION RELATING TO RETIRE-**
2 **MENT BENEFITS OF MINISTERS.**

3 (a) *IN GENERAL.*—Section 211(a)(7) of the Social Se-
4 curity Act (42 U.S.C. 411(a)(7)) is amended by inserting
5 “, but shall not include in any such net earnings from self-
6 employment the rental value of any parsonage or any par-
7 sonage allowance (whether or not excluded under section
8 107 of the Internal Revenue Code of 1986) provided after
9 the individual retires, or any other retirement benefit re-
10 ceived by such individual from a church plan (as defined
11 in section 414(e) of such Code) after the individual retires”
12 before the semicolon.

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

16 **SEC. 423. TECHNICAL CORRECTIONS RELATING TO DOMES-**
17 **TIC EMPLOYMENT.**

18 (a) *AMENDMENT TO INTERNAL REVENUE CODE.*—Sec-
19 tion 3121(a)(7)(B) of the Internal Revenue Code of 1986
20 is amended by striking “described in subsection (g)(5)” and
21 inserting “on a farm operated for profit”.

22 (b) *AMENDMENT TO SOCIAL SECURITY ACT.*—Section
23 209(a)(6)(B) of the Social Security Act (42
24 U.S.C. 409(a)(6)(B)) is amended by striking “described in
25 section 210(f)(5)” and inserting “on a farm operated for
26 profit”.

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

5 **SEC. 424. TECHNICAL CORRECTIONS OF OUTDATED REF-**
6 **ERENCES.**

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

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

18 **SEC. 425. TECHNICAL CORRECTION RESPECTING SELF-EM-**
19 **PLOYMENT INCOME IN COMMUNITY PROP-**
20 **ERTY STATES.**

21 (a) *SOCIAL SECURITY ACT AMENDMENT.*—Section
22 211(a)(5)(A) of the Social Security Act (42
23 U.S.C. 411(a)(5)(A)) is amended by striking “all of the
24 gross income” and all that follows and inserting “the gross
25 income and deductions attributable to such trade or busi-

1 *ness shall be treated as the gross income and deductions*
2 *of the spouse carrying on such trade or business or, if such*
3 *trade or business is jointly operated, treated as the gross*
4 *income and deductions of each spouse on the basis of their*
5 *respective distributive share of the gross income and deduc-*
6 *tions;”.*

7 **(b) INTERNAL REVENUE CODE OF 1986 AMEND-**
8 **MENT.**—*Section 1402(a)(5)(A) of the Internal Revenue*
9 *Code of 1986 is amended by striking “all of the gross in-*
10 *come” and all that follows and inserting “the gross income*
11 *and deductions attributable to such trade or business shall*
12 *be treated as the gross income and deductions of the spouse*
13 *carrying on such trade or business or, if such trade or busi-*
14 *ness is jointly operated, treated as the gross income and*
15 *deductions of each spouse on the basis of their respective*
16 *distributive share of the gross income and deductions; and”.*

17 **SEC. 426. TECHNICAL AMENDMENTS TO THE RAILROAD RE-**
18 **TIREMENT AND SURVIVORS’ IMPROVEMENT**
19 **ACT OF 2001.**

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

1 (b) *POWERS OF THE BOARD OF TRUSTEES.*—Section
2 15(j)(4) of the Railroad Retirement Act of 1974 (45 U.S.C.
3 231n(j)(4)) is amended to read as follows:

4 “(4) *POWERS OF THE BOARD OF TRUSTEES.*—
5 *The Board of Trustees shall—*

6 “(A) *retain independent advisers to assist it*
7 *in the formulation and adoption of its invest-*
8 *ment guidelines;*

9 “(B) *invest assets of the Trust in a manner*
10 *consistent with such investment guidelines, either*
11 *directly or through the retention of independent*
12 *investment managers;*

13 “(C) *adopt bylaws and other rules to govern*
14 *its operations;*

15 “(D) *employ professional staff, and contract*
16 *with outside advisers, including the Railroad Re-*
17 *retirement Board, to provide legal, accounting, in-*
18 *vestment advisory or management services (com-*
19 *ensation for which may be on a fixed contract*
20 *fee basis or on such other terms as are customary*
21 *for such services), or other services necessary for*
22 *the proper administration of the Trust;*

23 “(E) *sue and be sued and participate in*
24 *legal proceedings, have and use a seal, conduct*
25 *business, carry on operations, and exercise its*

