

--H.R.743--

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One Hundred Eighth Congress

of the

United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Tuesday,

the twentieth day of January, two thousand and four

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE- This Act may be cited as the 'Social Security Protection Act of 2004'.

(b) TABLE OF CONTENTS- The table of contents for this Act is 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.

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. Authority for cross-program recovery of benefit overpayments.

Sec. 211. 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. Temporary extension of attorney fee payment system to title XVI claims.

Sec. 303. Nationwide demonstration project providing for extension of fee withholding procedures to non-attorney representatives.

Sec. 304. GAO study regarding the 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. 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 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.

Sec. 407. Reauthorization of appropriations for certain work incentive programs.

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 and Louisiana.

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

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

Sec. 419. Disclosure to workers of effect of windfall elimination provision and government pension offset provision.

Sec. 420. Post-1956 Military Wage Credits.

Sec. 420A. Elimination of disincentive to return-to-work for childhood disability beneficiaries.

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

Sec. 433. Exception to retrospective monthly accounting for nonrecurring income.

Sec. 434. 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. 435. Treatment of education-related income and resources.

Sec. 436. Monthly treatment of uniformed service compensation.

TITLE I--PROTECTION OF BENEFICIARIES

Subtitle A--Representative Payees

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

(a) TITLE II AMENDMENTS-

(1) REISSUANCE OF BENEFITS- Section 205(j)(5) of the Social Security Act (42 U.S.C. 405(j)(5)) is amended by inserting after the first sentence the following: 'In any case in which a representative payee that--

`(A) is not an individual (regardless of whether it is a 'qualified organization' within the meaning of paragraph (4)(B)); or

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

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall certify for payment to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this paragraph are subject to the limitations of paragraph (7)(B).'

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

`(8) For purposes of this subsection, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this paragraph.'

(b) TITLE VIII AMENDMENTS-

(1) REISSUANCE OF BENEFITS- Section 807(i) of the Social Security Act (42 U.S.C. 1007(i)) is amended further by inserting after the first sentence the following: 'In any case in which a representative payee that--

`(A) is not an individual; or

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

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall pay to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this paragraph are subject to the limitations of subsection (l)(2).'

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

`(j) MISUSE OF BENEFITS- For purposes of this title, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person under this title and converts such payment, or any part thereof, to a use other than for the use and benefit of such person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this

subsection.'

(3) TECHNICAL AMENDMENT- Section 807(a) of such Act (42 U.S.C. 1007(a)) is amended, in the first sentence, by striking 'for his or her benefit' and inserting 'for his or her use and benefit'.

(c) TITLE XVI AMENDMENTS-

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

'(i) is not an individual (regardless of whether it is a 'qualified organization' within the meaning of subparagraph (D)(ii)); or

'(ii) is an individual who, for any month during a period when misuse occurs, serves 15 or more individuals who are beneficiaries under this title, title II, title VIII, or any combination of such titles;

misuses all or part of an individual's benefit paid to such representative payee, the Commissioner of Social Security shall pay to the beneficiary or the beneficiary's alternative representative payee an amount equal to the amount of such benefit so misused. The provisions of this subparagraph are subject to the limitations of subparagraph (H)(ii).'

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

(A) in paragraph (12), by striking 'and' at the end;

(B) in paragraph (13), by striking the period and inserting '; and'; and

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

'(14) for the 9-month period beginning after the month in which received, any amount received by such individual (or spouse) or any other person whose income is deemed to be included in such individual's (or spouse's) income for purposes of this title as restitution for benefits under this title, title II, or title VIII that a representative payee of such individual (or spouse) or such other person under section 205(j), 807, or 1631(a)(2) has misused.'

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

'(iv) For purposes of this paragraph, misuse of benefits by a representative payee occurs in any case in which the representative payee receives payment under this title for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person. The Commissioner of Social Security may prescribe by regulation the meaning of the term 'use and benefit' for purposes of this clause.'

(d) EFFECTIVE DATE- The amendments made by this section shall apply to any case of benefit misuse by a representative payee with respect to which the Commissioner of Social Security

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

SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.

(a) CERTIFICATION OF BONDING AND LICENSING REQUIREMENTS FOR NONGOVERNMENTAL ORGANIZATIONAL REPRESENTATIVE PAYEES-

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

(A) in paragraph (2)(C)(v), by striking `a community-based nonprofit social service agency licensed or bonded by the State' in subclause (I) and inserting `a certified community-based nonprofit social service agency (as defined in paragraph (9))';

(B) in paragraph (3)(F), by striking `community-based nonprofit social service agencies' and inserting `certified community-based nonprofit social service agencies (as defined in paragraph (9))';

(C) in paragraph (4)(B), by striking `any community-based nonprofit social service agency which is bonded or licensed in each State in which it serves as a representative payee' and inserting `any certified community-based nonprofit social service agency (as defined in paragraph (9))'; and

(D) by adding after paragraph (8) (as added by section 101(a)(2) of this Act) the following:

`(9) For purposes of this subsection, the term `certified community-based nonprofit social service agency' means a community-based nonprofit social service agency which is in compliance with requirements, under regulations which shall be prescribed by the Commissioner, for annual certification to the Commissioner that it is bonded in accordance with requirements specified by the Commissioner and that it is licensed in each State in which it serves as a representative payee (if licensing is available in the State) in accordance with requirements specified by the Commissioner. Any such annual certification shall include a copy of any independent audit on the agency which may have been performed since the previous certification.'

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

(A) in subparagraph (B)(vii), by striking `a community-based nonprofit social service agency licensed or bonded by the State' in subclause (I) and inserting `a certified community-based nonprofit social service agency (as defined in subparagraph (I))';

(B) in subparagraph (D)(ii)--

(i) by striking `or any community-based' and all that follows through `in accordance' in subclause (II) and inserting `or any certified community-based nonprofit social service agency (as defined in subparagraph (I)), if the agency, in accordance';

(ii) by redesignating items (aa) and (bb) as subclauses (I) and (II), respectively

(and adjusting the margins accordingly); and

(iii) by striking `subclause (II)(bb)' and inserting `subclause (II)'; and

(C) by adding at the end the following:

`(I) For purposes of this paragraph, the term `certified community-based nonprofit social service agency' means a community-based nonprofit social service agency which is in compliance with requirements, under regulations which shall be prescribed by the Commissioner, for annual certification to the Commissioner that it is bonded in accordance with requirements specified by the Commissioner and that it is licensed in each State in which it serves as a representative payee (if licensing is available in the State) in accordance with requirements specified by the Commissioner. Any such annual certification shall include a copy of any independent audit on the agency which may have been performed since the previous certification.'

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

(b) PERIODIC ONSITE REVIEW-

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

`(6)(A) In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner shall provide for the periodic onsite review of any person or agency located in the United States that receives the benefits payable under this title (alone or in combination with benefits payable under title VIII or title XVI) to another individual pursuant to the appointment of such person or agency as a representative payee under this subsection, section 807, or section 1631(a)(2) in any case in which--

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

`(ii) the representative payee is a certified community-based nonprofit social service agency (as defined in paragraph (9) of this subsection or section 1631(a)(2)(I)); or

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

`(B) Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to subparagraph (A) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in such reviews and any corrective action taken or planned to be taken to correct such problems, and shall include--

`(i) the number of such reviews;

`(ii) the results of such reviews;

- `(iii) the number of cases in which the representative payee was changed and why;
- `(iv) the number of cases involving the exercise of expedited, targeted oversight of the representative payee by the Commissioner conducted upon receipt of an allegation of misuse of funds, failure to pay a vendor, or a similar irregularity;
- `(v) the number of cases discovered in which there was a misuse of funds;
- `(vi) how any such cases of misuse of funds were dealt with by the Commissioner;
- `(vii) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and
- `(viii) such other information as the Commissioner deems appropriate.'

(2) TITLE VIII AMENDMENT- Section 807 of such Act (as amended by section 101(b)(2) of this Act) is amended further by adding at the end the following:

`(k) PERIODIC ONSITE REVIEW-

`(1) IN GENERAL- In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner may provide for the periodic onsite review of any person or agency that receives the benefits payable under this title (alone or in combination with benefits payable under title II or title XVI) to another individual pursuant to the appointment of such person or agency as a representative payee under this section, section 205(j), or section 1631(a)(2) in any case in which--

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

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

`(2) REPORT- Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to paragraph (1) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in such reviews and any corrective action taken or planned to be taken to correct such problems, and shall include--

`(A) the number of such reviews;

`(B) the results of such reviews;

`(C) the number of cases in which the representative payee was changed and why;

`(D) the number of cases involving the exercise of expedited, targeted oversight of the representative payee by the Commissioner conducted upon receipt of an allegation of

misuse of funds, failure to pay a vendor, or a similar irregularity;

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

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

`(G) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and

`(H) such other information as the Commissioner deems appropriate.'

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

`(G)(i) In addition to such other reviews of representative payees as the Commissioner of Social Security may otherwise conduct, the Commissioner shall provide for the periodic onsite review of any person or agency that receives the benefits payable under this title (alone or in combination with benefits payable under title II or title VIII) to another individual pursuant to the appointment of the person or agency as a representative payee under this paragraph, section 205(j), or section 807 in any case in which--

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

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

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

`(ii) Within 120 days after the end of each fiscal year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of periodic onsite reviews conducted during the fiscal year pursuant to clause (i) and of any other reviews of representative payees conducted during such fiscal year in connection with benefits under this title. Each such report shall describe in detail all problems identified in the reviews and any corrective action taken or planned to be taken to correct the problems, and shall include--

`(I) the number of the reviews;

`(II) the results of such reviews;

`(III) the number of cases in which the representative payee was changed and why;

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

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

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

`(VII) the final disposition of such cases of misuse of funds, including any criminal penalties imposed; and

`(VIII) such other information as the Commissioner deems appropriate.'

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.

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

(1) in subparagraph (B)(i)--

(A) by striking `and' at the end of subclause (III);

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

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

`(IV) obtain information concerning whether such person has been convicted of any other offense under Federal or State law which resulted in imprisonment for more than 1 year,

`(V) obtain information concerning whether such person is a person described in section 202(x)(1)(A)(iv), and';

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

`(iii) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this paragraph, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that--

`(I) such person is described in section 202(x)(1)(A)(iv),

`(II) such person has information that is necessary for the officer to conduct the officer's official duties, and

`(III) the location or apprehension of such person is within the officer's official duties.';

(3) in subparagraph (C)(i)(II)--

(A) by striking `subparagraph (B)(i)(IV),,' and inserting `subparagraph (B)(i)(VI)'; and

(B) by striking `section 1631(a)(2)(B)(ii)(IV)' and inserting `section 1631(a)(2)(B)(ii)(VI)'; and

(4) in subparagraph (C)(i)--

(A) by striking `or' at the end of subclause (II);

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

(C) by adding at the end the following:

`(IV) such person has previously been convicted as described in subparagraph (B)(i)(IV), unless the Commissioner determines that such certification would be appropriate notwithstanding such conviction, or

`(V) such person is a person described in section 202(x)(1)(A)(iv).'

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

(1) in subsection (b)(2)--

(A) by striking `and' at the end of subparagraph (C);

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

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

`(D) obtain information concerning whether such person has been convicted of any other offense under Federal or State law which resulted in imprisonment for more than 1 year;

`(E) obtain information concerning whether such person is a person described in section 804(a)(2); and';

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

`(3) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this subsection, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that--

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

`(B) such person has information that is necessary for the officer to conduct the officer's official duties, and

`(C) the location or apprehension of such person is within the officer's official duties.'; and

(3) in subsection (d)(1)--

(A) by striking `or' at the end of subparagraph (B);

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

(C) by adding at the end the following:

`(D) such person has previously been convicted as described in subsection (b)(2)(D), unless the Commissioner determines that such payment would be appropriate notwithstanding such conviction; or

`(E) such person is a person described in section 804(a)(2).'.

