6/27/94

Revise section 101 to read as follows:

SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS A SEPARATE, INDEPENDENT AGENCY.

Section 701 (42 U.S.C. 901) is amended to read as follows:

"Social Security Administration

"Sec. 701. There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration (hereafter in this title referred to as the "Administration"). It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI of this Act, and the program of black lung benefits authorized by part B of the Black Lung Benefits Act.".

6/27/94

EXECUTIVE SCHEDULE POSITIONS

Modeling on § 103 of the House version of H.R. 4277 creating § 703(a)(4)--

"(c) In addition to the positions of the Administration in the Executive Schedule specified in subsections (a) and (b), there shall be six Senior Associate Commissioner positions, each of which shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate established at level IV of the Executive Schedule.

Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Senior Associate Commissioners of Social Security Administration (6).".

Add Conference Committee language --

The bill authorizes the President to appoint, by and with the advice and consent of the Senate, up to six Executive Schedule Senior Associate Commissioner positions (in addition to the Executive Schedule positions of Commissioner, Deputy Commissioner, Inspector General, and Chief Financial Officer).

6/27/94

INSPECTOR GENERAL

Technical Corrections regarding an Inspector General.

Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.), is amended --

(1) in paragraph (1), by striking "and the chief executive officer of the Resolution Trust Corporation; and the Chairperson of the Federal Deposit Insurance Corporation" and inserting "the chief executive officer of the Resolution Trust Corporation; the Chairperson of the Federal Deposit Insurance Corporation; or the Commissioner of Social Security"; and

(2) in paragraph (2), by striking "or the Veterans' Administration" and inserting "the Department of Veterans Affairs, or the Social Security Administration".

Section 5315 of title 5, United States Code, is amended by inserting after the entry for the Inspector General, Federal Deposit Insurance Corporation, the following:

"Inspector General, Social Security Administration.".

6/27/94

CHIEF FINANCIAL OFFICER

Amendments regarding a Chief Financial Officer.

Section 901(b)(1) of title 31, United States Code, is amended by adding at the end the following:

"(Q) The Social Security Administration."

Section 5315 of title 5, United States Code, is amended by inserting after the entry for the Chief Financial Officer, National Aeronautics and Space Administration, the following:

"Chief Financial Officer, Social Security Administration.".

6/27/94

Language to Replace Section 105 of Senate Version of H.R. 4277

(a) Functions.--There are transferred to the Social Security Administration all functions carried out by the Secretary of Health and Human Services with respect to and in support of the programs and activities the administration of which is vested in the Social Security Administration by reason of this Act and the amendments made thereby. The Commissioner of Social Security and the Secretary of Health and Human Services shall identify (i) the functions transferred under the preceding sentence, and (ii) the functions performed by the Social Security Administration prior to the effective date of this Act in support of the Medicare and Medicaid programs under title XVIII and title XIX of the Social Security Act, respectively, the Food Stamp program under the Food Stamp Act of 1977, and any other function not set out above for which administrative responsibility was vested in the Commissioner of Social Security on the day before the date of enactment of this Act. The Commissioner of Social Security shall allocate the functions identified in clause (i) within the Social Security Administration in accordance with sections 701, 702, 703, and 704 of the Social Security Act (as amended by this title). The functions identified in clause (ii) shall continue to be performed by the Social Security Administration for such time as the Commissioner of Social Security and the Secretary of Health and Human Services, the

Secretary of Agriculture, or other agency head, as appropriate, agree that such performance serves the purposes of the economical and efficient administration of the programs supported by such functions, in accordance with the same financial and other terms in effect on the day before the date of enactment of this Act (unless the Commissioner and appropriate Secretary or other agency head mutually agree upon different terms). Further, with respect to the functions in support of the Medicare and Medicaid programs referred to in clause (ii), on terms and conditions mutually agreed upon by both parties, the Commissioner of Social Security shall provide to the Secretary of Health and Human Services data concerning the quality of the services and information provided to beneficiaries of these programs and the administrative services provided by the Social Security Administration in support of such programs.

(b) Transfer of Personnel.--

(1) In general.--The Commissioner of Social Security and the Secretary of Health and Human Services shall determine the personnel to be transferred in connection with the functions transferred in accordance with subsection (a) of this section.

(2) Special protections.--(A) Subject to the provisions of subparagraph (B), the transfer pursuant to this subsection to the Social Security Administration of full-time personnel (excluding special government employees)

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and part-time personnel holding permanent positions who are not employees of the Social Security Administration immediately preceding the date on which the Social Security Administration is established as an independent agency pursuant to this Act shall not cause any such employee to be separated, reduced in grade or compensation, or subject to directed reassignment outside the employee's commuting area (which, for purposes of this subparagraph, shall be determined at the time of such transfer) for a period of one year after such date.