1 *powers within or without the District of Colum-*
2 *bia, form, own, or participate in entities of any*
3 *kind, enter into contracts and agreements nec-*
4 *essary to carry out its business purposes, lend*
5 *money for such purposes, and deal with property*
6 *as security for the payment of funds so loaned,*
7 *and possess and exercise any other powers ap-*
8 *propriate to carry out the purposes of the Trust;*

9 *“(F) pay administrative expenses of the*
10 *Trust from the assets of the Trust; and*

11 *“(G) transfer money to the disbursing agent*
12 *or as otherwise provided in section 7(b)(4), to*
13 *pay benefits payable under this Act from the as-*
14 *sets of the Trust.”.*

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

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

1 (d) *FUNDING.*—Section 15(j)(8) of the Railroad Re-
2 tirement Act of 1974 (45 U.S.C. 231n(j)(8)) is repealed.

3 (e) *TRANSFERS.*—

4 (1) Section 15(k) of the Railroad Retirement Act
5 of 1974 (45 U.S.C. 231n(k)) is amended by adding at
6 the end the following: “At the direction of the Rail-
7 road Retirement Board, the National Railroad Re-
8 tirement Investment Trust shall transfer funds to the
9 Railroad Retirement Account.”.

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

12 (A) by inserting “or the Railroad Retire-
13 ment Account” after “National Railroad Retire-
14 ment Investment Trust” the second place it ap-
15 pears;

16 (B) by inserting “or the Railroad Retire-
17 ment Board” after “National Railroad Retire-
18 ment Investment Trust” the third place it ap-
19 pears;

20 (C) by inserting “(either directly or through
21 a commingled account consisting only of such ob-
22 ligations)” after “United States” the first place
23 it appears; and

1 (D) in the third sentence, by inserting be-
2 fore the period at the end the following: “or to
3 purchase such additional obligations”.

4 (3) Paragraph (4)(B)(ii) of section 7(b) of the
5 *Railroad Retirement Act of 1974* (45 U.S.C.
6 231f(b)(4)(B)(ii)) is amended by inserting “quarterly
7 or at such other times as the *Railroad Retirement*
8 *Board and the Board of Trustees of the National*
9 *Railroad Retirement Investment Trust* may mutually
10 agree” after “amounts” the second place it appears.

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

14 (1) in subparagraph (B), by striking “trustee’s”
15 each place it appears and inserting “Trustee’s”;

16 (2) in subparagraph (C), by striking “trustee”
17 and “trustees” each place it appears and inserting
18 “Trustee” and “Trustees”, respectively; and

19 (3) in the matter preceding clause (i) of subpara-
20 graph (D), by striking “trustee” and inserting
21 “Trustee”.

1 ***Subtitle D—Amendments Related to***
 2 ***Title XVI***

3 ***SEC. 430. EXCLUSION FROM INCOME FOR CERTAIN INFRE-***
 4 ***QUENT OR IRREGULAR INCOME AND CERTAIN***
 5 ***INTEREST OR DIVIDEND INCOME.***

6 *(a) INFREQUENT OR IRREGULAR INCOME.—Section*
 7 *1612(b)(3) of the Social Security Act (42 U.S.C.*
 8 *1382a(b)(3)) is amended to read as follows—*

9 *“(3) in any calendar quarter, the first—*

10 *“(A) \$60 of unearned income, and*

11 *“(B) \$30 of earned income,*

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

16 *(b) INTEREST OR DIVIDEND INCOME.—Section*
 17 *1612(b) of the Social Security Act (42 U.S.C. 1382a(b)) is*
 18 *amended—*

19 *(1) in paragraph (21), by striking “and” at the*
 20 *end;*

21 *(2) in paragraph (22), by striking the period*
 22 *and inserting “; and”; and*

23 *(3) by adding at the end the following:*

24 *“(23) interest or dividend income from re-*
 25 *sources—*

1 *made to such individual (or such spouse) under*
2 *section 24 of the Internal Revenue Code of 1986*
3 *(relating to child tax credit) by reason of sub-*
4 *section (d) thereof; and*

5 *“(B) any refund of Federal income taxes*
6 *made to such individual (or such spouse) by rea-*
7 *son of section 32 of the Internal Revenue Code*
8 *of 1986 (relating to earned income tax credit),*
9 *and any payment made to such individual (or*
10 *such spouse) by an employer under section 3507*
11 *of such Code (relating to advance payment of*
12 *earned income credit);”.*