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

(1) in clause (ii)--

(A) by striking `and' at the end of subclause (III);

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

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

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

`(V) obtain information concerning whether such person is a person described in section 1611(e)(4)(A); and';

(2) in clause (iii)(II)--

(A) by striking `clause (ii)(IV)' and inserting `clause (ii)(VI)'; and

(B) by striking `section 205(j)(2)(B)(i)(IV)' and inserting `section 205(j)(2)(B)(i)(VI)';

(3) in clause (iii)--

(A) by striking `or' at the end of subclause (II);

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

(C) by adding at the end the following:

`(IV) the person has previously been convicted as described in clause (ii)(IV) of this subparagraph, unless the Commissioner determines that the payment would be appropriate notwithstanding the conviction; or

`(V) such person is a person described in section 1611(e)(4)(A).'; and

(4) by adding at the end the following:

`(xiv) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, social security account number, and photograph (if applicable) of any person investigated under this subparagraph, if the officer furnishes the Commissioner with the name of such person and such other identifying information as may reasonably be required by the Commissioner to establish the unique identity of such person, and notifies the Commissioner that--

`(I) such person is described in section 1611(e)(4)(A),

`(II) such person has information that is necessary for the officer to conduct the officer's official duties, and

`(III) the location or apprehension of such person is within the officer's official duties.'.

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

(e) REPORT TO CONGRESS- The Commissioner of Social Security, in consultation with the Inspector General of the Social Security Administration, shall prepare a report evaluating whether the existing procedures and reviews for the qualification (including disqualification) of representative payees are sufficient to enable the Commissioner to protect benefits from being misused by representative payees. The Commissioner shall submit the report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 270 days after the date of the enactment of this Act. The Commissioner shall include in such report any recommendations that the Commissioner considers appropriate.

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

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

(1) in the first sentence, by striking `A' and inserting `Except as provided in the next sentence, a'; and

(2) in the second sentence, by striking `The Secretary' and inserting the following: `A qualified organization may not collect a fee from an individual for any month with respect to which the Commissioner of Social Security or a court of competent jurisdiction has

determined that the organization misused all or part of the individual's benefit, and any amount so collected by the qualified organization for such month shall be treated as a misused part of the individual's benefit for purposes of paragraphs (5) and (6). The Commissioner'.

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

(1) in the first sentence, by striking `A' and inserting `Except as provided in the next sentence, a'; and

(2) in the second sentence, by striking `The Commissioner' and inserting the following: `A qualified organization may not collect a fee from an individual for any month with respect to which the Commissioner of Social Security or a court of competent jurisdiction has determined that the organization misused all or part of the individual's benefit, and any amount so collected by the qualified organization for such month shall be treated as a misused part of the individual's benefit for purposes of subparagraphs (E) and (F). The Commissioner'.

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

SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR MISUSED BENEFITS.

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

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

(2) in paragraphs (2)(C)(v), (3)(F), and (4)(B), by striking `paragraph (9)' and inserting `paragraph (10)';

(3) in paragraph (6)(A)(ii), by striking `paragraph (9)' and inserting `paragraph (10)'; and

(4) by inserting after paragraph (6) the following:

`(7)(A) If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of an individual's benefit that was paid to such representative payee under this subsection, the representative payee shall be liable for the amount misused, and such amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of such overpayments. Subject to subparagraph (B), upon recovering all or any part of such amount, the Commissioner shall certify an amount equal to the recovered amount for payment to such individual or such individual's alternative representative payee.

`(B) The total of the amount certified for payment to such individual or such individual's alternative representative payee under subparagraph (A) and the amount certified for payment under paragraph (5) may not exceed the total benefit amount misused by the representative payee with respect to such individual.'

(b) TITLE VIII AMENDMENT- Section 807 of such Act (as amended by section 102(b)(2)) is amended further by adding at the end the following:

`(I) LIABILITY FOR MISUSED AMOUNTS-

`(1) IN GENERAL- If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of a qualified individual's benefit that was paid to such representative payee under this section, the representative payee shall be liable for the amount misused, and such amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of such overpayments. Subject to paragraph (2), upon recovering all or any part of such amount, the Commissioner shall make payment of an amount equal to the recovered amount to such qualified individual or such qualified individual's alternative representative payee.

`(2) LIMITATION- The total of the amount paid to such individual or such individual's alternative representative payee under paragraph (1) and the amount paid under subsection (i) may not exceed the total benefit amount misused by the representative payee with respect to such individual.'

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

(1) in subparagraph (G)(i)(II), by striking `section 205(j)(9)' and inserting `section 205(j)(10)'; and

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

`(H)(i) If the Commissioner of Social Security or a court of competent jurisdiction determines that a representative payee that is not a Federal, State, or local government agency has misused all or part of an individual's benefit that was paid to the representative payee under this paragraph, the representative payee shall be liable for the amount misused, and the amount (to the extent not repaid by the representative payee) shall be treated as an overpayment of benefits under this title to the representative payee for all purposes of this Act and related laws pertaining to the recovery of the overpayments. Subject to clause (ii), upon recovering all or any part of the amount, the Commissioner shall make payment of an amount equal to the recovered amount to such individual or such individual's alternative representative payee.

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

(d) EFFECTIVE DATE- The amendments made by this section shall apply to benefit misuse by a representative payee in any case with respect to which the Commissioner of Social Security or a

court of competent jurisdiction makes the determination of misuse after 180 days after the date of the enactment of this Act.

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

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

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

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

“(E) In any case in which the person described in subparagraph (A) or (D) receiving payments on behalf of another fails to submit a report required by the Commissioner of Social Security under subparagraph (A) or (D), the Commissioner may, after furnishing notice to such person and the individual entitled to such payment, require that such person appear in person at a field office of the Social Security Administration serving the area in which the individual resides in order to receive such payments.”.

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

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

(2) by inserting after paragraph (2) the following:

“(3) **AUTHORITY TO REDIRECT DELIVERY OF BENEFIT PAYMENTS WHEN A REPRESENTATIVE PAYEE FAILS TO PROVIDE REQUIRED ACCOUNTING-** In any case in which the person described in paragraph (1) or (2) receiving benefit payments on behalf of a qualified individual fails to submit a report required by the Commissioner of Social Security under paragraph (1) or (2), the Commissioner may, after furnishing notice to such person and the qualified individual, require that such person appear in person at a United States Government facility designated by the Social Security Administration as serving the area in which the qualified individual resides in order to receive such benefit payments.”.

(c) TITLE XVI AMENDMENT- Section 1631(a)(2)(C) of such Act (42 U.S.C. 1383(a)(2)(C)) is amended by adding at the end the following:

“(v) In any case in which the person described in clause (i) or (iv) receiving payments on behalf of another fails to submit a report required by the Commissioner of Social Security under clause (i) or (iv), the Commissioner may, after furnishing notice to the person and the individual entitled to the payment, require that such person appear in person at a field office of the Social Security Administration serving the area in which the individual resides in order to receive such payments.”.

(d) **EFFECTIVE DATE-** The amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

SEC. 107. SURVEY OF USE OF PAYMENTS BY REPRESENTATIVE PAYEES.

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

“(c)(1) In addition to the amount otherwise appropriated in any other law to carry out subsection (a) for fiscal year 2004, up to \$8,500,000 is authorized and appropriated and shall be used by the Commissioner of Social Security under this subsection for purposes of conducting a statistically valid survey to determine how payments made to individuals, organizations, and State or local government agencies that are representative payees for benefits paid under title II or XVI are being managed and used on behalf of the beneficiaries for whom such benefits are paid.

“(2) Not later than 18 months after the date of enactment of this subsection, the Commissioner of Social Security shall submit a report on the survey conducted in accordance with paragraph (1) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.”

Subtitle B--Enforcement

SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RESPECT TO WRONGFUL CONVERSIONS BY REPRESENTATIVE PAYEES.

(a) IN GENERAL- Section 1129(a) of the Social Security Act (42 U.S.C. 1320a-8) is amended by adding at the end the following:

“(3) Any person (including an organization, agency, or other entity) who, having received, while acting in the capacity of a representative payee pursuant to section 205(j), 807, or 1631(a)(2), a payment under title II, VIII, or XVI for the use and benefit of another individual, converts such payment, or any part thereof, to a use that such person knows or should know is other than for the use and benefit of such other individual shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than \$5,000 for each such conversion. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States resulting from the conversion, of not more than twice the amount of any payments so converted.”

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

TITLE II--PROGRAM PROTECTIONS

SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RESPECT TO WITHHOLDING OF MATERIAL FACTS.

(a) TREATMENT OF WITHHOLDING OF MATERIAL FACTS-

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

(A) by striking ‘who’ in the first sentence and inserting ‘who--’;

(B) by striking `makes' in the first sentence and all that follows through `shall be subject to,' and inserting the following:

`(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading,

`(B) makes such a statement or representation for such use with knowing disregard for the truth, or

`(C) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the person knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, if the person knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to,';

(C) by inserting `or each receipt of such benefits or payments while withholding disclosure of such fact' after `each such statement or representation' in the first sentence;

(D) by inserting `or because of such withholding of disclosure of a material fact' after `because of such statement or representation' in the second sentence; and

(E) by inserting `or such a withholding of disclosure' after `such a statement or representation' in the second sentence.

(2) ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES- Section 1129A(a) of such Act (42 U.S.C. 1320a-8a(a)) is amended--

(A) by striking `who' the first place it appears and inserting `who--'; and

(B) by striking `makes' and all that follows through `shall be subject to,' and inserting the following:

`(1) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title XVI that the person knows or should know is false or misleading,

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

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

statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to,'

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

(c) CONFORMING AMENDMENTS-

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

(2) Section 1129(c)(1) of such Act (42 U.S.C. 1320a-8(c)(1)) is amended by striking 'and representations' and inserting ', representations, or actions'.

(3) Section 1129(e)(1)(A) of such Act (42 U.S.C. 1320a-8(e)(1)(A)) is amended by striking 'statement or representation referred to in subsection (a) was made' and inserting 'violation occurred'.

(d) EFFECTIVE DATE- The amendments made by this section shall apply with respect to violations committed after the date on which the Commissioner of Social Security implements the centralized computer file described in section 202.

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.

Effective as soon as possible, but not later than 1 year after the date of the enactment of this Act, until such time as the Commissioner of Social Security implements a centralized computer file recording the date of the submission of information by a disabled beneficiary (or representative) regarding a change in the beneficiary's work or earnings status, the Commissioner shall issue a receipt to the disabled beneficiary (or representative) each time he or she submits documentation, or otherwise reports to the Commissioner, on a change in such status.

SEC. 203. DENIAL OF TITLE II BENEFITS TO PERSONS FLEEING PROSECUTION, CUSTODY, OR CONFINEMENT, AND TO PERSONS VIOLATING PROBATION OR PAROLE.