(B) In the case of any employee who is transferred to the Social Security Administration pursuant to this subsection and whose official duty station prior to such transfer is in the Baltimore, Maryland commuting area or the Washington, D.C commuting area, such employee may not be subject to directed reassignment to the Washington, D.C. commuting area or the Baltimore, Maryland commuting area, respectively, for a period of six months after the date on which the Social Security Administration is established as a independent agency pursuant to this Act

(c) Assets, etc.--The assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations (including full time equivalent positions), and other funds employed, held or used in conjunction with, arising from, or available to or to be made available, in

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connection with the functions and offices, or portions thereof transferred by this title, subject to 31 U.S.C. 1531, shall be transferred to the Social Security Administration for appropriate dispostion. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized or appropriated.

(d) Abolishment of Office of Commissioner in the Department of Health and Human Services. -- Effective upon the appointment of a Commissioner of Social Security pursuant to section 702 of the Social Security Act (as amended by this title) --

(1) the position of Commissioner of Social Security in the Department of Health and Human Services is abolished; and

(2) section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Social Security, Department of Health and Human Services".

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CONFERENCE REPORT LANGUAGE

Section 105.

The Conference provision provides for an orderly transfer of functions, personnel, assets and other related resources to the Social Security Administration. The Conferees intend that the Commissioner of Social Security and the Secretary of Health and Human Services identify the functions (such as payroll, legal, and audit functions) and personnel are to be transferred under this provision. In lieu of immediate transfers of functions, the Commissioner and the Secretary may enter into appropriate temporary agreements for HHS or SSA to continue to perform functions on a reimbursable or other basis until a permanent transfer can be arranged. Further, in the interest of efficient administration, certain functions which the Social Security Administration currently performs under the Medicare and Medicaid programs may continue to be performed by the Social Security Administration.

The Conferees further intend that the Commissioner and the Secretary take into account the level of personnel supported by the Old Age and Survivors Insurance, Disability Insurance, Hospital Insurance, and Supplementary Medical Insurance Trust Funds in determining personnel transfers.

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MEDICARE ADVISORY COUNCIL

( ) Section 706(a) of the Social Security Act is amended to read as follows:

"(a) During 1995 and every fourth year thereafter, the Secretary shall appoint an Advisory Committee on Medicare for the purpose of reviewing the status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in relation to the long-term commitments of the programs under parts A and B of Title XVIII, and of reviewing the scope of coverage and the adequacy of benefits under, and all other aspects of, those programs, including their impact of the public assistance programs under this Act."

(b) Subsection (b) of section 706 of such Act is amended by striking out "represent organizations of" and by inserting instead "represent organizations of providers and beneficiaries and".

(c)(1) Subsection (d) of section 706 of such Act is amended by striking out "not later than January 1 of the second year after the year in which it is appointed," and by inserting instead "not later than three years after the date on which the Council is established,"

(2) That subsection is further amended by striking out clause (1) and by redesignating clauses (2) and (3) as clauses (1) and (2), respectively.

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(d) The heading of section 706 of such Act is amended to read as follows: "ADVISORY COMMITTEE ON MEDICARE".

CONFERENCE REPORT LANGUAGE

This provision would revise the language creating the Quadrennial Social Security Advisory Council to establish a Quadrennial Medicare Advisory Council. The structure of the Council would remain the same as current law except that its focus would be solely with respect to parts A and B of Medicare and the Council would be required to represent, in addition to currently designated organizations, representatives of beneficiaries and providers, in equal numbers. The Council would be required to issue its reports within three years of the date it is established.

6/27/94

Addition to section 202 of Senate version of H.R. 4277

new section 202(b)(12):

(12) Section 1141 is amended--

(A) by striking "Secretary" each place such term appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary's" each place such term appears and inserting "Commissioner's";

(C) in the first sentence of subsection (a), by striking "under the direction of the Commissioner of Social Security,"; and

(D) in subsection (d)(6), by striking "Department of Health and Human Services" and inserting "Social Security Administration".

new section 202(i)(9):

(9)(A) Section 9704 of such Code is amended in subsections (b)(2) and (h) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(B) Section 9706 of such Code is amended--

(i) by striking "Secretary of Health and Human Services" each place such term appears and inserting "Commissioner of Social Security"; and

(ii) by striking "Secretary" each place such term appears and inserting "Commissioner".

6/27/94

JOINT REVIEWS AND REVISIONS OF COST ALLOCATION METHODOLOGY FOR SSA'S MEDICARE ADMINISTRATIVE EXPENSES

Amendment to Section 202 OTHER AMENDMENTS.