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

20 **SEC. 432. MODIFICATION OF DEDICATED ACCOUNT RE-**
21 **QUIREMENTS.**

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

24 *(1) in clause (ii)(II)—*

25 *(A) in item (ff), by striking “or” at the end;*

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

5 **SEC. 434. EXCLUSION OF AMERICORPS AND OTHER VOLUN-**
 6 **TEER BENEFITS FOR PURPOSES OF DETER-**
 7 **MINING SUPPLEMENTAL SECURITY INCOME**
 8 **ELIGIBILITY AND BENEFIT AMOUNTS AND SO-**
 9 **CIAL SECURITY DISABILITY INSURANCE ENTI-**
 10 **TLEMENT.**

11 (a) *IN GENERAL.*—

12 (1) *SSI.*—

13 (A) *INCOME.*—*Section 1612(b) of the Social*
 14 *Security Act (42 U.S.C. 1382a(b)) (as amended*
 15 *by section 430(a)(2)) is amended—*

16 (i) *in paragraph (22), by striking*
 17 *“and” at the end;*

18 (ii) *in paragraph (23), by striking the*
 19 *period and inserting “; and”; and*

20 (iii) *by adding at the end the fol-*
 21 *lowing:*

22 “(24) *any cash or in-kind benefit conferred upon*
 23 *(or paid on behalf of) an individual serving as a vol-*
 24 *unteer or participant in a program administered by*

1 *the Corporation for National and Community Service*
2 *for service in such program.”.*

3 (B) *SUBSTANTIAL GAINFUL ACTIVITY.*—*Sec-*
4 *tion 1614(a)(3) of the Social Security Act (42*
5 *U.S.C. 1382c(a)(3)) is amended by adding at the*
6 *end the following:*

7 “(K) *In determining under subparagraph (A) when*
8 *services performed or earnings derived from services dem-*
9 *onstrate an individual’s ability to engage in substantial*
10 *gainful activity, the Commissioner of Social Security shall*
11 *disregard services performed as a volunteer or participant*
12 *in any program administered by the Corporation for Na-*
13 *tional and Community Service, and any earnings derived*
14 *from such service.”.*

15 (2) *SSDI.*—*Section 223(d)(4) of such Act (42*
16 *U.S.C. 423(d)(4)) is amended by adding at the end*
17 *the following:*

18 “(C) *In determining under subparagraph (A) when*
19 *services performed or earnings derived from services dem-*
20 *onstrate an individual’s ability to engage in substantial*
21 *gainful activity, the Commissioner of Social Security shall*
22 *disregard services performed as a volunteer or participant*
23 *in any program administered by the Corporation for Na-*
24 *tional and Community Service, and any earnings derived*
25 *from such service.”.*

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to benefits payable for months beginning*
3 *on or after 60 days after the date of enactment of this Act.*

4 **SEC. 435. EXCEPTION TO RETROSPECTIVE MONTHLY AC-**
5 **COUNTING FOR NONRECURRING INCOME.**

6 (a) *IN GENERAL.*—*Section 1611(c) of the Social Secu-*
7 *rity Act (42 U.S.C. 1382(c)) is amended by adding at the*
8 *end the following:*

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

16 “(B) *For purposes of subparagraph (A), payments to*
17 *an individual in varying amounts from the same or similar*
18 *source for the same or similar purpose shall not be consid-*
19 *ered to be nonrecurring income.”.*

20 (b) *DELETION OF OBSOLETE MATERIAL.*—*Section*
21 *1611(c)(2)(B) of the Social Security Act (42 U.S.C.*
22 *1382(c)(2)(B)) is amended to read as follows:*

23 “(B) *in the case of the first month following a*
24 *period of ineligibility in which eligibility is restored*
25 *after the first day of such month, bear the same ratio*

1 to the amount of the benefit which would have been
2 payable to such individual if eligibility had been re-
3 stored on the first day of such month as the number
4 of days in such month including and following the
5 date of restoration of eligibility bears to the total
6 number of days in such month.”.

7 (c) *EFFECTIVE DATE.*—The amendments made by this
8 section shall be effective with respect to benefits payable for
9 months that begin on or after 1 year after the date of enact-
10 ment of this Act.

