

113TH CONGRESS  
2D SESSION

# S. 3003

To protect the Social Security Disability Insurance program and provide other support for working disabled Americans, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2014

Mr. COBURN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To protect the Social Security Disability Insurance program and provide other support for working disabled Americans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Protecting Social Security Disability Act of 2014”.

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

Sec. 1. Short title; table of contents.

TITLE I—ENSURING THE LONG-TERM SOLVENCY OF THE  
DISABILITY INSURANCE TRUST FUND

- Sec. 101. Application of actuarial reduction for disabled beneficiaries who attain early retirement age.
- Sec. 102. Revising disability classifications; requiring periodic continuing disability reviews or time limiting benefits for certain beneficiaries.
- Sec. 103. Adjustment of age criteria for social security disability insurance medical-vocational guidelines; consideration of work which exists in the national economy.
- Sec. 104. Mandatory collection of negotiated civil monetary penalties.
- Sec. 105. Required electronic filing of wage withholding returns.

TITLE II—PROGRAM INTEGRITY: REFORMING STANDARDS AND PROCEDURES FOR DISABILITY HEARINGS, MEDICAL EVIDENCE, AND CLAIMANT REPRESENTATIVES

- Sec. 201. Elimination of reconsideration review level for an initial adverse determination of an application for disability insurance benefits.
- Sec. 202. Deadline for submission of medical evidence; exclusion of certain medical evidence.
- Sec. 203. Non-adversarial disability hearing attorneys.
- Sec. 204. Procedural rules for hearings.
- Sec. 205. Prohibiting attorneys who have relinquished a license to practice in the face of an ethics investigation from serving as a claimant representative.
- Sec. 206. Applying judicial code of conduct to administrative law judges.
- Sec. 207. Evaluating medical evidence.
- Sec. 208. Reforming fees paid to attorneys and other claimant representatives.
- Sec. 209. Strengthening the administrative law judge quality review process.
- Sec. 210. Permitting data matching by Inspectors General.
- Sec. 211. Accounting for Social Security Program Integrity Spending.
- Sec. 212. Use of the National Directory of New Hires.

TITLE III—PROVIDING SUPPORT FOR WORKING DISABLED AMERICANS

- Sec. 301. Establishment of Work Incentive Benefit System.
- Sec. 302. Early-intervention demonstration project; study on payroll tax reductions.

1 **TITLE I—ENSURING THE LONG-**  
2 **TERM SOLVENCY OF THE DIS-**  
3 **ABILITY INSURANCE TRUST**  
4 **FUND**

5 **SEC. 101. APPLICATION OF ACTUARIAL REDUCTION FOR**  
6 **DISABLED BENEFICIARIES WHO ATTAIN**  
7 **EARLY RETIREMENT AGE.**

8 (a) IN GENERAL.—Section 202(k)(4) of the Social  
9 Security Act (42 U.S.C. 402(k)(4)) is amended to read  
10 as follows:

11 “(4) With the exception of individuals who are classi-  
12 fied by the Commissioner of Social Security as ‘medical  
13 improvement not expected’, any individual who, under this  
14 section and section 223, is entitled for any month to both  
15 an old-age insurance benefit and a disability insurance  
16 benefit under this title shall only be entitled to the old-  
17 age insurance benefit for such month, as reduced for such  
18 month pursuant to subsection (q)(1).”

19 (b) CONFORMING AMENDMENTS.—

20 (1) PERIOD OF DISABILITY.—Clause (i) of sec-  
21 tion 216(i)(2)(D) of the Social Security Act (42  
22 U.S.C. 416(i)(2)(D)) is amended by striking “retire-  
23 ment age (as defined in subsection (l))” and insert-  
24 ing “early retirement age (as defined in subsection  
25 (l)(2)), or for individuals classified by the Commis-

1 sioner of Social Security as ‘medical improvement  
 2 not expected’, retirement age (as defined in sub-  
 3 section (l)(1))”.

4 (2) DISABILITY INSURANCE BENEFIT PAY-  
 5 MENTS.—Section 223(a)(1) of the Social Security  
 6 (42 U.S.C. 423(a)(1)) is amended, in the flush mat-  
 7 ter at the end, by striking “retirement age (as de-  
 8 fined in section 216(l))” and inserting “early retire-  
 9 ment age (as defined in section 216(l)(2)), or for in-  
 10 dividuals classified by the Commissioner of Social  
 11 Security as ‘medical improvement not expected’, re-  
 12 tirement age (as defined in section 216(l)(1))”.

13 (c) EFFECTIVE DATE.—The amendments made by  
 14 this section shall take effect on January 1, 2020, and shall  
 15 apply to any individual (with the exception of individuals  
 16 classified by the Commissioner of Social Security as “med-  
 17 ical improvement not expected”) who attains early retire-  
 18 ment age (as defined in section 216(l)(2) of the Social Se-  
 19 curity Act) on or after such date.