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

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

(2) in paragraph (1)(A)(ii)(IV), by striking 'or' at the end;

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

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

`(iv) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed, or

`(v) is violating a condition of probation or parole imposed under Federal or State law.';

(5) by adding at the end of paragraph (1)(B) the following:

`(iii) Notwithstanding subparagraph (A), the Commissioner shall, for good cause shown, pay the individual benefits that have been withheld or would otherwise be withheld pursuant to clause (iv) or (v) of subparagraph (A) if the Commissioner determines that--

`(I) a court of competent jurisdiction has found the individual not guilty of the criminal offense, dismissed the charges relating to the criminal offense, vacated the warrant for arrest of the individual for the criminal offense, or issued any similar exonerating order (or taken similar exonerating action), or

`(II) the individual was erroneously implicated in connection with the criminal offense by reason of identity fraud.

`(iv) Notwithstanding subparagraph (A), the Commissioner may, for good cause shown based on mitigating circumstances, pay the individual benefits that have been withheld or would otherwise be withheld pursuant to clause (iv) or (v) of subparagraph (A) if the Commissioner determines that--

`(I) the offense described in clause (iv) or underlying the imposition of the probation or parole described in clause (v) was nonviolent and not drug-related, and

`(II) in the case of an individual from whom benefits have been withheld or otherwise would be withheld pursuant to subparagraph (A)(v), the action that resulted in the violation of a condition of probation or parole was nonviolent and not drug-related.'; and

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

`(C) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any beneficiary under this title, if the officer furnishes the Commissioner with the name of the beneficiary, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the beneficiary, and notifies the Commissioner that--

`(i) the beneficiary is described in clause (iv) or (v) of paragraph (1)(A); and

`(ii) the location or apprehension of the beneficiary is within the officer's official duties.'

(b) CONFORMING AMENDMENTS TO TITLE XVI- Section 1611(e) of the Social Security Act (42 U.S.C. 1382(e)) is amended--

(1) in paragraph (4)--

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting `(A)' after `(4)';

(C) in clause (i) of subparagraph (A) (as redesignated by subparagraph (A)), by striking `or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State' and inserting `or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed'; and

(D) by adding at the end the following:

`(B) Notwithstanding subparagraph (A), the Commissioner shall, for good cause shown, treat the person referred to in subparagraph (A) as an eligible individual or eligible spouse if the Commissioner determines that--

`(i) a court of competent jurisdiction has found the person not guilty of the criminal offense, dismissed the charges relating to the criminal offense, vacated the warrant for arrest of the person for the criminal offense, or issued any similar exonerating order (or taken similar exonerating action), or

`(ii) the person was erroneously implicated in connection with the criminal offense by reason of identity fraud.

`(C) Notwithstanding subparagraph (A), the Commissioner may, for good cause shown based on mitigating circumstances, treat the person referred to in subparagraph (A) as an eligible individual or eligible spouse if the Commissioner determines that--

`(i) the offense described in subparagraph (A)(i) or underlying the imposition of the probation or parole described in subparagraph (A)(ii) was nonviolent and not drug-related, and

`(ii) in the case of a person who is not considered an eligible individual or eligible spouse pursuant to subparagraph (A)(ii), the action that resulted in the violation of a condition of probation or parole was nonviolent and not drug-related.'; and

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

`(A) the recipient is described in clause (i) or (ii) of paragraph (4)(A); and

`(B) the location or apprehension of the recipient is within the officer's official duties.'

(c) CONFORMING AMENDMENT- Section 804(a)(2) of the Social Security Act (42 U.S.C.

1004(a)(2)) is amended by striking `or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State' and inserting `or, in jurisdictions that do not define crimes as felonies, is punishable by death or imprisonment for a term exceeding 1 year regardless of the actual sentence imposed'.

(d) EFFECTIVE DATE- The amendments made by this section shall take effect on the first day of the first month that begins on or after the date that is 9 months after the date of enactment of this Act.

SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PROVIDE FOR A FEE, A PRODUCT OR SERVICE AVAILABLE WITHOUT CHARGE FROM THE SOCIAL SECURITY ADMINISTRATION.

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

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

“(4)(A) No person shall offer, for a fee, to assist an individual to obtain a product or service that the person knows or should know is provided free of charge by the Social Security Administration unless, at the time the offer is made, the person provides to the individual to whom the offer is tendered a notice that--

“(i) explains that the product or service is available free of charge from the Social Security Administration, and

“(ii) complies with standards prescribed by the Commissioner of Social Security respecting the content of such notice and its placement, visibility, and legibility.

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

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

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

(2) in the heading, by striking `PROHIBITION OF MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE' and inserting `PROHIBITIONS RELATING TO REFERENCES'.

(b) EFFECTIVE DATE- The amendments made by this section shall apply to offers of assistance made after the sixth month ending after the Commissioner of Social Security promulgates final regulations prescribing the standards applicable to the notice required to be provided in connection with such offer. The Commissioner shall promulgate such final regulations within 1 year after the date of the enactment of this Act.

SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS AS CLAIMANT REPRESENTATIVES.

Section 206(a)(1) of the Social Security Act (42 U.S.C. 406(a)(1)) is amended by inserting after the second sentence the following: `Notwithstanding the preceding sentences, the Commissioner, after due notice and opportunity for hearing, (A) may refuse to recognize as a representative, and may disqualify a representative already recognized, any attorney who has been disbarred or suspended from any court or bar to which he or she was previously admitted to practice or who has been disqualified from participating in or appearing before any Federal program or agency, and (B) may refuse to recognize, and may disqualify, as a non-attorney representative any attorney who has been disbarred or suspended from any court or bar to which he or she was previously admitted to practice. A representative who has been disqualified or suspended pursuant to this section from appearing before the Social Security Administration as a result of collecting or receiving a fee in excess of the amount authorized shall be barred from appearing before the Social Security Administration as a representative until full restitution is made to the claimant and, thereafter, may be considered for reinstatement only under such rules as the Commissioner may prescribe.'.

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

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

`ATTEMPTS TO INTERFERE WITH ADMINISTRATION OF SOCIAL SECURITY ACT

`SEC. 1129B. Whoever corruptly or by force or threats of force (including any threatening letter or communication) attempts to intimidate or impede any officer, employee, or contractor of the Social Security Administration (including any State employee of a disability determination service or any other individual designated by the Commissioner of Social Security) acting in an official capacity to carry out a duty under this Act, or in any other way corruptly or by force or threats of force (including any threatening letter or communication) obstructs or impedes, or attempts to obstruct or impede, the due administration of this Act, shall be fined not more than \$5,000, imprisoned not more than 3 years, or both, except that if the offense is committed only by threats of force, the person shall be fined not more than \$3,000, imprisoned not more than 1 year, or both. In this subsection, the term `threats of force' means threats of harm to the officer or employee of the United States or to a contractor of the Social Security Administration, or to a member of the family of such an officer or employee or contractor.'.

SEC. 207. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY OR MEDICARE.

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

(1) in subparagraph (A), by inserting `Centers for Medicare & Medicaid Services,' after `Health Care Financing Administration',, by striking `or `Medicaid', and inserting `Medicaid', `Death Benefits Update', `Federal Benefit Information', `Funeral Expenses', or `Final Supplemental Plan', and by inserting `CMS,' after `HCFA',;

(2) in subparagraph (B), by inserting `Centers for Medicare & Medicaid Services,' after

`Health Care Financing Administration,' each place it appears; and

(3) in the matter following subparagraph (B), by striking `the Health Care Financing Administration,' each place it appears and inserting `the Centers for Medicare & Medicaid Services,'.

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

SEC. 208. DISQUALIFICATION FROM PAYMENT DURING TRIAL WORK PERIOD UPON CONVICTION OF FRAUDULENT CONCEALMENT OF WORK ACTIVITY.

(a) IN GENERAL- Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

“(5) Upon conviction by a Federal court that an individual has fraudulently concealed work activity during a period of trial work from the Commissioner of Social Security by--

“(A) providing false information to the Commissioner of Social Security as to whether the individual had earnings in or for a particular period, or as to the amount thereof;

“(B) receiving disability insurance benefits under this title while engaging in work activity under another identity, including under another social security account number or a number purporting to be a social security account number; or

“(C) taking other actions to conceal work activity with an intent fraudulently to secure payment in a greater amount than is due or when no payment is authorized,

no benefit shall be payable to such individual under this title with respect to a period of disability for any month before such conviction during which the individual rendered services during the period of trial work with respect to which the fraudulently concealed work activity occurred, and amounts otherwise due under this title as restitution, penalties, assessments, fines, or other repayments shall in all cases be in addition to any amounts for which such individual is liable as overpayments by reason of such concealment.’.

(b) EFFECTIVE DATE- The amendment made by subsection (a) shall apply with respect to work activity performed after the date of the enactment of this Act.

SEC. 209. AUTHORITY FOR JUDICIAL ORDERS OF RESTITUTION.

(a) AMENDMENTS TO TITLE II- Section 208 of the Social Security Act (42 U.S.C. 408) is amended--

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following:

`(b)(1) Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the victims of such offense specified in paragraph (4).

`(2) Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the issuance and enforcement of orders of restitution to victims of such offense under this subsection.

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

`(4) For purposes of paragraphs (1) and (2), the victims of an offense under subsection (a) are the following:

`(A) Any individual who suffers a financial loss as a result of the defendant's violation of subsection (a).

`(B) The Commissioner of Social Security, to the extent that the defendant's violation of subsection (a) results in--

`(i) the Commissioner of Social Security making a benefit payment that should not have been made; or

`(ii) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 205(j).

`(5)(A) Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited in the Federal Old-Age and Survivors Insurance Trust Fund, or the Federal Disability Insurance Trust Fund, as appropriate.

`(B) In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (4)(B)(ii), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss, except that such amount may be reduced by the amount of any overpayments of benefits owed under this title, title VIII, or title XVI by the individual.'; and

(3) by amending subsection (c) (as redesignated by paragraph (1)), by striking the second sentence.

(b) AMENDMENTS TO TITLE VIII- Section 811 of the Social Security Act (42 U.S.C. 1011) is amended--

(1) by striking subsection (b) and inserting the following:

`(b) COURT ORDER FOR RESTITUTION-

`(1) IN GENERAL- Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the Commissioner of Social Security, in any case in which such offense results in--

`(A) the Commissioner of Social Security making a benefit payment that should not have been made, or

`(B) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 807(i).

`(2) RELATED PROVISIONS- Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the issuance and enforcement of orders of restitution under this subsection. In so applying such sections, the Commissioner of Social Security shall be considered the victim.

`(3) STATED REASONS FOR NOT ORDERING RESTITUTION- If the court does not order restitution, or orders only partial restitution, under this subsection, the court shall state on the record the reasons therefor.

`(4) RECEIPT OF RESTITUTION PAYMENTS-

`(A) IN GENERAL- Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited as miscellaneous receipts in the general fund of the Treasury.

`(B) PAYMENT TO THE INDIVIDUAL- In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (1)(B), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss as described in such paragraph, except that such amount may be reduced by any overpayment of benefits owed under this title, title II, or title XVI by the individual.'

(c) AMENDMENTS TO TITLE XVI- Section 1632 of the Social Security Act (42 U.S.C. 1383a) is amended--

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

`(b)(1) Any Federal court, when sentencing a defendant convicted of an offense under subsection (a), may order, in addition to or in lieu of any other penalty authorized by law, that the defendant make restitution to the Commissioner of Social Security, in any case in which such offense results in--

`(A) the Commissioner of Social Security making a benefit payment that should not have been made, or

`(B) an individual suffering a financial loss due to the defendant's violation of subsection (a) in his or her capacity as the individual's representative payee appointed pursuant to section 1631(a)(2).

`(2) Sections 3612, 3663, and 3664 of title 18, United States Code, shall apply with respect to the

issuance and enforcement of orders of restitution under this subsection. In so applying such sections, the Commissioner of Social Security shall be considered the victim.