11 **SEC. 436. REMOVAL OF RESTRICTION ON PAYMENT OF BEN-**
12 **EFITS TO CHILDREN WHO ARE BORN OR WHO**
13 **BECOME BLIND OR DISABLED AFTER THEIR**
14 **MILITARY PARENTS ARE STATIONED OVER-**
15 **SEAS.**

16 (a) *IN GENERAL.*—Section 1614(a)(1)(B)(ii) of the So-
17 cial Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-
18 ed—

19 (1) by inserting “and” after “citizen of the
20 United States,”; and

21 (2) by striking “, and who,” and all that follows
22 and inserting a period.

23 (b) *EFFECTIVE DATE.*—The amendments made by this
24 section shall be effective with respect to benefits payable for

1 *months beginning after the date of enactment of this Act,*
2 *but only on the basis of an application filed after such date.*

3 **SEC. 437. TREATMENT OF EDUCATION-RELATED INCOME**
4 **AND RESOURCES.**

5 *(a) EXCLUSION FROM INCOME OF GIFTS PROVIDED*
6 *FOR TUITION AND OTHER EDUCATION-RELATED FEES.—*
7 *Section 1612(b)(7) of the Social Security Act (42 U.S.C.*
8 *1382a(b)(7)) is amended by striking “or fellowship received*
9 *for use in paying” and inserting “fellowship, or gift (or*
10 *portion of a gift) used to pay”.*

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

17 *(1) in paragraph (13), by striking “and” at the*
18 *end;*

19 *(2) in paragraph (14), by striking the period*
20 *and inserting “; and”; and*

21 *(3) by inserting after paragraph (14) the fol-*
22 *lowing:*

23 *“(15) for the 9-month period beginning after the*
24 *month in which received, any grant, scholarship, fel-*
25 *lowship, or gift (or portion of a gift) used to pay the*

1 *amount shall be increased to an amount equal to 150*
 2 *percent of the dollar amount applicable to an indi-*
 3 *vidual described in paragraph (1)(B)(ii).”; and*

4 *(2) in subparagraph (B)—*

5 *(A) by striking “and” the last place it ap-*
 6 *pears; and*

7 *(B) by inserting “, and to \$3,000 on Janu-*
 8 *ary 1, 2004” before the period.*

9 *(b) COST-OF-LIVING ADJUSTMENT.—Section*
 10 *1617(a)(1) of the Social Security Act (42 U.S.C.*
 11 *1382f(a)(1)) is amended by inserting “(a)(3)(B),” before*
 12 *“(b)(1)”.*

13 *(c) EFFECTIVE DATES.—*

14 *(1) INCREASE.—The amendments made by sub-*
 15 *section (a) shall take effect on January 1, 2004.*

16 *(2) COST-OF-LIVING ADJUSTMENT.—The amend-*
 17 *ment made by subsection (b) shall take effect on Jan-*
 18 *uary 1, 2005.*

19 **SEC. 440. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**
 20 **ABILITY DETERMINATIONS.**

21 *Section 1633 of the Social Security Act (42 U.S.C.*
 22 *1383b) is amended by adding at the end the following:*

23 *“(e)(1) The Commissioner of Social Security shall re-*
 24 *view determinations, made by State agencies pursuant to*
 25 *subsection (a) in connection with applications for benefits*

1 *under this title on the basis of blindness or disability, that*
2 *individuals who have attained 18 years of age are blind*
3 *or disabled. Any review by the Commissioner of Social Se-*
4 *curity of a State agency determination under this para-*
5 *graph shall be made before any action is taken to implement*
6 *the determination.*

7 “(2)(A) *In carrying out paragraph (1), the Commis-*
8 *sioner of Social Security shall review—*

9 “(i) *with respect to fiscal year 2004, at least 25*
10 *percent of all determinations referred to in paragraph*
11 *(1) that are made in such year after the later of—*

12 “(I) *March 31; and*

13 “(II) *the date of enactment of this sub-*
14 *section; and*

15 “(ii) *with respect to fiscal years after fiscal year*
16 *2004, at least 50 percent of all such determinations*
17 *that are made in each such fiscal year.*

18 “(B) *In conducting reviews pursuant to subparagraph*
19 *(A), the Commissioner of Social Security shall, to the extent*
20 *feasible, select for review those determinations which the*
21 *Commissioner of Social Security identifies as being the*
22 *most likely to be incorrect.”.*

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108TH CONGRESS
1ST SESSION

H. R. 743

[Report No. 108-176]

AN ACT

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes.

OCTOBER 29, 2003

Reported with an amendment