20 **SEC. 102. REVISING DISABILITY CLASSIFICATIONS; REQUIR-**  
 21 **ING PERIODIC CONTINUING DISABILITY RE-**  
 22 **VIEWS OR TIME LIMITING BENEFITS FOR**  
 23 **CERTAIN BENEFICIARIES.**

24 (a) IN GENERAL.—

1           (1) DISABILITY CLASSIFICATIONS.—Not later  
2 than 1 year after the date of the enactment of this  
3 Act, the Commissioner of Social Security shall estab-  
4 lish a system for classifying any individual who is  
5 determined to be entitled to disability insurance ben-  
6 efits under title II of the Social Security Act or to  
7 monthly benefits under section 202 of such Act by  
8 reason of being under a disability in the following  
9 manner:

10           (A) An individual shall be classified as  
11 “medical improvement expected” if the impair-  
12 ment or combination of impairments causing  
13 the individual to be disabled is expected to  
14 medically improve to the point where the indi-  
15 vidual will no longer be disabled in 1 to 2 years.

16           (B) An individual shall be classified as  
17 “medical improvement likely” if the impairment  
18 or combination of impairments causing the indi-  
19 vidual to be disabled is expected to medically  
20 improve to the point where the individual will  
21 no longer be disabled in 3 to 5 years.

22           (C) An individual shall be classified as  
23 “medical improvement possible” if the impair-  
24 ment or combination of impairments causing  
25 the individual to be disabled is not expected to

1 medically improve to the point where the indi-  
2 vidual will no longer be disabled in 5 years, but  
3 future improvement is possible.

4 (D) An individual shall be classified as  
5 “medical improvement not expected” if the indi-  
6 vidual has an impairment or combination of im-  
7 pairments that is chronic or progressive with  
8 permanent, irreversible structural or functional  
9 loss, and for which there is no known effective  
10 therapy, treatment, or surgical intervention that  
11 could result in medical improvement to the  
12 point where the individual is no longer disabled.

13 (2) CONSIDERATION OF AGE.—In classifying an  
14 individual under paragraph (1), the Commissioner of  
15 Social Security shall not classify an individual as  
16 “medical improvement not expected” solely by rea-  
17 son of such individual’s age where a lesser classifica-  
18 tion is appropriate.

19 (b) CONTINUING DISABILITY REVIEWS.—

20 (1) IN GENERAL.—Section 221(i) of the Social  
21 Security Act (42 U.S.C. 421(i)) is amended—

22 (A) by amending paragraph (1) to read as  
23 follows:

24 “(1)(A) In the case of any individual who is deter-  
25 mined to be under a disability and is classified as ‘medical

1 improvement likely’ or ‘medical improvement possible’, the  
2 applicable State agency or the Commissioner of Social Se-  
3 curity (as may be appropriate) shall, for purposes of con-  
4 tinuing eligibility—

5           “(i) if the individual is classified as ‘med-  
6 ical improvement likely’, conduct a review to de-  
7 termine whether the individual remains under a  
8 disability during the 5<sup>th</sup> year following the first  
9 month after the individual’s waiting period (as  
10 defined in section 223(c)(2)); and

11           “(ii) if the individual is classified as ‘med-  
12 ical improvement possible’, conduct a review to  
13 determine whether the individual remains under  
14 a disability during the 7<sup>th</sup> year following the  
15 first month after the individual’s waiting period  
16 (as so defined).

17           “(B) In addition to the continuing eligibility re-  
18 views required under subparagraph (A) and notwith-  
19 standing how an individual is classified under the  
20 system established by the Commissioner of Social  
21 Security under section 102(a) of the Protecting So-  
22 cial Security Disability Act of 2014, if the Commis-  
23 sioner has reason to believe that an individual that  
24 has been determined to be under a disability is not  
25 under a disability, the Commissioner may review

1 such individual's case at such time and in such man-  
2 ner as the Commissioner determines appropriate ex-  
3 cept that the Commissioner shall not initiate a re-  
4 view on the basis of income earned by an individual  
5 who is a participant in the Work Incentive Benefit  
6 System established under section 223(1).

7 “(C) Reviews of cases which are required or  
8 permitted under this paragraph shall be in addition  
9 to, and shall not be considered as a substitute for,  
10 any other reviews which are required or provided for  
11 under or in the administration of this title.”;

12 (B) by striking paragraphs (2) and (5);

13 (C) by redesignating paragraphs (3)  
14 through (4) as paragraphs (2) through (3), re-  
15 spectively; and

16 (D) in paragraph (2), as so redesignated—

17 (i) by striking “Committee on Fi-  
18 nance” and inserting “Committees on Fi-  
19 nance and Homeland Security and Govern-  
20 ment Affairs”;

21 (ii) by striking “Committee on Ways  
22 and Means” and inserting “Committees on  
23 Ways and Means and Oversight and Gov-  
24 ernment Reform”;



1 (iii) by striking “for reconsideration of  
2 such initial termination or”;

3 (iv) by striking “or both,”; and

4 (v) by striking “reconsideration or”.