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

`(4)(A) Except as provided in subparagraph (B), funds paid to the Commissioner of Social Security as restitution pursuant to a court order shall be deposited as miscellaneous receipts in the general fund of the Treasury.

`(B) In the case of funds paid to the Commissioner of Social Security pursuant to paragraph (1) (B), the Commissioner of Social Security shall certify for payment to the individual described in such paragraph an amount equal to the lesser of the amount of the funds so paid or the individual's outstanding financial loss as described in such paragraph, except that such amount may be reduced by any overpayment of benefits owed under this title, title II, or title VIII by the individual.'; and

(3) by amending subsection (c) (as redesignated by paragraph (1)) by striking `(1) If a person' and all that follows through `(2)'.

(d) EFFECTIVE DATE- The amendments made by subsections (a), (b), and (c) shall apply with respect to violations occurring on or after the date of enactment of this Act.

SEC. 210. AUTHORITY FOR CROSS-PROGRAM RECOVERY OF BENEFIT OVERPAYMENTS.

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

`CROSS-PROGRAM RECOVERY OF OVERPAYMENTS FROM BENEFITS

`(a) IN GENERAL- Subject to subsection (b), whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to a person under a program described in subsection (e), the Commissioner of Social Security may recover the amount incorrectly paid by decreasing any amount which is payable to such person under any other program specified in that subsection.

`(b) LIMITATION APPLICABLE TO CURRENT BENEFITS-

`(1) IN GENERAL- In carrying out subsection (a), the Commissioner of Social Security may not decrease the monthly amount payable to an individual under a program described in subsection (e) that is paid when regularly due--

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

`(B) in the case of benefits under title XVI, by an amount greater than the lesser of--

`(i) the amount of the benefit payable to the person for that month; or

`(ii) an amount equal to 10 percent of the person's income for that month (including such monthly benefit but excluding payments under title II when recovery is also made from title II payments and excluding income excluded pursuant to section 1612(b)).

`(2) EXCEPTION- Paragraph (1) shall not apply if--

`(A) the person or the spouse of the person was involved in willful misrepresentation or concealment of material information in connection with the amount incorrectly paid; or

`(B) the person so requests.

`(c) NO EFFECT ON ELIGIBILITY OR BENEFIT AMOUNT UNDER TITLE VIII OR XVI- In any case in which the Commissioner of Social Security takes action in accordance with subsection (a) to recover an amount incorrectly paid to any person, neither that person, nor (with respect to the program described in subsection (e)(3)) any individual whose eligibility for benefits under such program or whose amount of such benefits, is determined by considering any part of that person's income, shall, as a result of such action--

`(1) become eligible for benefits under the program described in paragraph (2) or (3) of subsection (e); or

`(2) if such person or individual is otherwise so eligible, become eligible for increased benefits under such program.

`(d) INAPPLICABILITY OF PROHIBITION AGAINST ASSESSMENT AND LEGAL PROCESS- Section 207 shall not apply to actions taken under the provisions of this section to decrease amounts payable under titles II and XVI.

`(e) PROGRAMS DESCRIBED- The programs described in this subsection are the following:

`(1) The old-age, survivors, and disability insurance benefits program under title II.

`(2) The special benefits for certain World War II veterans program under title VIII.

`(3) The supplemental security income benefits program under title XVI (including, for purposes of this section, State supplementary payments paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93-66).'

(b) CONFORMING AMENDMENTS-

(1) Section 204(g) of the Social Security Act (42 U.S.C. 404(g)) is amended to read as follows:

`(g) For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.'

(2) Section 808 of the Social Security Act (42 U.S.C. 1008) is amended--

(A) in subsection (a)(1)--

(i) by striking subparagraph (B);

(ii) in the matter preceding subparagraph (A), by striking 'any payment' and all that follows through 'under this title' and inserting 'any payment under this title'; and

(iii) by striking '; or' and inserting a period;

(B) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively; and

(C) by adding at the end the following:

'(e) CROSS-PROGRAM RECOVERY OF OVERPAYMENTS- For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.'

(3) Section 1147A of the Social Security Act (42 U.S.C. 1320b-18) is repealed.

(4) Section 1631(b) of the Social Security Act (42 U.S.C. 1383(b)) is amended--

(A) in paragraph (1)(B)--

(i) by striking 'excluding any other' and inserting 'excluding payments under title II when recovery is made from title II payments pursuant to section 1147 and excluding'; and

(ii) by striking '50 percent of'; and

(B) by striking paragraph (6) and inserting the following:

'(6) For provisions relating to the cross-program recovery of overpayments made under programs administered by the Commissioner of Social Security, see section 1147.'

(c) EFFECTIVE DATE- The amendments and repeal made by this section shall take effect on the date of enactment of this Act, and shall be effective with respect to overpayments under titles II, VIII, and XVI of the Social Security Act that are outstanding on or after such date.

SEC. 211. PROHIBITION ON PAYMENT OF TITLE II BENEFITS TO PERSONS NOT AUTHORIZED TO WORK IN THE UNITED STATES.

(a) FULLY INSURED AND CURRENTLY INSURED INDIVIDUALS- Section 214 (42 U.S.C. 414) is amended--

(1) in subsection (a), by inserting before the period at the end the following: ', and who

satisfies the criterion specified in subsection (c)';

(2) in subsection (b), by inserting before the period at the end the following: ', and who satisfies the criterion specified in subsection (c)'; and

(3) by adding at the end the following:

`(c) For purposes of subsections (a) and (b), the criterion specified in this subsection is that the individual, if not a United States citizen or national--

`(1) has been assigned a social security account number that was, at the time of assignment, or at any later time, consistent with the requirements of subclause (I) or (III) of section 205 (c)(2)(B)(i); or

`(2) at the time any such quarters of coverage are earned--

`(A) is described in subparagraph (B) or (D) of section 101(a)(15) of the Immigration and Nationality Act,

`(B) is lawfully admitted temporarily to the United States for business (in the case of an individual described in such subparagraph (B)) or the performance as a crewman (in the case of an individual described in such subparagraph (D)), and

`(C) the business engaged in or service as a crewman performed is within the scope of the terms of such individual's admission to the United States.'.

(b) DISABILITY BENEFITS- Section 223(a)(1) of the Social Security Act (42 U.S.C. 423(a)(1)) is amended--

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B), the following:

`(C) if not a United States citizen or national--

`(i) has been assigned a social security account number that was, at the time of assignment, or at any later time, consistent with the requirements of subclause (I) or (III) of section 205(c)(2)(B)(i); or

`(ii) at the time any quarters of coverage are earned--

`(I) is described in subparagraph (B) or (D) of section 101(a)(15) of the Immigration and Nationality Act,

`(II) is lawfully admitted temporarily to the United States for business (in the case of an individual described in such subparagraph (B)) or the performance as a crewman (in the case of an individual described in such subparagraph (D)), and

(III) the business engaged in or service as a crewman performed is within the scope of the terms of such individual's admission to the United States.'

(c) EFFECTIVE DATE- The amendments made by this section apply to benefit applications based on social security account numbers issued on or after January 1, 2004.

TITLE III--ATTORNEY REPRESENTATIVE FEE PAYMENT SYSTEM IMPROVEMENTS

SEC. 301. CAP ON ATTORNEY ASSESSMENTS.

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

(1) by inserting ', except that the maximum amount of the assessment may not exceed the greater of \$75 or the adjusted amount as provided pursuant to the following two sentences' after 'subparagraph (B)'; and

(2) by adding at the end the following: 'In the case of any calendar year beginning after the amendments made by section 301 of the Social Security Protection Act of 2003 take effect, the dollar amount specified in the preceding sentence (including a previously adjusted amount) shall be adjusted annually under the procedures used to adjust benefit amounts under section 215(i)(2)(A)(ii), except such adjustment shall be based on the higher of \$75 or the previously adjusted amount that would have been in effect for December of the preceding year, but for the rounding of such amount pursuant to the following sentence. Any amount so adjusted that is not a multiple of \$1 shall be rounded to the next lowest multiple of \$1, but in no case less than \$75.'

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

SEC. 302. TEMPORARY EXTENSION OF ATTORNEY FEE PAYMENT SYSTEM TO TITLE XVI CLAIMS.

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

(1) in subparagraph (A), in the matter preceding clause (i)--

(A) by striking 'section 206(a)' and inserting 'section 206';

(B) by striking '(other than paragraph (4) thereof)' and inserting '(other than subsections (a)(4) and (d) thereof)'; and

(C) by striking 'paragraph (2) thereof' and inserting 'such section';

(2) in subparagraph (A)(i)--

(A) by striking `in subparagraphs (A)(ii)(I) and (C)(i),' and inserting `in subparagraphs (A)(ii)(I) and (D)(i) of subsection (a)(2)'; and

(B) by striking `and' at the end;

(3) by striking subparagraph (A)(ii) and inserting the following:

`(ii) by substituting, in subsections (a)(2)(B) and (b)(1)(B)(i), the phrase `paragraph (7)(A) or (8)(A) of section 1631(a) or the requirements of due process of law' for the phrase `subsection (g) or (h) of section 223';

`(iii) by substituting, in subsection (a)(2)(C)(i), the phrase `under title II' for the phrase `under title XVI';

`(iv) by substituting, in subsection (b)(1)(A), the phrase `pay the amount of such fee' for the phrase `certify the amount of such fee for payment' and by striking, in subsection (b)(1)(A), the phrase `or certified for payment'; and

`(v) by substituting, in subsection (b)(1)(B)(ii), the phrase `deemed to be such amounts as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a)' for the phrase `determined before any applicable reduction under section 1127(a)'; and

(4) by redesignating subparagraph (B) as subparagraph (D) and inserting after subparagraph (A) the following:

`(B) Subject to subparagraph (C), if the claimant is determined to be entitled to past-due benefits under this title and the person representing the claimant is an attorney, the Commissioner of Social Security shall pay out of such past-due benefits to such attorney an amount equal to the lesser of--

`(i) so much of the maximum fee as does not exceed 25 percent of such past-due benefits (as determined before any applicable reduction under section 1631(g) and reduced by the amount of any reduction in benefits under this title or title II pursuant to section 1127(a)), or

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

`(C)(i) Whenever a fee for services is required to be paid to an attorney from a claimant's past-due benefits pursuant to subparagraph (B), the Commissioner shall impose on the attorney an assessment calculated in accordance with clause (ii).

`(ii)(I) The amount of an assessment under clause (i) shall be equal to the product obtained by multiplying the amount of the representative's fee that would be required to be paid by subparagraph (B) before the application of this subparagraph, by the percentage specified in subclause (II), except that the maximum amount of the assessment may not exceed \$75. In the case of any calendar year beginning after the amendments made by section 302 of the Social Security Protection Act of 2003 take effect, the dollar amount specified in the preceding sentence (including a previously adjusted amount) shall be adjusted annually under the procedures used to adjust benefit amounts under section 215(i)(2)(A)(ii), except such adjustment shall be based on

the higher of \$75 or the previously adjusted amount that would have been in effect for December of the preceding year, but for the rounding of such amount pursuant to the following sentence. Any amount so adjusted that is not a multiple of \$1 shall be rounded to the next lowest multiple of \$1, but in no case less than \$75.

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

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

`(iv) An attorney subject to an assessment under clause (i) may not, directly or indirectly, request or otherwise obtain reimbursement for such assessment from the claimant whose claim gave rise to the assessment.