Under this section, add a new subsection as follows:

(n) Agreement covering cost allocation methodology

The Commissioner of Social Security and the Secretary of Health and Human Services shall complete a joint examination of methodologies which could be used to determine the costs to be borne by the Medicare trust funds for Medicare-related work performed by the Administration to ensure that costs are appropriately allocated among the various trust funds. Based on the results of that joint examination, the Commissioner and the Secretary shall enter into an agreement on the methodology to be used to determine the costs to be borne by the Medicare trust funds prospectively. This initial joint review and agreement on revised methodology shall be completed not later than 36 months after enactment of this Act. Any agreement made

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pursuant to this subsection shall remain in full force and effect until modified or otherwise changed by mutual agreement of the Commissioner and the Secretary. Subsequently, the Secretary and the Commissioner shall, unless both parties deem it unnecessary, conduct subsequent joint examinations of the cost allocation methodology very four years. Any such examinations shall be expeditiously completed and used to revise the cost allocation methodology to ensure the continuing appropriate allocation of costs among the various trust funds.

Explanation:

These amendments to the Senate version of HR 4277 would continue the existing funding mechanism for SSA's Medicare administrative expenses. In order to provide the Secretary of HHS with a means to exercise her stewardship responsibilities over these charges to the Medicare trust funds by an independent SSA, the following language should be added to the bill. This change provides for a joint review of the cost allocation methodology by HHS and SSA. Upon completion of the review, the Secretary of HHS and the Commissioner of SSA would be required to enter into an agreement with respect to the future cost allocation methodology. Both

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steps must be completed within 36 months after enactment. The joint review and revision process could be repeated periodically and expeditiously. Until the first review is completed, the existing cost allocation methodology shall continue to apply.

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DATA EXCHANGES

(a) Exchange of Information.--

(1) Continuity of Current Exchange.--

(i) The Secretary of Health and Human Services shall disclose to the Commissioner of Social Security any record or information requested in writing by the Commissioner for the purpose of administering any program administered by the Commissioner, if the same type of information was disclosed to SSA before June 30, 1994.

(ii) The Commissioner of Social Security shall disclose to the Secretary of Health and Human Services or to a State any record or information requested in writing by the Secretary for the purpose of administering any program administered by the Secretary, if the same type of information was disclosed to other components of HHS or to a State before June 30, 1994.

(2) Other Exchanges of Information.-- The Commissioner and the Secretary shall periodically review the need for other exchanges of information not covered by (1) above, and shall enter into agreements to provide information to one another or to a State in order to meet the programmatic needs of the requesting agency.

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(3) Privacy Act treatment.-- Notwithstanding 5 U.S.C. 552a(b), (o), (p), (q), (r), and (u), for one year after the effective date of this Act, as specified in Section 204(a) of this Act, arrangements for disclosure of records or other information, and arrangements for computer matching of records, in effect as of June 30, 1994, between the Social Security Administration and other components of the Department of Health and Human Services shall continue to be permitted. After that date, any disclosure of a record from a system of records (as defined in 5 U.S.C. 552a(a)(5)) pursuant to this subsection shall be made as a routine use under subsection (b)(3) of such section 552a, if not otherwise authorized under that section. Also after that date, any computerized comparison of records, including matching programs, shall comply with subsections (o) through (r) and (u) of such section 552a, to the extent applicable. The Commissioner and the Secretary shall each, in a timely fashion, establish any necessary routine uses for disclosures required by paragraph (1) of this subsection, or agreed to under paragraph (2) of this subsection.

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CONFERENCE REPORT LANGUAGE

Within the current Department of Health and Human Services, programs administered by the Social Security Administration, the Health Care Financing Administration, the Administration for Children and Families and other programs all disclose information from their respective systems of records to assist the administration of various HHS programs. This data exchange is essential for the continued operation of those programs. This provision is intended to ensure that all exchanges of data and computer matches that are currently being carried out among the programs within HHS will continue, and that appropriate agreements will be entered into between the Commissioner and the Secretary to provide any additional access to essential program information that may be controlled by either agency after the separation. This provision also will ensure that, for one year after the effective date of the Act, such exchanges may continue to be carried out without need to publish new routine uses under the Privacy Act, and without need to develop computer matching agreements. This provision will give each agency ample time to create a centralized list of all necessary disclosures so that each can publish appropriate routine uses and prepare computer matching agreements in order to permit the continuation of such exchanges.

Bename

FYI

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503

April 26, 1994

LEGISLATIVE REFERRAL MEMORANDUM

LRM #I-2562

TO: Legislative Liaison Officer -

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COMMERCE - Michael A. Levitt - (202)482-3151 - 324
DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325
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NEC - Sonyia Matthews - (202)456-6722 - 429
NCD - - (202)272-2004 - 279
RRB - Catherine Cook - (312)751-7100 - 241

FROM: JANET R. FORSGREN (for) Janet Lee Forsgren
Assistant Director for Legislative Reference

OMB CONTACT: Melissa COOK (395-3924)
Secretary's line (for simple responses): 395-7362

SUBJECT: OMB Request for Views RE: HR 4277, Social Security Administrative Reform Act of 1994

* **DEADLINE: F.Y.I.** *

COMMENTS: Please send a courier to the mailroom of the NEOB to pick of copies of HR 4277, "Social Security Administrative Reform Act of 1994," and HR 4278, "Social Security Act Amendments of 1994." These two bills are scheduled to be marked up by the full H. Ways and Means Committee on Apr. 28th. When reviewing these bills, please look through the table of contents to find the section(s) that apply to your agency.

OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or receipts for purposes of the the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

CC:

Randy Lyon	Carol Johnson
Laura Oliven	Wendell Waites
Art Stigile	Clarissa Cerda
Ed Rea	Jeremy Benami
Larry Matlack	Bill Dickens
Bob Damus	Janet Forsgren
Barry Anderson	Delphine Motley
Bruce Sasser	

103D CONGRESS
2D SESSION

H. R. 4278

IN THE HOUSE OF REPRESENTATIVES

Mr. JACOBS (for himself, Mrs. KENNELLY, Mr. BUNNING, Mr. HOUGHTON, and Mrs. MEEK) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To make improvements in the old-age, survivors, and disability insurance program under title II of the Social Security Act.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Act Amendments of 1994".

SEC. 2. SIMPLIFICATION OF EMPLOYMENT TAXES ON DOMESTIC SERVICES.

(a) COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT WITH COLLECTION OF INCOME TAXES.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT TAXES WITH COLLECTION OF INCOME TAXES.

"(a) GENERAL RULE.—Except as otherwise provided in this section—

"(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

"(2) any such return for any calendar year shall be filed on or before the 15th day of the fourth month following the close of the employer's taxable year which begins in such calendar year, and

"(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

"(b) DOMESTIC SERVICE EMPLOYMENT TAXES SUBJECT TO ESTIMATED TAX PROVISIONS.—

"(1) IN GENERAL.—Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

"(2) ANNUALIZATION.—Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

"(3) TRANSITIONAL RULE.—For purposes of applying section 6654 to a taxable year beginning in 1994, the amount referred to in clause (ii) of section 6654(d)(1)(B) shall be increased by 90 percent of the amount treated as tax under paragraph (1) for such taxable year.

"(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—For purposes of this section, the term 'domestic service employment taxes' means—

"(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

"(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term 'domestic service in a private home of the employer' does not include service described in section 3121(g)(5).

"(d) EXCEPTION WHERE EMPLOYER LIABLE FOR OTHER EMPLOYMENT TAXES.—To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

"(e) GENERAL REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. Such regulations may treat domestic service employment taxes as taxes imposed by chapter 1 for purposes of coordinating the assessment and collection of such employment taxes with the assessment and collection of domestic employers' income taxes.

"(f) AUTHORITY TO ENTER INTO AGREEMENTS TO COLLECT STATE UNEMPLOYMENT TAXES.—

"(1) IN GENERAL.—The Secretary is hereby authorized to enter into an agreement with any

State to collect, as the agent of such State, such State's unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

"(2) TRANSFERS TO STATE ACCOUNT.—Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

"(3) SUBTITLE F MADE APPLICABLE.—For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

"(4) STATE.—For purposes of this subsection, the term 'State' has the meaning given such term by section 3306(j)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding at the end thereof the following:

"Sec. 3510. Coordination of collection of domestic service employment taxes with collection of income taxes."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid

in calendar years beginning after December 31, 1994.

(4) EXPANDED INFORMATION TO EMPLOYERS.—The Secretary of the Treasury or his delegate shall prepare and make available information on the Federal tax obligations of employers with respect to employees performing domestic service in a private home of the employer. Such information shall also include a statement that such employers may have obligations with respect to such employees under State laws relating to unemployment insurance and workers compensation.

(b) THRESHOLD REQUIREMENT FOR SOCIAL SECURITY TAXES.—

(1) AMENDMENTS OF INTERNAL REVENUE CODE.—

(A) Subparagraph (B) of section 3121(a)(7) of the Internal Revenue Code of 1986 (defining wages) is amended to read as follows:

"(B) cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer (within the meaning of subsection (y)), if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in subsection (y)) for such year;".

(B) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

"(y) DOMESTIC SERVICE IN A PRIVATE HOME.—For purposes of subsection (a)(7)(B)—

"(1) EXCLUSION FOR CERTAIN FARM SERVICE.—The term 'domestic service in a private home of the employer' does not include service described in subsection (g)(5).

"(2) APPLICABLE DOLLAR THRESHOLD.—The term 'applicable dollar threshold' means $1,250. In the case of calendar years after 1995, the Secretary of Health and Human Services shall adjust such $1,250 amount at the same time and in the same manner as under section 215(a)(1)(B)(ii) of the Social Security Act with respect to the amounts referred to in section 215(a)(1)(B)(i) of such Act, except that, for purposes of this paragraph, 1993 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II) of such Act. If the amount determined under the preceding sentence is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50."

(C) The second sentence of section 3102(a) of such Code is amended—

(i) by striking "calendar quarter" each place it appears and inserting "calendar year", and

(ii) by striking "$50" and inserting "the applicable dollar threshold (as defined in section 3121(y)(2)) for such year".