5 (2) STANDARD OF REVIEW FOR CONTINUING  
6 DISABILITY REVIEWS.—

7 (A) IN GENERAL.—Section 223(f) of the  
8 Social Security Act (42 U.S.C. 423(f)) is  
9 amended—

10 (i) in paragraph (4), by striking the  
11 period at the end and inserting “; or”;

12 (ii) by inserting after paragraph (4)  
13 the following new paragraph:

14 “(5) in the case of a continuing disability re-  
15 view under section 221(i), evidence that would be  
16 sufficient to support a finding in an initial deter-  
17 mination that the individual is not under a disability  
18 and is able to engage in substantial gainful activ-  
19 ity.”; and

20 (iii) by inserting “, except that, in the  
21 case of a continuing disability review under  
22 section 221(i), the Commissioner shall not  
23 consider the fact that an individual is en-  
24 gaged in substantial gainful work as part  
25 of the Work Incentive Benefit System es-

1           tablished under subsection (l) as evidence  
2           that the individual is able to engage in  
3           substantial gainful activity” after “secured  
4           by the Commissioner of Social Security”.

5           (B) CONFORMING AMENDMENT TO DEFINI-  
6           TION OF DISABILITY.—Section 223(d)(2) of the  
7           Social Security Act (42 U.S.C. 423(d)(2) is  
8           amended—

9                   (i) in subparagraph (A), by striking  
10                   “An individual” and inserting “Subject to  
11                   subparagraph (D), an individual”

12                   (ii) by adding at the end the following  
13                   new subparagraph:

14                   “(D) In the case of a continuing disability re-  
15                   view under section 221(i), an individual may be  
16                   found to be under a disability even though the indi-  
17                   vidual is engaged in substantial gainful work as part  
18                   of the Work Incentive Benefit System established  
19                   under subsection (l).”.

20           (c) TIME-LIMITING DISABILITY BENEFITS FOR MIE  
21           INDIVIDUALS.—Section 223 of the Social Security Act (42  
22           U.S.C. 423) is amended—

23                   (1) in subsection (a)(1), as amended by section  
24                   101(b)(2), in the flush language after and below

1       subparagraph (E), by striking “subsection (e)” and  
2       inserting “subsections (e) and (k)”; and

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

4               “Time-limited Disability Benefits

5               “(k)(1) In the case of an individual who files an appli-  
6       cation for disability insurance benefits under this section  
7       or for monthly benefits under section 202 by reason of  
8       being under a disability for any month that begins on or  
9       after the date that is 1 year after the date of the enact-  
10      ment of the Protecting Social Security Disability Act of  
11      2014, is determined to be under a disability, and is classi-  
12      fied by the Commissioner of Social Security as ‘medical  
13      improvement expected’, the termination month applicable  
14      to the individual shall be the 35<sup>th</sup> month following the first  
15      month after the individual’s waiting period (as defined in  
16      subsection (e)(2)).

17              “(2)(A)(i) For purposes of this paragraph, the term  
18      ‘timely reapplication’ means an application for disability  
19      insurance benefits under this section or for monthly bene-  
20      fits under section 202 by reason of being under a disability  
21      that is submitted—

22              “(I) by an individual who is a recipient of such  
23      benefits; and

24              “(II) during the period that is 14 months be-  
25      fore the end of the termination month applicable (or

1 most recently applicable) to the individual under  
2 paragraph (1) as of the date of such application and  
3 ending with the date that is 12 months before the  
4 end of such termination month.

5 “(ii) Notwithstanding clause (i), the Commissioner of  
6 Social Security may deem an application for disability in-  
7 surance benefits under this section or for monthly benefits  
8 under section 202 by reason of being under a disability  
9 submitted by an individual who is a recipient of such bene-  
10 fits that is submitted after the period described in clause  
11 (i)(II) to be a timely reapplication if—

12 “(I) the individual can show good cause for why  
13 the application was not submitted during such pe-  
14 riod; and

15 “(II) the application is submitted not later than  
16 6 months before the end of the termination month  
17 applicable (or most recently applicable) to the indi-  
18 vidual under paragraph (1) as of the date of such  
19 application.

20 “(B)(i) An individual who submits a timely reapplica-  
21 tion and who is determined to be under a disability shall  
22 be deemed to have satisfied the waiting period applicable  
23 under subsection (c)(2).