`(v) Assessments on attorneys collected under this subparagraph shall be deposited as miscellaneous receipts in the general fund of the Treasury.

`(vi) The assessments authorized under this subparagraph shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Amounts so appropriated are authorized to remain available until expended, for administrative expenses in carrying out this title and related laws.'

(b) CONFORMING AMENDMENTS- Section 1631(a) of the Social Security Act (42 U.S.C. 1383(a)) is amended--

(1) in paragraph (2)(F)(i)(II), by inserting `and payment of attorney fees under subsection (d)(2)(B)' after `subsection (g)'; and

(2) in paragraph (10)(A)--

(A) in the matter preceding clause (i), by inserting `and payment of attorney fees under subsection (d)(2)(B)' after `subsection (g)'; and

(B) in the matter following clause (ii), by inserting `and payment of attorney fees under subsection (d)(2)(B)' after `State'.

(c) EFFECTIVE DATE-

(1) IN GENERAL- The amendments made by this section shall apply with respect to fees for representation of claimants which are first required to be paid under section 1631(d)(2) of the Social Security Act on or after the date of the submission by the Commissioner of Social Security to each House of Congress pursuant to section 303(d) of this Act of written notice of completion of full implementation of the requirements for operation of the demonstration project under section 303 of this Act.

(2) SUNSET- Such amendments shall not apply with respect to fees for representation of

claimants in the case of any claim for benefits with respect to which the agreement for representation is entered into after 5 years after the date described in paragraph (1).

SEC. 303. NATIONWIDE DEMONSTRATION PROJECT PROVIDING FOR EXTENSION OF FEE WITHHOLDING PROCEDURES TO NON-ATTORNEY REPRESENTATIVES.

(a) IN GENERAL- The Commissioner of Social Security (hereafter in this section referred to as the 'Commissioner') shall develop and carry out a nationwide demonstration project under this section with respect to agents and other persons, other than attorneys, who represent claimants under titles II and XVI of the Social Security Act before the Commissioner. The demonstration project shall be designed to determine the potential results of extending to such representatives the fee withholding procedures and assessment procedures that apply under sections 206 and section 1631(d)(2) of such Act to attorneys seeking direct payment out of past due benefits under such titles and shall include an analysis of the effect of such extension on claimants and program administration.

(b) STANDARDS FOR INCLUSION IN DEMONSTRATION PROJECT- Fee-withholding procedures may be extended under the demonstration project carried out pursuant to subsection (a) to any non-attorney representative only if such representative meets at least the following prerequisites:

- (1) The representative has been awarded a bachelor's degree from an accredited institution of higher education, or has been determined by the Commissioner to have equivalent qualifications derived from training and work experience.
- (2) The representative has passed an examination, written and administered by the Commissioner, which tests knowledge of the relevant provisions of the Social Security Act and the most recent developments in agency and court decisions affecting titles II and XVI of such Act.
- (3) The representative has secured professional liability insurance, or equivalent insurance, which the Commissioner has determined to be adequate to protect claimants in the event of malpractice by the representative.
- (4) The representative has undergone a criminal background check to ensure the representative's fitness to practice before the Commissioner.
- (5) The representative demonstrates ongoing completion of qualified courses of continuing education, including education regarding ethics and professional conduct, which are designed to enhance professional knowledge in matters related to entitlement to, or eligibility for, benefits based on disability under titles II and XVI of such Act. Such continuing education, and the instructors providing such education, shall meet such standards as the Commissioner may prescribe.

(c) ASSESSMENT OF FEES-

(1) IN GENERAL- The Commissioner may assess representatives reasonable fees to cover the cost to the Social Security Administration of administering the prerequisites described in subsection (b).

(2) DISPOSITION OF FEES- Fees collected under paragraph (1) shall be credited to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or deposited as miscellaneous receipts in the general fund of the Treasury, based on such allocations as the Commissioner of Social Security determines appropriate.

(3) AUTHORIZATION OF APPROPRIATIONS- The fees authorized under this subparagraph shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Amounts so appropriated are authorized to remain available until expended for administering the prerequisites described in subsection (b).

(d) NOTICE TO CONGRESS AND APPLICABILITY OF FEE WITHHOLDING PROCEDURES- Not later than 1 year after the date of enactment of this Act, the Commissioner shall complete such actions as are necessary to fully implement the requirements for full operation of the demonstration project and shall submit to each House of Congress a written notice of the completion of such actions. The applicability under this section to non-attorney representatives of the fee withholding procedures and assessment procedures under sections 206 and 1631(d)(2) of the Social Security Act shall be effective with respect to fees for representation of claimants in the case of claims for benefits with respect to which the agreement for representation is entered into by such non-attorney representatives during the period beginning with the date of the submission of such notice by the Commissioner to Congress and ending with the termination date of the demonstration project.

(e) REPORTS BY THE COMMISSIONER; TERMINATION-

(1) INTERIM REPORTS- On or before the date which is 1 year after the date of enactment of this Act, and annually thereafter, the Commissioner shall transmit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate an annual interim report on the progress of the demonstration project carried out under this section, together with any related data and materials that the Commissioner may consider appropriate.

(2) TERMINATION DATE AND FINAL REPORT- The termination date of the demonstration project under this section is the date which is 5 years after the date of the submission of the notice by the Commissioner to each House of Congress pursuant to subsection (d). The authority under the preceding provisions of this section shall not apply in the case of claims for benefits with respect to which the agreement for representation is entered into after the termination date. Not later than 90 days after the termination date, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a final report with respect to the demonstration project.

SEC. 304. GAO STUDY REGARDING THE FEE PAYMENT PROCESS FOR CLAIMANT REPRESENTATIVES.

(a) STUDY-

(1) IN GENERAL- The Comptroller General of the United States shall study and evaluate the appointment and payment of claimant representatives appearing before the Commissioner of Social Security in connection with benefit claims under titles II and XVI

of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) in each of the following groups:

- (A) Attorney claimant representatives who elect fee withholding under section 206 or 1631(d)(2) of such Act.
- (B) Attorney claimant representatives who do not elect such fee withholding.
- (C) Non-attorney claimant representatives who are eligible for, and elect, such fee withholding.
- (D) Non-attorney claimant representatives who are eligible for, but do not elect, such fee withholding.
- (E) Non-attorney claimant representatives who are not eligible for such fee withholding.

(2) MATTERS TO BE STUDIED- In conducting the study under this subsection, the Comptroller General shall, for each of group of claimant representatives described in paragraph (1)--

- (A) conduct a survey of the relevant characteristics of such claimant representatives including--
 - (i) qualifications and experience;
 - (ii) the type of employment of such claimant representatives, such as with an advocacy group, State or local government, or insurance or other company;
 - (iii) geographical distribution between urban and rural areas;
 - (iv) the nature of claimants' cases, such as whether the cases are for disability insurance benefits only, supplemental security income benefits only, or concurrent benefits;
 - (v) the relationship of such claimant representatives to claimants, such as whether the claimant is a friend, family member, or client of the claimant representative; and
 - (vi) the amount of compensation (if any) paid to the claimant representatives and the method of payment of such compensation;
- (B) assess the quality and effectiveness of the services provided by such claimant representatives, including a comparison of claimant satisfaction or complaints and benefit outcomes, adjusted for differences in claimant representatives' caseload, claimants' diagnostic group, level of decision, and other relevant factors;
- (C) assess the interactions between fee withholding under sections 206 and 1631(d)(2) of such Act (including under the amendments made by section 302 of this Act and under the demonstration project conducted under section 303 of this Act), the

windfall offset under section 1127 of such Act, and interim assistance reimbursements under section 1631(g) of such Act;

(D) assess the potential results of making permanent the fee withholding procedures under sections 206 and 1631(d)(2) of such Act under the amendments made by section 302 of this Act and under the demonstration project conducted under section 303 of this Act with respect to program administration and claimant outcomes, and assess whether the rules and procedures employed by the Commissioner of Social Security to evaluate the qualifications and performance of claimant representatives should be revised prior to making such procedures permanent; and

(E) make such recommendations for administrative and legislative changes as the Comptroller General of the United States considers necessary or appropriate.

(3) **CONSULTATION REQUIRED-** The Comptroller General of the United States shall consult with beneficiaries under title II of such Act, beneficiaries under title XVI of such Act, claimant representatives of beneficiaries under such titles, and other interested parties, in conducting the study and evaluation required under paragraph (1).

(b) **REPORT-** Not later than 3 years after the date of the submission by the Commissioner of Social Security to each House of Congress pursuant to section 303(d) of this Act of written notice of completion of full implementation of the requirements for operation of the demonstration project under section 303 of this Act, the Comptroller General of the United States shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the results of the study and evaluation conducted pursuant to subsection (a).

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.

Section 234 of the Social Security Act (42 U.S.C. 434) is amended--

(1) in the first sentence of subsection (c), by striking `conducted under subsection (a)' and inserting `initiated under subsection (a) on or before December 17, 2005'; and

(2) in subsection (d)(2), by striking the first sentence and inserting the following: `The authority to initiate projects under the preceding provisions of this section shall terminate on December 18, 2005.'.

SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE IN CONNECTION WITH DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.

Section 302(c) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C.

434 note) is amended by striking '(42 U.S.C. 401 et seq.)' and inserting '(42 U.S.C. 401 et seq.) and the requirements of section 1148 of such Act (42 U.S.C. 1320b-19) as they relate to the program established under title II of such Act.'

SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.

Section 302(f) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 434 note) is amended to read as follows:

'(f) EXPENDITURES- Administrative expenses for demonstration projects under this section shall be paid from funds available for the administration of title II or XVIII of the Social Security Act, as appropriate. Benefits payable to or on behalf of individuals by reason of participation in projects under this section shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, from funds available for benefits under such title II or XVIII.'

SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK INCENTIVE SERVICES TO ADDITIONAL INDIVIDUALS.

(a) FEDERAL WORK INCENTIVES OUTREACH PROGRAM-

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

'(2) DISABLED BENEFICIARY- The term 'disabled beneficiary' means an individual--

'(A) who is a disabled beneficiary as defined in section 1148(k)(2) of this Act;

'(B) who is receiving a cash payment described in section 1616(a) of this Act or a supplementary payment described in section 212(a)(3) of Public Law 93-66 (without regard to whether such payment is paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or under section 212(b) of Public Law 93-66);

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

'(D) who is entitled to benefits under part A of title XVIII of this Act by reason of the penultimate sentence of section 226(b) of this Act.'

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

(b) STATE GRANTS FOR WORK INCENTIVES ASSISTANCE-

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

`(2) DISABLED BENEFICIARY- The term `disabled beneficiary' means an individual--

`(A) who is a disabled beneficiary as defined in section 1148(k)(2) of this Act;

`(B) who is receiving a cash payment described in section 1616(a) of this Act or a supplementary payment described in section 212(a)(3) of Public Law 93-66 (without regard to whether such payment is paid by the Commissioner pursuant to an agreement under section 1616(a) of this Act or under section 212(b) of Public Law 93-66);

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

`(D) who is entitled to benefits under part A of title XVIII of this Act by reason of the penultimate sentence of section 226(b) of this Act.'.

(2) ADVOCACY OR OTHER SERVICES NEEDED TO MAINTAIN GAINFUL EMPLOYMENT- Section 1150(b)(2) of such Act (42 U.S.C. 1320b-21(b)(2)) is amended by striking `secure or regain' and inserting `secure, maintain, or regain'.

(3) EFFECTIVE DATE- The amendments made by this subsection shall apply with respect to payments provided after the date of the enactment of this Act.

SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREATMENT FOR CERTAIN PURPOSES OF INDIVIDUAL WORK PLANS UNDER THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL- Section 1148(g)(1) of the Social Security Act (42 U.S.C. 1320b-19(g)(1)) is amended by adding at the end, after and below subparagraph (E), the following:

`An individual work plan established pursuant to this subsection shall be treated, for purposes of section 51(d)(6)(B)(i) of the Internal Revenue Code of 1986, as an individualized written plan for employment under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973.'.

(b) EFFECTIVE DATE- The amendment made by subsection (a) shall take effect as if included in section 505 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170; 113 Stat. 1921).

SEC. 406. GAO STUDY REGARDING THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.

(a) GAO REPORT- Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress regarding the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b-19) that--

(1) examines the annual and interim reports issued by States, the Ticket to Work and Work Incentives Advisory Panel established under section 101(f) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 1320b-19 note), and the Commissioner of Social Security regarding such program;

(2) assesses the effectiveness of the activities carried out under such program; and

(3) recommends such legislative or administrative changes as the Comptroller General determines are appropriate to improve the effectiveness of such program.

SEC. 407. REAUTHORIZATION OF APPROPRIATIONS FOR CERTAIN WORK INCENTIVES PROGRAMS.

(a) BENEFITS PLANNING, ASSISTANCE, AND OUTREACH- Section 1149(d) of the Social Security Act (42 U.S.C. 1320b-20(d)) is amended by striking `2004' and inserting `2009'.

(b) PROTECTION AND ADVOCACY- Section 1150(h) of the Social Security Act (42 U.S.C. 1320b-21(h)) is amended by striking `2004' and inserting `2009'.

Subtitle B--Miscellaneous Amendments

SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN REMAND CASES FULLY FAVORABLE TO THE CLAIMANT.

(a) IN GENERAL- Section 205(g) of the Social Security Act (42 U.S.C. 405(g)) is amended in the sixth sentence by striking `and a transcript' and inserting `and, in any case in which the Commissioner has not made a decision fully favorable to the individual, a transcript'.

(b) EFFECTIVE DATE- The amendment made by this section shall apply with respect to final determinations issued (upon remand) on or after the date of the enactment of this Act.

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

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

(1) in paragraph (1), by striking `section 241(a) (other than under paragraph (1)(C) or (1)(E) thereof) of the Immigration and Nationality Act' and inserting `section 237(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) of such section) or under section 212(a)(6)(A) of such Act';

(2) in paragraph (2), by striking `section 241(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) or (1)(E) thereof)' and inserting `section 237(a) of the Immigration and Nationality Act (other than under paragraph (1)(C) of such section) or under section 212(a)(6)(A) of such Act';

(3) in paragraph (3), by striking `paragraph (19) of section 241(a) of the Immigration and Nationality Act (relating to persecution of others on account of race, religion, national origin, or political opinion, under the direction of or in association with the Nazi

government of Germany or its allies) shall be considered to have been deported under such paragraph (19)' and inserting 'paragraph (4)(D) of section 241(a) of the Immigration and Nationality Act (relating to participating in Nazi persecutions or genocide) shall be considered to have been deported under such paragraph (4)(D)'; and

(4) in paragraph (3) (as amended by paragraph (3) of this subsection), by striking '241(a)' and inserting '237(a)'.

(b) TECHNICAL CORRECTIONS-

(1) TERMINOLOGY REGARDING REMOVAL FROM THE UNITED STATES- Section 202(n) of the Social Security Act (42 U.S.C. 402(n)) (as amended by subsection (a)) is amended further--

(A) by striking 'deportation' each place it appears and inserting 'removal';

(B) by striking 'deported' each place it appears and inserting 'removed'; and

(C) in the heading, by striking 'Deportation' and inserting 'Removal'.

(2) REFERENCES TO THE SECRETARY OF HOMELAND SECURITY- Section 202(n) of the Social Security Act (42 U.S.C. 402(n)) (as amended by subsection (a) and paragraph (1)) is amended further by inserting 'or the Secretary of Homeland Security' after 'the Attorney General' each place it appears.

(c) EFFECTIVE DATES-

(1) IN GENERAL- The amendment made by--

(A) subsection (a)(1) shall apply to individuals with respect to whom the Commissioner of Social Security receives a removal notice after the date of the enactment of this Act;

(B) subsection (a)(2) shall apply with respect to notifications of removals received by the Commissioner of Social Security after the date of enactment of this Act; and

(C) subsection (a)(3) shall be effective as if enacted on March 1, 1991.

(2) SUBSEQUENT CORRECTION OF CROSS-REFERENCE AND TERMINOLOGY- The amendments made by subsections (a)(4) and (b)(1) shall be effective as if enacted on April 1, 1997.

(3) REFERENCES TO THE SECRETARY OF HOMELAND SECURITY- The amendment made by subsection (b)(2) shall be effective as if enacted on March 1, 2003.

SEC. 413. REINSTATEMENT OF CERTAIN REPORTING REQUIREMENTS.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) shall not apply to any report required to be submitted under any of the following provisions of law:

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

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

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

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

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

SEC. 414. CLARIFICATION OF DEFINITIONS REGARDING CERTAIN SURVIVOR BENEFITS.

(a) WIDOWS- Section 216(c) of the Social Security Act (42 U.S.C. 416(c)) is amended--

(1) by redesignating subclauses (A) through (C) of clause (6) as subclauses (i) through (iii), respectively;

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

(3) in clause (E) (as redesignated), by inserting `except as provided in paragraph (2),' before `she was married';

(4) by inserting `(1)' after `(c)'; and

(5) by adding at the end the following:

`(2) The requirements of paragraph (1)(E) in connection with the surviving wife of an individual shall be treated as satisfied if--

`(A) the individual had been married prior to the individual's marriage to the surviving wife,

`(B) the prior wife was institutionalized during the individual's marriage to the prior wife due to mental incompetence or similar incapacity,

`(C) during the period of the prior wife's institutionalization, the individual would have divorced the prior wife and married the surviving wife, but the individual did not do so because such divorce would have been unlawful, by reason of the prior wife's institutionalization, under the laws of the State in which the individual was domiciled at the time (as determined based on evidence satisfactory to the Commissioner of Social Security),

`(D) the prior wife continued to remain institutionalized up to the time of her death, and

`(E) the individual married the surviving wife within 60 days after the prior wife's death.'.

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

(1) by redesignating subclauses (A) through (C) of clause (6) as subclauses (i) through (iii), respectively;

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

(3) in clause (E) (as redesignated), by inserting 'except as provided in paragraph (2),' before 'he was married';

(4) by inserting '(1)' after '(g)'; and

(5) by adding at the end the following:

(2) The requirements of paragraph (1)(E) in connection with the surviving husband of an individual shall be treated as satisfied if--

(A) the individual had been married prior to the individual's marriage to the surviving husband,

(B) the prior husband was institutionalized during the individual's marriage to the prior husband due to mental incompetence or similar incapacity,

(C) during the period of the prior husband's institutionalization, the individual would have divorced the prior husband and married the surviving husband, but the individual did not do so because such divorce would have been unlawful, by reason of the prior husband's institutionalization, under the laws of the State in which the individual was domiciled at the time (as determined based on evidence satisfactory to the Commissioner of Social Security),

(D) the prior husband continued to remain institutionalized up to the time of his death, and

(E) the individual married the surviving husband within 60 days after the prior husband's death.'

(c) CONFORMING AMENDMENT- Section 216(k) of such Act (42 U.S.C. 416(k)) is amended by striking 'clause (5) of subsection (c) or clause (5) of subsection (g)' and inserting 'clause (E) of subsection (c)(1) or clause (E) of subsection (g)(1)'.

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

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.

Sections 1401(c), 3101(c), and 3111(c) of the Internal Revenue Code of 1986 are each amended by striking 'to taxes or contributions for similar purposes under' and inserting 'exclusively to the laws applicable to'.

SEC. 416. COVERAGE UNDER DIVIDED RETIREMENT SYSTEM FOR PUBLIC EMPLOYEES IN KENTUCKY AND LOUISIANA.

(a) IN GENERAL- Section 218(d)(6)(C) of the Social Security Act (42 U.S.C. 418(d)(6)(C)) is

amended by inserting `Kentucky, Louisiana,' after `Illinois,'.

(b) EFFECTIVE DATE- The amendment made by subsection (a) takes effect on January 1, 2003.

SEC. 417. COMPENSATION FOR THE SOCIAL SECURITY ADVISORY BOARD.

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

`Compensation, Expenses, and Per Diem

`(f) A member of the Board shall, for each day (including traveltime) during which the member is attending meetings or conferences of the Board or otherwise engaged in the business of the Board, be compensated at the daily rate of basic pay for level IV of the Executive Schedule. While serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.'

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

SEC. 418. SIXTY-MONTH PERIOD OF EMPLOYMENT REQUIREMENT FOR APPLICATION OF GOVERNMENT PENSION OFFSET EXEMPTION.

(a) IN GENERAL- Section 202(k) of the Social Security Act (42 U.S.C. 402(k)) is amended by adding at the end the following:

`(5)(A) The amount of a monthly insurance benefit of any individual for each month under subsection (b), (c), (e), (f), or (g) (as determined after application of the provisions of subsection (q) and the preceding provisions of this subsection) shall be reduced (but not below zero) by an amount equal to two-thirds of the amount of any monthly periodic benefit payable to such individual for such month which is based upon such individual's earnings while in the service of the Federal Government or any State (or political subdivision thereof, as defined in section 218(b)(2)) if, during any portion of the last 60 months of such service ending with the last day such individual was employed by such entity--

`(i) such service did not constitute `employment' as defined in section 210, or

`(ii) such service was being performed while in the service of the Federal Government, and constituted `employment' as so defined solely by reason of--

`(I) clause (ii) or (iii) of subparagraph (G) of section 210(a)(5), where the lump-sum payment described in such clause (ii) or the cessation of coverage described in such clause (iii) (whichever is applicable) was received or occurred on or after January 1, 1988, or

`(II) an election to become subject to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of the Foreign Service Act of

1980 made pursuant to law after December 31, 1987,

unless subparagraph (B) applies.

The amount of the reduction in any benefit under this subparagraph, if not a multiple of \$0.10, shall be rounded to the next higher multiple of \$0.10.

`(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).

`(ii) Subparagraph (A)(ii) shall not apply with respect to monthly periodic benefits based in whole or in part on service which constituted `employment' as defined in section 210 if such service was performed for at least 60 months in the aggregate during the period beginning January 1, 1988, and ending with the close of the first calendar month as of the end of which such individual is eligible for benefits under this subsection and has made a valid application for such benefits.

`(C) For purposes of this paragraph, any periodic benefit which otherwise meets the requirements of subparagraph (A), but which is paid on other than a monthly basis, shall be allocated on a basis equivalent to a monthly benefit (as determined by the Commissioner of Social Security) and such equivalent monthly benefit shall constitute a monthly periodic benefit for purposes of subparagraph (A). For purposes of this subparagraph, the term `periodic benefit' includes a benefit payable in a lump sum if it is a commutation of, or a substitute for, periodic payments.'

(b) CONFORMING AMENDMENTS-

(1) WIFE'S INSURANCE BENEFITS- Section 202(b) of the Social Security Act (42 U.S.C. 402(b)) is amended--

(A) in paragraph (2), by striking `subsection (q) and paragraph (4) of this subsection' and inserting `subsections (k)(5) and (q)'; and

(B) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(2) HUSBAND'S INSURANCE BENEFITS- Section 202(c) of the Social Security Act (42 U.S.C. 402(c)) is amended--

(A) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(B) in paragraph (2) as so redesignated, by striking `subsection (q) and paragraph (2) of this subsection' and inserting `subsections (k)(5) and (q)'.