(2) AMENDMENT OF SOCIAL SECURITY ACT.—Subparagraph (B) of section 209(a)(6) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended to read as follows:

"(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in section 3121(y)(2) of the Internal Revenue Code of 1986) for such year. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in section 210(f)(5)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1994.

(4) RELIEF FROM LIABILITY FOR CERTAIN UNDERPAYMENT AMOUNTS.—

(A) IN GENERAL.—On and after the date of the enactment of this Act, an underpayment to which this paragraph applies (and any penalty, addition to tax, and interest with respect to such underpayment) shall not be assessed (or, if assessed, shall not be collected).

(B) UNDERPAYMENTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to an underpayment to the extent of the amount thereof which would not be an underpayment if—

(i) the amendments made by paragraph (1) had applied to calendar years 1993 and 1994, and

(ii)(I) the applicable dollar threshold for calendar year 1993 were $1,150, and

(II) the applicable dollar threshold for calendar year 1994 were $1,200.

SEC. 3. ALLOCATIONS TO FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) ALLOCATION WITH RESPECT TO WAGES.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking "(O) 1.20 per centum" and all that follows through "December 31, 1999, and so reported," and inserting "(O) 1.20 per centum of the wages (as so defined) paid after December 31, 1989, and before January 1, 1994, and so reported, (P) 1.88 per centum of the wages (as so defined) paid after December 31, 1993, and before January 1, 2000, and so reported, and (Q) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported,".

(b) ALLOCATION WITH RESPECT TO SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended striking "(O) 1.20 per centum" and all that follows through "December 31, 1999," and inserting "(O) 1.20 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1989, and before January 1, 1994, (P) 1.88 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1993, and before January 1, 2000, and (Q) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to wages paid after December 31, 1993, and self-employment income for taxable years beginning after such date.

(d) STUDY ON RISING COSTS OF DISABILITY BENEFITS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a comprehensive study of the reasons for rising costs payable from the Federal Disability Insurance Trust Fund.

(2) MATTERS TO BE INCLUDED IN STUDY.—In conducting the study under this subsection, the Secretary shall—

(A) determine the relative importance of the following factors in increasing the costs payable from the Trust Fund:

(i) increased numbers of applications for benefits;

(ii) higher rates of benefit allowances; and

(iii) decreased rates of benefit terminations; and

(B) identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in disability benefit applications, allowances, and terminations.

(3) REPORT.—Not later than December 31, 1995, the Secretary shall transmit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted under this subsection, together with any recommendations for legislative changes which the Secretary determines appropriate.

SEC. 4. NONPAYMENT OF BENEFITS TO INDIVIDUALS CONFINED IN CRIMINAL CASES PURSUANT TO CONVICTION OR BY COURT ORDER BASED ON FINDINGS OF INSANITY.

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

(1) in the heading, by inserting "and Certain Other Inmates of Publicly Funded Institutions" after "Prisoners";

(2) in paragraph (1) by striking "during which such individual" and inserting "during which such individual—", and by striking "is confined" and all that follows and inserting the following:

"(A) is confined in a jail, prison, or other penal institution or correctional facility pursuant to his conviction of an offense punishable by imprisonment for more than 1 year (regardless of the actual sentence imposed), or

"(B) is confined by court order in an institution at public expense in connection with—

"(i) a verdict that the individual is guilty but insane, with respect to an offense punishable by imprisonment for more than 1 year,

"(ii) a verdict that the individual is not guilty of such an offense by reason of insanity,

"(iii) a finding that such individual is incompetent to stand trial under an allegation of such an offense, or

"(iv) a similar verdict or finding with respect to such an offense based on similar factors (such as a mental disease, a mental defect, or mental incompetence),

and, for purposes of this subparagraph, an individual so confined shall be treated as remaining so confined until he or she is unconditionally released from the care and supervision of such institution and such institution ceases to meet the individual's basic living needs."; and

(3) in paragraph (3), by striking "any individual" and all that follows and inserting "any individual who is confined as described in paragraph (1) if the confinement is under the jurisdiction of such agency and the Secretary requires such information to carry out the provisions of this section.".

(b) CONFORMING AMENDMENTS.—

(1) Section 226 of such Act (42 U.S.C. 426) is amended by adding at the end the following new subsection:

"(i) The requirements of subsections (a)(2) and (b)(2) shall not be treated as met with respect to any individual for any month if a monthly benefit to which such individual is entitled under section 202 or 223 for such month is not payable under section 202(x).".

(2) Section 226A of such Act (42 U.S.C. 426–1) is amended by adding at the end the following new subsection:

"(d) The requirements of subsection (a)(1) shall not be treated as met with respect to any individual for any month if a monthly benefit to which such individual is entitled under section 202 or 223 for such month is not payable under section 202(x).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefits for months commencing after 90 days after the date of the enactment of this Act and with respect to items and services provided after such 90-day period.