24 “(ii)(I) If the Commissioner of Social Security fails  
25 to make an initial determination with respect to the timely

1 reapplication of an individual who is a recipient of dis-  
2 ability insurance benefits under this section or monthly  
3 benefits under section 202 by reason of being under a dis-  
4 ability before the end of the termination month applicable  
5 to the individual as of the date of such reapplication, such  
6 individual shall continue to be entitled to such benefits  
7 until an initial determination with respect to such timely  
8 reapplication is made.

9       “(II) If the Commissioner of Social Security makes  
10 an initial adverse determination with respect to the timely  
11 reapplication of an individual who is a recipient of dis-  
12 ability insurance benefits under this section or monthly  
13 benefits under section 202 by reason of being under a dis-  
14 ability and such individual files a timely request for a  
15 hearing under section 221(d), such individual may elect  
16 to have the payment of such benefits (as well as any other  
17 benefits payable under this title or title XVIII on the basis  
18 of such individual’s entitlement to such benefits) continue  
19 in the same manner and subject to the same conditions  
20 as an election made under subsection (g).

21       “(C) For purposes of reviewing a timely reapplication  
22 submitted by an individual who is a recipient of disability  
23 insurance benefits under this section or monthly benefits  
24 under section 202 by reason of being under a disability—

1           “(i) the fact that the individual was previously  
2 found to be under a disability shall have no evi-  
3 dentiary weight; and

4           “(ii) subsection (f) shall not apply.”.

5           (d) REGULATIONS.—The Commissioner of Social Se-  
6 curity shall promulgate or revise, as appropriate, regula-  
7 tions relating to the determination, classification, and re-  
8 view of the disability status of individuals who apply for  
9 or receive disability insurance benefits under title II of the  
10 Social Security Act and related provisions of the Social  
11 Security Administration Programs Operations Manual  
12 (POMS) to carry out subsection (a) and the amendments  
13 made by subsection (b).

14 **SEC. 103. ADJUSTMENT OF AGE CRITERIA FOR SOCIAL SE-**  
15 **CURITY DISABILITY INSURANCE MEDICAL-**  
16 **VOCATIONAL GUIDELINES; CONSIDERATION**  
17 **OF WORK WHICH EXISTS IN THE NATIONAL**  
18 **ECONOMY.**

19           (a) IN GENERAL.—

20           (1) AGE CRITERIA.—Notwithstanding Appendix  
21 2 to Subpart P of Part 404 of title 20, Code of Fed-  
22 eral Regulations, with respect to disability deter-  
23 minations or reviews made on or after the date that  
24 is 1 year after the date of the enactment of this Act,  
25 age shall not be considered as a vocational factor for

1 any individual who has not attained the age that is  
2 12 years less than the retirement age for such indi-  
3 vidual (as defined in section 216(l)(1) of the Social  
4 Security Act (42 U.S.C. 416(l)).

5 (2) WORK WHICH EXISTS IN THE NATIONAL  
6 ECONOMY.—With respect to disability determina-  
7 tions or reviews made on or after the date of the en-  
8 actment of this Act, in determining whether an indi-  
9 vidual is able to engage in any work which exists in  
10 the national economy (as defined in section  
11 223(d)(2)(A) of the Social Security Act (42 U.S.C.  
12 423(d)(2)(A)), the Commissioner of Social Security  
13 shall consider the share and ages of individuals cur-  
14 rently participating in the labor force and the num-  
15 ber and types of jobs available in the current econ-  
16 omy.

17 (b) UPDATING DATA ON WORK WHICH EXISTS IN  
18 NATIONAL ECONOMY.—Not later than 2 years after the  
19 date of the enactment of this Act, and every year there-  
20 after, the Commissioner of Social Security shall update  
21 the data used by the Commissioner to determine the jobs  
22 which exist in the national economy to ensure that such  
23 data reflects the full range of work which exists in the  
24 national economy, including newly-created jobs in emerg-  
25 ing industries.

1 **SEC. 104. MANDATORY COLLECTION OF NEGOTIATED CIVIL**  
 2 **MONETARY PENALTIES.**

3 Section 1129(i)(2) of the Social Security Act (42  
 4 U.S.C. 1320a–8(i)(2)) is amended by inserting “and shall  
 5 delegate authority for collecting civil money penalties and  
 6 assessments negotiated under this section to the Inspector  
 7 General” before the period.