(3) WIDOW'S INSURANCE BENEFITS- Section 202(e) of the Social Security Act (42 U.S.C. 402(e)) is amended--

(A) in paragraph (2)(A), by striking `subsection (q), paragraph (7) of this subsection,' and inserting `subsection (k)(5), subsection (q),'; and

(B) by striking paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(4) WIDOWER'S INSURANCE BENEFITS-

(A) IN GENERAL- Section 202(f) of the Social Security Act (42 U.S.C. 402(f)) is amended--

(i) by striking paragraph (2) and redesignating paragraphs (3) through (9) as paragraphs (2) through (8), respectively; and

(ii) in paragraph (2) as so redesignated, by striking `subsection (q), paragraph (2) of this subsection,' and inserting `subsection (k)(5), subsection (q),'

(B) CONFORMING AMENDMENTS-

(i) Section 202(f)(1)(B) of the Social Security Act (42 U.S.C. 402(f)(1)(B)) is amended by striking `paragraph (5)' and inserting `paragraph (4)'.

(ii) Section 202(f)(1)(F) of the Social Security Act (42 U.S.C. 402(f)(1)(F)) is amended by striking `paragraph (6)' and `paragraph (5)' (in clauses (i) and (ii)) and inserting `paragraph (5)' and `paragraph (4)', respectively.

(iii) Section 202(f)(5)(A)(ii) of the Social Security Act (as redesignated by subparagraph (A)(i)) is amended by striking `paragraph (5)' and inserting `paragraph (4)'.

(iv) Section 202(k)(2)(B) of the Social Security Act (42 U.S.C. 402(k)(2)(B)) is amended by striking `or (f)(4)' each place it appears and inserting `or (f)(3)'.

(v) Section 202(k)(3)(A) of the Social Security Act (42 U.S.C. 402(k)(3)(A)) is amended by striking `or (f)(3)' and inserting `or (f)(2)'.

(vi) Section 202(k)(3)(B) of the Social Security Act (42 U.S.C. 402(k)(3)(B)) is amended by striking `or (f)(4)' and inserting `or (f)(3)'.

(vii) Section 226(e)(1)(A)(i) of the Social Security Act (42 U.S.C. 426(e)(1)(A)(i)) is amended by striking `and 202(f)(5)' and inserting `and 202(f)(4)'.

(5) MOTHER'S AND FATHER'S INSURANCE BENEFITS- Section 202(g) of the Social Security Act (42 U.S.C. 402(g)) is amended--

(A) in paragraph (2), by striking `Except as provided in paragraph (4) of this subsection, such' and inserting `Such'; and

(B) by striking paragraph (4).

(c) EFFECTIVE DATE AND TRANSITIONAL RULE-

(1) IN GENERAL- The amendments made by this section shall apply with respect to applications for benefits under title II of the Social Security Act filed on or after the first day of the first month that begins after the date of enactment of this Act, except that such amendments shall not apply in connection with monthly periodic benefits of any individual

based on earnings while in service described in section 202(k)(5)(A) of the Social Security Act (in the matter preceding clause (i) thereof) if the last day of such service occurs before July 1, 2004.

(2) TRANSITIONAL RULE- In the case of any individual whose last day of service described in subparagraph (A) of section 202(k)(5) of the Social Security Act (as added by subsection (a) of this section) occurs within 5 years after the date of enactment of this Act--

(A) the 60-month period described in such subparagraph (A) shall be reduced (but not to less than 1 month) by the number of months of such service (in the aggregate and without regard to whether such months of service were continuous) which--

(i) were performed by the individual under the same retirement system on or before the date of enactment of this Act, and

(ii) constituted 'employment' as defined in section 210 of the Social Security Act; and

(B) months of service necessary to fulfill the 60-month period as reduced by subparagraph (A) of this paragraph must be performed after the date of enactment of this Act.

SEC. 419. DISCLOSURE TO WORKERS OF EFFECT OF WINDFALL ELIMINATION PROVISION AND GOVERNMENT PENSION OFFSET PROVISION.

(a) INCLUSION OF NONCOVERED EMPLOYEES AS ELIGIBLE INDIVIDUALS ENTITLED TO SOCIAL SECURITY ACCOUNT STATEMENTS- Section 1143(a)(3) of the Social Security Act (42 U.S.C. 1320b-13(a)(3)) is amended--

(1) by striking 'who' after 'an individual' and inserting 'who' before 'has' in each of subparagraphs (A) and (B);

(2) by inserting '(i) who' after '(C)'; and

(3) by inserting before the period the following: ', or (ii) with respect to whom the Commissioner has information that the pattern of wages or self-employment income indicate a likelihood of noncovered employment'.

(b) EXPLANATION IN SOCIAL SECURITY ACCOUNT STATEMENTS OF POSSIBLE EFFECTS OF PERIODIC BENEFITS UNDER STATE AND LOCAL RETIREMENT SYSTEMS ON SOCIAL SECURITY BENEFITS- Section 1143(a)(2) of the Social Security Act (42 U.S.C. 1320b-13(a)(2)) is amended--

(1) in subparagraph (C), by striking 'and' at the end;

(2) in subparagraph (D), by striking the period and inserting '; and'; and

(3) by adding at the end the following:

(E) in the case of an eligible individual described in paragraph (3)(C)(ii), an explanation, in language calculated to be understood by the average eligible individual, of the operation of the provisions under sections 202(k)(5) and 215(a)(7) and an explanation of the maximum potential effects of such provisions on the eligible individual's monthly retirement, survivor, and auxiliary benefits.'

(c) TRUTH IN RETIREMENT DISCLOSURE TO GOVERNMENTAL EMPLOYEES OF EFFECT OF NONCOVERED EMPLOYMENT ON BENEFITS UNDER TITLE II- Section 1143 of the Social Security Act (42 U.S.C. 1320b-13) is amended further by adding at the end the following:

Disclosure to Governmental Employees of Effect of Noncovered Employment

(d)(1) In the case of any individual commencing employment on or after January 1, 2005, in any agency or instrumentality of any State (or political subdivision thereof, as defined in section 218 (b)(2)) in a position in which service performed by the individual does not constitute 'employment' as defined in section 210, the head of the agency or instrumentality shall ensure that, prior to the date of the commencement of the individual's employment in the position, the individual is provided a written notice setting forth an explanation, in language calculated to be understood by the average individual, of the maximum effect on computations of primary insurance amounts (under section 215(a)(7)) and the effect on benefit amounts (under section 202 (k)(5)) of monthly periodic payments or benefits payable based on earnings derived in such service. Such notice shall be in a form which shall be prescribed by the Commissioner of Social Security.

(2) The written notice provided to an individual pursuant to paragraph (1) shall include a form which, upon completion and signature by the individual, would constitute certification by the individual of receipt of the notice. The agency or instrumentality providing the notice to the individual shall require that the form be completed and signed by the individual and submitted to the agency or instrumentality and to the pension, annuity, retirement, or similar fund or system established by the governmental entity involved responsible for paying the monthly periodic payments or benefits, before commencement of service with the agency or instrumentality.'

(d) EFFECTIVE DATES- The amendments made by subsections (a) and (b) of this section shall apply with respect to social security account statements issued on or after January 1, 2007.

SEC. 420. POST-1956 MILITARY WAGE CREDITS.

(a) PAYMENT TO THE SOCIAL SECURITY TRUST FUNDS IN SATISFACTION OF OUTSTANDING OBLIGATIONS- Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following:

(n) Not later than July 1, 2004, the Secretary of the Treasury shall transfer, from amounts in the general fund of the Treasury that are not otherwise appropriated--

(1) \$624,971,854 to the Federal Old-Age and Survivors Insurance Trust Fund;

(2) \$105,379,671 to the Federal Disability Insurance Trust Fund; and

(3) \$173,306,134 to the Federal Hospital Insurance Trust Fund.

Amounts transferred in accordance with this subsection shall be in satisfaction of certain outstanding obligations for deemed wage credits for 2000 and 2001.'

(b) CONFORMING AMENDMENTS-

(1) REPEAL OF AUTHORITY FOR ANNUAL APPROPRIATIONS AND RELATED ADJUSTMENTS TO COMPENSATE THE SOCIAL SECURITY TRUST FUND FOR MILITARY WAGE CREDITS- Section 229 of the Social Security Act (42 U.S.C. 429) is amended--

(A) by striking '(a)'; and

(B) by striking subsection (b).

(2) AMENDMENT TO REFLECT THE TERMINATION OF WAGE CREDITS EFFECTIVE AFTER CALENDAR YEAR 2001 BY SECTION 8134 OF PUBLIC LAW 107-117- Section 229(a)(2) of the Social Security Act (42 U.S.C. 429(a)(2)), as amended by paragraph (1), is amended by inserting 'and before 2002' after '1977'.

SEC. 420A. ELIMINATION OF DISINCENTIVE TO RETURN-TO-WORK FOR CHILDHOOD DISABILITY BENEFICIARIES.

(a) IN GENERAL- Section 202(d)(6)(B) of the Social Security Act (42 U.S.C. 402(d)(6)(B)) is amended--

(1) by inserting '(i)' after 'began'; and

(2) by adding after 'such disability,' the following: 'or (ii) after the close of the 84th month following the month in which his most recent entitlement to child's insurance benefits terminated because he ceased to be under such disability due to performance of substantial gainful activity,'.

(b) EFFECTIVE DATE- The amendments made by subsection (a) shall be effective with respect to benefits payable for months beginning with the 7th month that begins after the date of enactment of this Act.

Subtitle C--Technical Amendments

SEC. 421. TECHNICAL CORRECTION RELATING TO RESPONSIBLE AGENCY HEAD.

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

(1) by striking 'Secretary' the first place it appears and inserting 'Commissioner of Social Security'; and

(2) by striking 'Secretary' each subsequent place it appears and inserting 'Commissioner'.

SEC. 422. TECHNICAL CORRECTION RELATING TO RETIREMENT BENEFITS

OF MINISTERS.

(a) IN GENERAL- Section 211(a)(7) of the Social Security Act (42 U.S.C. 411(a)(7)) is amended by inserting ` , but shall not include in any such net earnings from self-employment the rental value of any parsonage or any parsonage allowance (whether or not excluded under section 107 of the Internal Revenue Code of 1986) provided after the individual retires, or any other retirement benefit received by such individual from a church plan (as defined in section 414(e) of such Code) after the individual retires' before the semicolon.

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

SEC. 423. TECHNICAL CORRECTIONS RELATING TO DOMESTIC EMPLOYMENT.

(a) AMENDMENT TO INTERNAL REVENUE CODE- Section 3121(a)(7)(B) of the Internal Revenue Code of 1986 is amended by striking `described in subsection (g)(5)' and inserting `on a farm operated for profit'.

(b) AMENDMENT TO SOCIAL SECURITY ACT- Section 209(a)(6)(B) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended by striking `described in section 210(f)(5)' and inserting `on a farm operated for profit'.

(c) CONFORMING AMENDMENT- Section 3121(g)(5) of such Code and section 210(f)(5) of such Act (42 U.S.C. 410(f)(5)) are amended by striking `or is domestic service in a private home of the employer'.

SEC. 424. TECHNICAL CORRECTIONS OF OUTDATED REFERENCES.