[DRAFT II]

APRIL 18, 1994

103D CONGRESS
2D SESSION

H. R. 4277

IN THE HOUSE OF REPRESENTATIVES

Mr. JACOBS introduced the following bill; which was referred to the Committee on ______________________

A BILL

To establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program.

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 Administrative Reform Act of 1994".

(b) TABLE OF CONTENTS.—

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

TITLE II—MISCELLANEOUS IMPROVEMENTS TO THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

SEC. 2. DECLARATION OF PURPOSES.

The purposes of this Act are as follows:

(1) to establish the Social Security Administration as an independent agency, separate from the Department of Health and Human Services;

(2) to charge the Social Security Administration with administration of the old-age, survivors, and disability insurance program and supplemental security income program;

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

(4) to establish an Executive Director of the Administration and define the powers and duties of the Executive Director;

(5) to provide for delegating major authorities to the Board and the Executive Director; and

(6) to make other improvements in the old-age, survivors, and disability insurance program under title II of the Social Security Act.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS A SEPARATE, INDEPENDENT AGENCY; RESPONSIBILITIES OF THE AGENCY.

Section 701 of the Social Security Act (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration. It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.".

SEC. 102. SOCIAL SECURITY BOARD, EXECUTIVE DIRECTOR, DEPUTY DIRECTOR, BENEFICIARY OMBUDSMAN; OTHER OFFICERS.

(a) IN GENERAL.—Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

"SOCIAL SECURITY BOARD; EXECUTIVE DIRECTOR; OTHER OFFICERS

"Social Security Board

"SEC. 702. (a)(1)(A) The Administration shall be governed by a Social Security Board. The Board shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

"(B)(i) Except as provided in clauses (ii) and (iii), members of the Board shall be appointed for terms of six years. A member of the Board may be removed only pursuant to a finding by the President of neglect of duty or malfeasance in office. The President shall transmit any such finding to the Speaker of the House of Representatives and the majority leader of the Senate not later than five days after the date on which such finding is made.

"(ii) Of the members first appointed—

"(I) one shall be appointed for a term of 2 years,

"(II) one shall be appointed for a term of 4 years, and

"(III) one shall be appointed for a term of 6 years,

as designated by the President at the time of appointment. Such members shall be appointed after active consideration of recommendations made by the chairman of the Committee on Ways and Means of the House of Representatives and of recommendations made by the chairman of the Committee on Finance of the Senate.

"(iii) The President may not nominate an individual for appointment to a term of office as member of the Board before the commencement of the President's term of office in which the member's term of office commences. Any member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. A member may, at the request of the President, serve for not more than one year after the expiration of his or her term until his or her successor has taken office. A member of the Board may be appointed for additional terms.

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

"(D) A member of the Board may not, during his or her term as member, engage in any other business, vocation, profession, or employment. A member of the Board may continue as a member of the Board for not longer than the 30-day period beginning on the date such member first fails to meet the requirements of the preceding sentence.

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

"(F) A member of the Board shall be designated by the President to serve as Chairperson of the Board for a term of 4 years.

"(G) The Board shall meet at the call of the Chairperson or two members of the Board.

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

"(3) The Board shall—

"(A) govern by regulation the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) establish the Administration and oversee its efficient and effective operation,

"(C) establish policy and devise long-term plans to promote and maintain the effective implementation of programs referred to in subparagraph (A),

"(D) appoint an Executive Director of the Administration, as described in subsection (b), to act as the chief operating officer of the Administration responsible for administering the programs referred to in subparagraph (A),

"(E) constitute three of the members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with the Chairperson of the Social Security Board serving as Chairperson of such Board of Trustees,

"(F) prepare an annual budget for the Administration, which shall be submitted by the President to the Congress without revision, together with the President's annual budget for the Administration,

"(G) study and make recommendations to the Congress and the President as to the most effective methods of providing economic security through social insurance, supplemental security income, and related programs and as to legislation and matters of administrative policy concerning the programs referred to in subparagraph (A),

"(H) provide the Congress and the President with the ongoing actuarial and other analysis undertaken by the Administration with respect to the programs referred to in subparagraph (A) and any other information relating to such programs, and

"(I) conduct policy analysis and research relating to the programs referred to in subparagraph (A).

"(4)(A) The Board may prescribe such rules and regulations as the Board determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Board shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(B) The Board may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Board considers necessary or appropriate to carry out its functions, except that this subparagraph shall not apply with respect to any unit, component, or position provided for by this Act.

"(C) The Board may, with respect to the administration of the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI, assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Board may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Board.

"Executive Director

"(b)(1) There shall be in the Administration an Executive Director who shall be appointed by the Social Security Board.

"(2)(A) The Executive Director shall be appointed for a term of four years. An individual appointed to a term of office as Executive Director after the commencement of such term of office may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Executive Director after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Executive Director for additional terms.