8 **SEC. 105. REQUIRED ELECTRONIC FILING OF WAGE WITH-**  
 9 **HOLDING RETURNS.**

10 (a) IN GENERAL.—Paragraph (2) of section 6011(e)  
 11 of the Internal Revenue Code of 1986 is amended—

12 (1) by redesignating subparagraphs (A) and  
 13 (B) as subparagraphs (B) and (C), respectively,

14 (2) by inserting before subparagraph (B), as so  
 15 redesignated, the following new subparagraph:

16 “(A) shall—

17 “(i) require any person that is re-  
 18 quired to file a return containing informa-  
 19 tion described in section 6051(a) to file  
 20 such return on magnetic media, and

21 “(ii) provide for waiver of the require-  
 22 ments of clause (i) in the case of dem-  
 23 onstrated hardship for—

24 “(I) for any period before Janu-  
 25 ary 1, 2020, a person having 25 or  
 26 fewer employees, and



1 “(II) for any period after Decem-  
 2 ber 31, 2019, a person having 5 or  
 3 fewer employees,” and

4 (3) by inserting “except as provided in subpara-  
 5 graph (A),” before “shall not require” in subpara-  
 6 graph (B), as so redesignated.

7 (b) CONFORMING AMENDMENT.—Paragraph (4) of  
 8 section 6011(e) of the Internal Revenue Code of 1986 is  
 9 amended by striking “paragraph (2)(A)” and inserting  
 10 “paragraph (2)(B)”.

11 (c) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to returns filed after December 31,  
 13 2016.

14 **TITLE II—PROGRAM INTEGRITY:**  
 15 **REFORMING STANDARDS AND**  
 16 **PROCEDURES FOR DIS-**  
 17 **ABILITY HEARINGS, MEDICAL**  
 18 **EVIDENCE, AND CLAIMANT**  
 19 **REPRESENTATIVES**

20 **SEC. 201. ELIMINATION OF RECONSIDERATION REVIEW**  
 21 **LEVEL FOR AN INITIAL ADVERSE DETER-**  
 22 **MINATION OF AN APPLICATION FOR DIS-**  
 23 **ABILITY INSURANCE BENEFITS.**

24 (a) IN GENERAL.—Section 205(b) of the Social Secu-  
 25 rity Act (42 U.S.C. 405(b)) is amended—

1 (1) in paragraph (2), by striking “In any” and  
 2 inserting “Subject to paragraph (4), in any”; and

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

4 “(4) Any review of an initial adverse determination  
 5 with respect to an application for disability insurance ben-  
 6 efits under section 223 or for monthly benefits under sec-  
 7 tion 202 by reason of being under a disability shall only  
 8 be made before an administrative law judge in a hearing  
 9 under paragraph (1).”.

10 (b) EFFECTIVE DATE.—The amendment made by  
 11 subsection (a) shall apply to initial adverse determinations  
 12 on applications for disability insurance benefits under title  
 13 II of the Social Security Act made after the date of the  
 14 enactment of this Act.

15 **SEC. 202. DEADLINE FOR SUBMISSION OF MEDICAL EVI-**  
 16 **DENCE; EXCLUSION OF CERTAIN MEDICAL**  
 17 **EVIDENCE.**

18 (a) CLOSING OF RECORD FOR SUBMISSION OF MED-  
 19 ICAL EVIDENCE.—Section 205(b)(1) of the Social Secu-  
 20 rity Act (42 U.S.C. 405(b)(1)) is amended—

21 (1) by striking “The Commissioner of Social  
 22 Security is directed” and inserting—

23 “(A) The Commissioner of Social Security is di-  
 24 rected”; and

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

3           “(B)(i) Notwithstanding the last sentence of  
4 subparagraph (A), in the case of a hearing before an  
5 administrative law judge to determine if an indi-  
6 vidual is under a disability (as defined in section  
7 223(d)) or a review of such a determination before  
8 the Appeals Council of the Office of Appellate Oper-  
9 ations of the Social Security Administration, medical  
10 evidence (other than the evidence already in the  
11 record) shall not be received if the evidence is sub-  
12 mitted less than 5 days prior to the date on which  
13 the hearing is held unless the individual can show  
14 that the evidence is material and there is good cause  
15 for the failure to submit it before the deadline, but  
16 in no case shall medical evidence be received if it  
17 is—

18           “(I) based on information obtained during  
19 the period that begins after a determination is  
20 made by an administrative law judge; or

21           “(II) submitted more than 1 year after a  
22 determination is made by an administrative law  
23 judge.

24           “(ii) At the request of an individual applying  
25 for benefits under this title, such individual’s rep-

1 representative, or a disability hearing attorney (as de-  
2 fined in section 203(a) of the Protecting Social Se-  
3 curity Disability Act of 2014), and for the purpose  
4 of completing the record, an administrative law  
5 judge may postpone a hearing to determine if the in-  
6 dividual is under a disability (as so defined) to a  
7 date that is no more than 30 days after the date for  
8 which the hearing was originally scheduled if—

9 “(I) the request is made no less than 7  
10 days prior to the date for which the hearing  
11 was originally scheduled; and

12 “(II) the party making the request shows  
13 good cause for why the hearing should be post-  
14 poned.”.