(a) CORRECTION OF CITATION RESPECTING THE TAX DEDUCTION RELATING TO HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS- Section 211(a)(15) of the Social Security Act (42 U.S.C. 411(a)(15)) is amended by striking `section 162(m)' and inserting `section 162(l)'.

(b) ELIMINATION OF REFERENCE TO OBSOLETE 20-DAY AGRICULTURAL WORK TEST- Section 3102(a) of the Internal Revenue Code of 1986 is amended by striking `and the employee has not performed agricultural labor for the employer on 20 days or more in the calendar year for cash remuneration computed on a time basis'.

SEC. 425. TECHNICAL CORRECTION RESPECTING SELF-EMPLOYMENT INCOME IN COMMUNITY PROPERTY STATES.

(a) SOCIAL SECURITY ACT AMENDMENT- Section 211(a)(5)(A) of the Social Security Act (42 U.S.C. 411(a)(5)(A)) is amended by striking `all of the gross income' and all that follows and inserting `the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the spouse carrying on such trade or business or, if such trade or business is jointly operated, treated as the gross income and deductions of each spouse on the basis of their respective distributive share of the gross income and deductions;'

(b) INTERNAL REVENUE CODE OF 1986 AMENDMENT- Section 1402(a)(5)(A) of the Internal Revenue Code of 1986 is amended by striking `all of the gross income' and all that follows and inserting `the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the spouse carrying on such trade or business or, if such trade or business is jointly operated, treated as the gross income and deductions of each spouse on the basis of their respective distributive share of the gross income and deductions; and'.

SEC. 426. TECHNICAL AMENDMENTS TO THE RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT ACT OF 2001.

(a) QUORUM RULES- Section 15(j)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(7)) is amended by striking `entire Board of Trustees' and inserting `Trustees then holding office'.

(b) POWERS OF THE BOARD OF TRUSTEES- Section 15(j)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(4)) is amended to read as follows:

`(4) POWERS OF THE BOARD OF TRUSTEES- The Board of Trustees shall--

`(A) retain independent advisers to assist it in the formulation and adoption of its investment guidelines;

`(B) invest assets of the Trust in a manner consistent with such investment guidelines, either directly or through the retention of independent investment managers;

`(C) adopt bylaws and other rules to govern its operations;

`(D) employ professional staff, and contract with outside advisers, including the Railroad Retirement Board, to provide legal, accounting, investment advisory or management services (compensation for which may be on a fixed contract fee basis or on such other terms as are customary for such services), or other services necessary for the proper administration of the Trust;

`(E) sue and be sued and participate in legal proceedings, have and use a seal, conduct business, carry on operations, and exercise its powers within or without the District of Columbia, form, own, or participate in entities of any kind, enter into contracts and agreements necessary to carry out its business purposes, lend money for such purposes, and deal with property as security for the payment of funds so loaned, and possess and exercise any other powers appropriate to carry out the purposes of the Trust;

`(F) pay administrative expenses of the Trust from the assets of the Trust; and

`(G) transfer money to the disbursing agent or as otherwise provided in section 7(b)(4), to pay benefits payable under this Act from the assets of the Trust.'.

(c) STATE AND LOCAL TAXES- Section 15(j)(6) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(6)) is amended to read as follows:

`(6) STATE AND LOCAL TAXES- The Trust shall be exempt from any income, sales, use,

property, or other similar tax or fee imposed or levied by a State, political subdivision, or local taxing authority. The district courts of the United States shall have original jurisdiction over a civil action brought by the Trust to enforce this subsection and may grant equitable or declaratory relief requested by the Trust.'

(d) FUNDING- Section 15(j)(8) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(8)) is repealed.

(e) TRANSFERS- Section 15A(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(d)(2)) is amended--

(1) by inserting `or the Railroad Retirement Account' after `National Railroad Retirement Investment Trust' the second place it appears;

(2) by inserting `or the Railroad Retirement Board' after `National Railroad Retirement Investment Trust' the third place it appears;

(3) by inserting `(either directly or through a commingled account consisting only of such obligations)' after `United States' the first place it appears; and

(4) in the third sentence, by inserting before the period at the end the following: `or to purchase such additional obligations'.

(f) CLERICAL AMENDMENTS- Section 15(j)(5) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(j)(5)) is amended--

(1) in subparagraph (B), by striking `trustee's' each place it appears and inserting `Trustee's';

(2) in subparagraph (C), by striking `trustee' and `trustees' each place it appears and inserting `Trustee' and `Trustees', respectively; and

(3) in the matter preceding clause (i) of subparagraph (D), by striking `trustee' and inserting `Trustee'.

Subtitle D--Amendments Related to Title XVI

SEC. 430. EXCLUSION FROM INCOME FOR CERTAIN INFREQUENT OR IRREGULAR INCOME AND CERTAIN INTEREST OR DIVIDEND INCOME.

(a) INFREQUENT OR IRREGULAR INCOME- Section 1612(b)(3) of the Social Security Act (42 U.S.C. 1382a(b)(3)) is amended to read as follows--

`(3) in any calendar quarter, the first--

 `(A) \$60 of unearned income, and

 `(B) \$30 of earned income,

of such individual (and such spouse, if any) which, as determined in accordance with

criteria prescribed by the Commissioner of Social Security, is received too infrequently or irregularly to be included;'

(b) INTEREST OR DIVIDEND INCOME- Section 1612(b) of the Social Security Act (42 U.S.C. 1382a(b)) is amended--

(1) in paragraph (21), by striking `and' at the end;

(2) in paragraph (22), by striking the period and inserting `; and'; and

(3) by adding at the end the following:

`(23) interest or dividend income from resources--

 `(A) not excluded under section 1613(a), or

 `(B) excluded pursuant to Federal law other than section 1613(a).'

(c) EFFECTIVE DATE- The amendments made by this section shall be effective with respect to benefits payable for months in calendar quarters that begin more than 90 days after the date of the enactment of this Act.

SEC. 431. UNIFORM 9-MONTH RESOURCE EXCLUSION PERIODS.

(a) UNDERPAYMENTS OF BENEFITS- Section 1613(a)(7) of the Social Security Act (42 U.S.C. 1382b(a)(7)) is amended--

(1) by striking `6' and inserting `9'; and

(2) by striking `(or to the first 9 months following such month with respect to any amount so received during the period beginning October 1, 1987, and ending September 30, 1989).'

(b) ADVANCEABLE TAX CREDITS- Section 1613(a)(11) of the Social Security Act (42 U.S.C. 1382b(a)(11)) is amended to read as follows:

`(11) for the 9-month period beginning after the month in which received--

 `(A) notwithstanding section 203 of the Economic Growth and Tax Relief Reconciliation Act of 2001, any refund of Federal income taxes made to such individual (or such spouse) under section 24 of the Internal Revenue Code of 1986 (relating to child tax credit) by reason of subsection (d) thereof; and

 `(B) any refund of Federal income taxes made to such individual (or such spouse) by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit), and any payment made to such individual (or such spouse) by an employer under section 3507 of such Code (relating to advance payment of earned income credit);'

(c) EFFECTIVE DATE- The amendments made by this section shall take effect on the date of enactment of this Act, and shall apply to amounts described in paragraph (7) of section 1613(a) of

the Social Security Act and refunds of Federal income taxes described in paragraph (11) of such section, that are received by an eligible individual or eligible spouse on or after such date.

SEC. 432. ELIMINATION OF CERTAIN RESTRICTIONS ON THE APPLICATION OF THE STUDENT EARNED INCOME EXCLUSION.

(a) IN GENERAL- Section 1612(b)(1) of the Social Security Act (42 U.S.C. 1382a(b)(1)) is amended by striking 'a child who' and inserting 'under the age of 22 and'.

(b) EFFECTIVE DATE- The amendment made by this section shall be effective with respect to benefits payable for months that begin on or after 1 year after the date of enactment of this Act.

SEC. 433. EXCEPTION TO RETROSPECTIVE MONTHLY ACCOUNTING FOR NONRECURRING INCOME.

(a) IN GENERAL- Section 1611(c) of the Social Security Act (42 U.S.C. 1382(c)) is amended by adding at the end the following:

“(9)(A) Notwithstanding paragraphs (1) and (2), any nonrecurring income which is paid to an individual in the first month of any period of eligibility shall be taken into account in determining the amount of the benefit under this title of such individual (and his eligible spouse, if any) only for that month, and shall not be taken into account in determining the amount of the benefit for any other month.

“(B) For purposes of subparagraph (A), payments to an individual in varying amounts from the same or similar source for the same or similar purpose shall not be considered to be nonrecurring income.”

(b) DELETION OF OBSOLETE MATERIAL- Section 1611(c)(2)(B) of the Social Security Act (42 U.S.C. 1382(c)(2)(B)) is amended to read as follows:

“(B) in the case of the first month following a period of ineligibility in which eligibility is restored after the first day of such month, bear the same ratio to the amount of the benefit which would have been payable to such individual if eligibility had been restored on the first day of such month as the number of days in such month including and following the date of restoration of eligibility bears to the total number of days in such month.”

(c) EFFECTIVE DATE- The amendments made by this section shall be effective with respect to benefits payable for months that begin on or after 1 year after the date of enactment of this Act.

SEC. 434. 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.

(a) IN GENERAL- Section 1614(a)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended--

(1) by inserting 'and' after 'citizen of the United States,'; and

(2) by striking ` , and who,' and all that follows and inserting a period.

(b) EFFECTIVE DATE- The amendments made by this section shall be effective with respect to benefits payable for months beginning after the date of enactment of this Act, but only on the basis of an application filed after such date.

SEC. 435. TREATMENT OF EDUCATION-RELATED INCOME AND RESOURCES.

(a) EXCLUSION FROM INCOME OF GIFTS PROVIDED FOR TUITION AND OTHER EDUCATION-RELATED FEES- Section 1612(b)(7) of the Social Security Act (42 U.S.C. 1382a(b)(7)) is amended by striking `or fellowship received for use in paying' and inserting `fellowship, or gift (or portion of a gift) used to pay'.

(b) EXCLUSION FROM RESOURCES FOR 9 MONTHS OF GRANTS, SCHOLARSHIPS, FELLOWSHIPS, OR GIFTS PROVIDED FOR TUITION AND OTHER EDUCATION-RELATED FEES- Section 1613(a) of the Social Security Act (42 U.S.C. 1382b(a)) (as amended by section 101(c)(2)) is amended--

(1) in paragraph (13), by striking `and' at the end;

(2) in paragraph (14), by striking the period and inserting `; and'; and

(3) by inserting after paragraph (14) the following:

`(15) for the 9-month period beginning after the month in which received, any grant, scholarship, fellowship, or gift (or portion of a gift) used to pay the cost of tuition and fees at any educational (including technical or vocational education) institution.'

(c) EFFECTIVE DATE- The amendments made by this section shall apply to benefits payable for months that begin more than 90 days after the date of enactment of this Act.

SEC. 436. MONTHLY TREATMENT OF UNIFORMED SERVICE COMPENSATION.

(a) TREATMENT OF PAY AS RECEIVED WHEN EARNED- Section 1611(c) of the Social Security Act (42 U.S.C. 1382(c)), as amended by section 435(a), is amended by adding at the end the following:

`(10) For purposes of this subsection, remuneration for service performed as a member of a uniformed service may be treated as received in the month in which it was earned, if the Commissioner of Social Security determines that such treatment would promote the economical and efficient administration of the program authorized by this title.'

(b) EFFECTIVE DATE- The amendments made by this section shall apply to benefits payable for months that begin more than 90 days after the date of enactment of this Act.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

END