"(B) An individual may be removed from the office of Executive Director before completion of his or her term only for cause found by the Board.

"(3) The Executive Director shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Executive Director shall—

"(A) constitute the chief operating officer of the Administration, responsible for administering, in accordance with applicable statutes and regulations, the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) maintain an efficient and effective operational structure for the Administration,

"(C) implement the long-term plans of the Board to promote and maintain the effective implementation of such programs,

"(D) report annually to the Board on program costs under titles II and XVI, make annual budgetary recommendations to the Board for the ongoing administrative costs of the Administration under this Act, and defend the recommendations before the Board,

"(E) advise the Board and the Congress on the effect on the administration of such programs of proposed legislative changes in such programs,

"(F) serve as Secretary of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund,

"(G) report in December of each year to the Board for transmittal to the Congress concerning the administrative endeavors and accomplishments of the Administration, and

"(H) carry out such additional duties as are assigned by the Board from time to time.

Any reference to the Board in this Act or any other provision of law in connection with the exercise of a function of the Board which is delegated to the Executive Director pursuant to this section shall be considered a reference to the Executive Director.

"Deputy Director of Social Security

"(c)(1) There shall be in the Office of the Executive Director a Deputy Director, who shall be appointed by and serve at the pleasure of the Executive Director.

"(2) The Deputy Director shall be compensated at the rate provided for level III of the Executive Schedule.

"(3) The Deputy Director shall perform such duties and exercise such powers as the Executive Director shall from time to time assign or delegate. The Deputy Director shall be Acting Executive Director of the Administration during the absence or disability of the Executive Director and, unless the Board designates another officer of the Government as Acting Executive Director, in the event of a vacancy in the office of the Executive Director.

"General Counsel

"(d)(1) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Board. The General Counsel shall be the principal legal officer in the Administration.

"(2) The General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule.

"Inspector General

"(e)(1) There shall be in the Administration an Office of the Inspector General. Such Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978.

"(2) The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule.

"Beneficiary Ombudsman

"(f)(1) There shall be in the Administration an Office of the Beneficiary Ombudsman, to be headed by a Beneficiary Ombudsman appointed by the Board.

"(2)(A) The Beneficiary Ombudsman shall be appointed for a term of five years, except that the individual first appointed to the Office of Beneficiary Ombudsman shall be appointed for a term ending September 30, 1996. An individual appointed to a term of office as Beneficiary Ombudsman after the commencement of such term may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Beneficiary Ombudsman after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Beneficiary Ombudsman for additional terms.

"(B) An individual may be removed from the office of Beneficiary Ombudsman before completion of his or her term only for cause found by the Board.

"(3) The Beneficiary Ombudsman shall be compensated at the rate provided for level V of the Executive Schedule.

"(4) The duties of the Beneficiary Ombudsman are as follows:

"(A) to represent within the Administration's decisionmaking process the interests and concerns of beneficiaries under the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI;

"(B) to review the Administration's policies and procedures for possible adverse effects on such beneficiaries;

"(C) to recommend within the Administration's decisionmaking process changes in policies which have caused problems for such beneficiaries;

"(D) to help resolve the problems under such programs of individual beneficiaries in unusual or difficult circumstances, as determined by the Administration; and

"(E) to represent within the Administration's decisionmaking process the views of beneficiaries in the design of forms and the issuance of instructions.

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

"(6) The annual report of the Board under section 704 shall include a description of the activities of the Beneficiary Ombudsman.

"Administrative Law Judge

"(g)(1) There shall be in the Administration an Office of the Chief Administrative Law Judge, who shall be appointed by the Board. The duty of the Chief Administrative Law Judge shall be to administer the affairs of the administrative law judges serving in the Administration in a manner so as to ensure that hearings and other business are conducted by the administrative law judges in accordance with applicable law and regulations.

"(2) The Chief Administrative Law Judge shall report directly to the Board.".

(b) Conforming Amendments Relating to Composition of Board of Trustees of OASDI Trust Funds.—Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(1) in the first sentence, by striking "shall be composed of" and all that follows down through "ex officio" and inserting the following: "shall be composed of the members of the Social Security Board, the Secretary of the Treasury, the Secretary of Health and Human Services, all ex officio";

(2) by inserting after the first sentence the following new sentence: "The Chairperson of the Social Security Board shall be the Chairperson of the Board of Trustees."; and

(3) by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

(c) Interim Authority of the Commissioner.—The President shall nominate for appointment the initial members of the Social Security Board not later than April 1, 1995. In the event that, as of October 1, 1995, all members of the Social Security Board have not entered upon office, until all members of the Board have entered upon office, the officer serving on October 1, 1995, as Commissioner of Social Security in the Department of Health and

Human Services (or Acting Commissioner, if applicable), or such officer's successor, shall, while continuing to serve as Commissioner of Social Security (or Acting Commissioner) in such Department, serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and shall assume the powers and duties of such Board and of the Executive Director under such Act (as amended by this Act).