15 (b) EXCLUSION OF MEDICAL EVIDENCE THAT IS  
16 NOT SUBMITTED IN ITS ENTIRETY OR FURNISHED BY A  
17 LICENSED PRACTITIONER.—Section 223(d)(5) of the So-  
18 cial Security Act (42 U.S.C. 423(d)(5)) is amended—

19 (1) in subparagraph (B), by striking “In” and  
20 inserting “Subject to subparagraphs (C) and (D),  
21 in”; and

22 (2) by adding at the end the following new sub-  
23 paragraphs:

24 “(C)(i) An individual and, if applicable, such in-  
25 dividual’s representative shall submit, in its entirety

1 and without redaction, all relevant medical evidence  
2 known to the individual or the representative to the  
3 Commissioner of Social Security.

4 “(ii) In the case of a hearing before an adminis-  
5 trative law judge to determine if an individual is  
6 under a disability (as defined in paragraph (1)), the  
7 Commissioner of Social Security shall not consider  
8 any piece of medical evidence furnished by an indi-  
9 vidual or such individual’s representative unless such  
10 individual and, if applicable, such individual’s rep-  
11 resentative, certifies at the hearing that all relevant  
12 medical evidence has been submitted in its entirety  
13 and without redaction.

14 “(iii) For purposes of this subparagraph, the  
15 term ‘relevant medical evidence’ means any medical  
16 evidence relating to the individual’s claimed physical  
17 or mental impairments that the Commissioner of So-  
18 cial Security should consider to determine whether  
19 the individual is under a disability, regardless of  
20 whether such evidence is favorable or unfavorable to  
21 the individual’s case, but shall not include any oral  
22 or written communication or other document ex-  
23 changed between the individual and such individual’s  
24 attorney representative that are subject to attorney-  
25 client privilege or work product doctrine, unless the

1 individual voluntarily discloses such communication  
2 to the Commissioner. Neither the attorney-client  
3 privilege nor the work product doctrine shall prevent  
4 from disclosure medical evidence, medical source  
5 opinions, or any other factual matter that the Com-  
6 missioner may consider in determining whether or  
7 not the individual is entitled to benefits.

8 “(iv) Any individual or representative who  
9 knowingly violates this subparagraph shall be guilty  
10 of making a false statement or representation of ma-  
11 terial fact, shall be subject to civil and criminal pen-  
12 alties under sections 208 and 1129, and, in the case  
13 of a representative, shall be suspended or disquali-  
14 fied from appearing before the Social Security Ad-  
15 ministration.

16 “(D) The Commissioner of Social Security shall  
17 not consider any evidence furnished by a physician  
18 or health care practitioner who is not licensed, has  
19 been sanctioned, or is under investigation for ethical  
20 misconduct.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect on the date of the enactment  
23 of this Act, and shall apply to applications for disability  
24 insurance benefits filed on or after that date.

1 **SEC. 203. NON-ADVERSARIAL DISABILITY HEARING ATTOR-**  
2 **NEYS.**

3 (a) IN GENERAL.—

4 (1) ESTABLISHMENT.—The Commissioner of  
5 Social Security shall establish disability hearing at-  
6 torney positions within the Office of Appellate Oper-  
7 ations of the Social Security Administration for the  
8 purpose of improving the quality, timeliness, and  
9 consistency of disability determinations by adminis-  
10 trative law judges as described in this section. The  
11 Commissioner shall hire and employ such attorneys  
12 and other personnel as are necessary to carry out  
13 the responsibilities of disability hearing attorneys, as  
14 described in subsection (b).

15 (2) DEFINITION.—For purposes of this section,  
16 the term “disability hearing attorney” means an at-  
17 torney employed under this section.

18 (b) ASSIGNMENT OF CASES; RESPONSIBILITIES OF  
19 DISABILITY HEARING ATTORNEYS.—

20 (1) ASSIGNMENT OF CASES.—Each case that is  
21 scheduled for a hearing to determine if an individual  
22 is under a disability (as defined in section 223(d) of  
23 the Social Security Act (42 U.S.C. 423(d)) shall be  
24 assigned to a disability hearing attorney as soon as  
25 practicable.

1           (2) RESPONSIBILITIES OF DISABILITY HEARING  
2 ATTORNEYS.—The disability hearing attorney as-  
3 signed to a case under paragraph (1) shall—

4           (A) develop the evidentiary record, and, if  
5 necessary, work with the officials that made the  
6 initial determination that the individual was not  
7 under a disability to understand why such de-  
8 termination was made;

9           (B) in cases where the individual has rep-  
10 resentation, work with the representative to en-  
11 sure that the record is complete prior to the  
12 hearing, and examine witnesses and present evi-  
13 dence to the administrative law judge during  
14 the hearing;

15           (C) prior to the hearing, if the attorney  
16 finds that the evidence clearly establishes that  
17 the individual is under a disability, recommend  
18 that the administrative law judge make a deter-  
19 mination that the individual is under a dis-  
20 ability without requiring a hearing; and

21           (D) after the hearing, if the attorney finds  
22 that the evidence clearly does not support the  
23 determination of the administrative law judge  
24 that the individual is disabled, recommend to  
25 the Appeals Council of the Office of Appellate



1           Operations of the Social Security Administra-  
2           tion that the Appeals Council review the deter-  
3           mination on its own motion.