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

Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:

"ADMINISTRATIVE DUTIES OF THE SOCIAL SECURITY BOARD

"Personnel

"SEC. 703. (a)(1) The Social Security Board shall appoint such additional officers and employees as it considers necessary to carry out its functions. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Board may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) The Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Administrative Reform Act of 1994, to the extent that the greater number of such authorized positions is specified in the comprehensive workforce plan as established and revised by the Board under subsection (b)(1). The total number of such positions authorized for the Administration pursuant to such section 3133 shall not at any time be less than the number of such authorized positions as of immediately before such date.

"(4) In addition to the positions of the Administration in the Executive Schedule specified in section 702, the Administration is authorized six additional positions at level IV of the Executive Schedule and six additional positions at level V of the Executive Schedule.

"Budgetary Matters

"(b)(1) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive workforce plan, which shall be established and revised from time to time by the Board. The entire amount of appropriations provided for the administrative costs of the Administration shall be apportioned in the time period provided in title 31, United States Code, for apportionment and shall be apportioned for the entire period of availability without restriction or deduction by the apportioning officer or employee of the Office of Management and Budget or any other entity within the executive branch of the Federal Government, except as otherwise provided in this subsection.

"(2) The report submitted pursuant to section 704 shall include a section reflecting the use of budget authority provided to the Administration by quarters.

"(3)(A) The authority of the Administration for facilities construction, and any authority of the Administration for automated data processing procurement which is delegated thereto, shall be provided in the form of contract authority covering the total costs thereof, to be available until expended.

"(B) Amounts necessary for the liquidation of contract authority provided pursuant to this paragraph are hereby made available from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the extent that the Board, with the concurrence of the Secretary of the Treasury, determines that such amounts are not necessary to meet the current obligations for benefit payments from the Trust Funds.

"(C) Funds appropriated for the Administration to be available on a contingency basis shall be apportioned only upon the occurrence of the stipulated contingency, as determined by the Board and reported to each House of the Congress.

"Seal of Office

"(c) The Board shall cause a seal of office to be made for the Administration of such design as the Board shall approve. Judicial notice shall be taken of such seal.".

SEC. 104. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

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

(b) PERSONNEL, ASSETS, ETC.—(1) There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Social Security Board in the Social Security Administration—

(A) the personnel (other than administrative law judges) employed in connection with the functions transferred by this Act and the amendments made thereby, as considered appropriate by the Board in consultation with the Secretary of Health and Human Services,

(B) such number of administrative law judges as are necessary to carry out the functions transferred by this Act and the amendments made thereby, as determined by the Board in consultation with the Secretary of Health and Human Services, and

(C) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3) The Secretary of Health and Human Services shall terminate—

(A) six positions in the Department of Health and Human Services placed in level IV of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5315 of title 5, United States Code, or any other provision of law, and

(B) six positions in such Department placed in level V of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5316 of such title or any other provision of law.

(4) The transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employees to be separated or reduced in grade or compensation for 1 year after such transfer or October 1, 1995, whichever is later.

(c) ABOLISHMENT OF OFFICE OF COMMISSIONER IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective upon the entry upon office of all initial members of the Social Security Board pursuant to section 702 of the Social Security Act (as amended by this Act), the position of Commissioner of Social Security in the Department of Health and Human Services is abolished.

SEC. 105. TRANSITIONAL RULES.

(a) INTERIM AUTHORITY FOR APPOINTMENT AND COMPENSATION.—At any time on or after the date of the enactment of this Act—

(1) any of the officers provided for in section 702 of the Social Security Act (as amended by this Act) may enter upon office, as provided in such section, and

(2) the Social Security Board, upon entry upon office of all of the members thereof, may prescribe regulations providing for the orderly transfer of proceedings before the Secretary of Health and Human Services to the Social Security Board.

Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Social Security Board or the Social Security Administration by this Act, may be used, with the approval of the Director of the Office of Management and Budget, to pay the compensation and expenses of any officer entering upon office pursuant to this section until such time as funds for that purpose are otherwise available.

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or his delegate), and (B) which relate to functions which, by reason of this Act, the amendments made thereby, and regulations prescribed thereunder, are vested in the Social Security Board, and

(2) which are in effect immediately before October 1, 1995,

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

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before October 1, 1995, with respect to functions vested (by reason of this Act, the amendments made thereby, and regulations prescribed thereunder) in the Social Security Board, except that such proceedings, to the extent that they relate to such functions, shall continue before such

Board. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Board, by a court of competent jurisdiction, or by operation of law.

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

(1) the provisions of this Act shall not affect suits commenced prior to October 1, 1995; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration, or such official of such Administration as may be appropriate, and, in any litigation pending immediately before October 1, 1995, the court may at any time, on its own motion