4           (c) QUALIFICATIONS AND TRAINING.—The Commis-  
5           sioner of Social Security shall ensure that disability hear-  
6           ing attorneys employed under this section are appro-  
7           priately qualified and trained to understand relevant med-  
8           ical, vocational, and legal issues.

9           **SEC. 204. PROCEDURAL RULES FOR HEARINGS.**

10          (a) IN GENERAL.—Not later than 1 year after the  
11          date of the enactment of this Act, the Commissioner of  
12          Social Security shall establish and make available to the  
13          public procedural rules for hearings to determine whether  
14          or not an individual is entitled to disability insurance ben-  
15          efits under title II of the Social Security Act (42 U.S.C.  
16          401 et seq.). These rules shall include those established  
17          in this Act as well as—

18               (1) rules and procedures for motions and re-  
19               quests;

20               (2) rules related to the representation of indi-  
21               viduals in such a hearing, such as the qualifications  
22               and standards of conduct required of representa-  
23               tives;

24               (3) rules and procedures for the submission of  
25               evidence;

1 (4) rules related to the closure of the record;  
2 and

3 (5) rules and procedures for imposing sanctions  
4 on parties for failing to comply with hearing rules.

5 (b) **AUTHORITY OF ADMINISTRATIVE LAW JUDGES**  
6 **TO SANCTION CLAIMANT REPRESENTATIVES.**—Section  
7 206(a)(1) of the Social Security Act (42 U.S.C. 406(a)(1))  
8 is amended by inserting after the fifth sentence the fol-  
9 lowing: “The Commissioner of Social Security shall estab-  
10 lish rules under which an administrative law judge may  
11 impose fines and other sanctions the Commissioner deter-  
12 mines to be appropriate on a representative for failure to  
13 follow the Commissioner’s rules and regulations.”

14 (c) **EFFECTIVE DATE.**—Any rules adopted pursuant  
15 to this section or the amendment made thereby shall take  
16 effect on the date that is 6 months after the date of their  
17 publication and shall apply to hearings held on or after  
18 that date.

19 **SEC. 205. PROHIBITING ATTORNEYS WHO HAVE RELIN-**  
20 **QUISHED A LICENSE TO PRACTICE IN THE**  
21 **FACE OF AN ETHICS INVESTIGATION FROM**  
22 **SERVING AS A CLAIMANT REPRESENTATIVE.**

23 Section 206(a)(1) of the Social Security Act (42  
24 U.S.C. 406(a)(1)), as amended by section 204(b), is fur-  
25 ther amended—

1           (1) in the first sentence, by inserting “, and, in  
2 cases where compensation is sought for services as  
3 a representative, shall” before “prescribe”;

4           (2) in the second sentence, by striking “Federal  
5 courts,” and inserting “Federal courts and certifies  
6 to the Commissioner that such attorney has never  
7 (A) been disbarred or suspended from any court or  
8 bar to which such attorney was previously admitted  
9 to practice or disqualified from participating in or  
10 appearing before any Federal program or agency, or  
11 (B) relinquished a license to practice in, participate  
12 in, or appear before any court, bar, or Federal pro-  
13 gram or agency in connection with a settlement of  
14 an investigation into ethical misconduct,”; and

15           (3) in the third sentence—

16           (A) by striking “may” each place it ap-  
17 pears and inserting “shall”;

18           (B) by striking “or who has been disquali-  
19 fied from participating in or appearing before  
20 any Federal program or agency” and inserting  
21 “, who has been disqualified from participating  
22 in or appearing before any Federal program or  
23 agency, or who has voluntarily relinquished a li-  
24 cense to practice in, participate in, or appear  
25 before any court, bar, or Federal program or

1 agency in settlement of an investigation into  
2 ethical misconduct”; and

3 (C) by inserting “or who has voluntarily  
4 relinquished a license to practice in any court  
5 or bar in settlement of an investigation into  
6 ethical misconduct” before the period.

7 **SEC. 206. APPLYING JUDICIAL CODE OF CONDUCT TO AD-**  
8 **MINISTRATIVE LAW JUDGES.**

9 (a) IN GENERAL.—Section 3105 of title 5, United  
10 States Code, is amended—

11 (1) by striking “Each agency” and inserting  
12 “(a) Each agency”; and

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

14 “(b) The Code of Conduct for United States Judges  
15 adopted by the Judicial Conference of the United States  
16 shall apply to administrative law judges appointed under  
17 this section.

18 “(c) If, in applying a standard of conduct to an ad-  
19 ministrative law judge appointed under this section, there  
20 is a conflict between the Code of Conduct for United  
21 States Judges and any other law or regulation, the stricter  
22 standard of conduct shall apply.

23 “(d) Pursuant to section 7301, the President may  
24 issue such regulations as may be necessary to carry out  
25 subsections (b) and (c).”.

1 (b) LIMITATION ON REGULATORY AUTHORITY.—Sec-  
 2 tion 1305 of title 5, United States Code, is amended by  
 3 striking “3105” and inserting “3105(a)”.

4 **SEC. 207. EVALUATING MEDICAL EVIDENCE.**

5 (a) IN GENERAL.—Not later than 1 year after the  
 6 date of the enactment of this Act, the Commissioner of  
 7 Social Security shall ensure that all administrative law  
 8 judges within the Office of Disability Adjudication and Re-  
 9 view of the Social Security Administration receive training  
 10 on how to appropriately evaluate and weigh medical evi-  
 11 dence provided by medical professionals.

12 (b) OPINION EVIDENCE.—Section 223(d)(5)(B) of  
 13 the Social Security Act (42 U.S.C. 423(d)(5)(B)), as  
 14 amended by section 202(b), is further amended by adding  
 15 at the end the following new sentences: “In weighing med-  
 16 ical evidence, the Commissioner of Social Security may as-  
 17 sign greater weight to certain opinion evidence supplied  
 18 by an individual’s treating physician (or other treating  
 19 health care provider) than to opinion evidence obtained  
 20 from another source, but in no circumstance shall opinion  
 21 evidence from any source be given controlling weight.”

22 (c) HEALTH CARE PROVIDERS SUPPLYING CON-  
 23 SULTATIVE EXAMS.—

24 (1) IN GENERAL.—Beginning 1 year after the  
 25 date of enactment of this Act, in determining wheth-

1 er an individual applying for disability insurance  
2 benefits under title II of the Social Security Act is  
3 disabled, the Commissioner of Social Security shall  
4 not consider medical evidence resulting from a con-  
5 sultative exam with a health care provider conducted  
6 for the purpose of supporting the individual's appli-  
7 cation unless the evidence is accompanied by a Med-  
8 ical Consultant Acknowledgment Form signed by the  
9 health care provider who conducted the exam.

10 (2) MEDICAL CONSULTANT ACKNOWLEDGMENT  
11 FORM.—

12 (A) DEFINITION.—As used in this sub-  
13 section, the term “Medical Consultant Acknowl-  
14 edgment Form” means a form published by the  
15 Commissioner of Social Security that meets the  
16 requirements of subparagraph (B).

17 (B) REQUIREMENTS.—The Commissioner  
18 of Social Security shall develop the Medical  
19 Consultant Acknowledgment Form and make it  
20 available to the public not later than 6 months  
21 after the date of enactment of this Act. The  
22 contents of the Medical Consultant Acknowledg-  
23 ment Form shall include—

- 24 (i) information on how medical evi-  
25 dence is used in disability determinations;

- 1 (ii) instructions on completing a resid-  
2 ual functional capacity form;
- 3 (iii) information on the legal and eth-  
4 ical obligations of a health care provider  
5 who supplies medical evidence for use in a  
6 disability determination, including any civil  
7 or criminal penalties that may be imposed  
8 on a health care provider who supplies  
9 medical evidence for use in a disability de-  
10 termination; and
- 11 (iv) a statement that the signatory  
12 has read and understands the contents of  
13 the form.

14 (3) PENALTIES FOR FRAUD.—In addition to  
15 any other penalties that may be prescribed by law,  
16 any individual who forges a signature on a Medical  
17 Consultant Acknowledgment Form submitted to the  
18 Commissioner of Social Security shall be guilty of  
19 making a false statement or representation of mate-  
20 rial fact, and upon conviction shall be subject to civil  
21 and criminal penalties under sections 208 and 1129  
22 of the Social Security Act and, in the case of a rep-  
23 resentative, shall be suspended or disqualified from  
24 appearing before the Social Security Administration.

25 (d) SYMPTOM VALIDITY TESTS.—

1           (1) IN GENERAL.—For purposes of evaluating  
2           the credibility of an individual’s medical evidence, an  
3           administrative law judge responsible for conducting  
4           a hearing to determine whether an individual apply-  
5           ing for disability insurance benefits under title II of  
6           the Social Security Act or for monthly benefits  
7           under section 202 of such Act by reason of a dis-  
8           ability may require the individual to undergo a  
9           symptom validity test either prior to or after the  
10          hearing.

11          (2) WEIGHT GIVEN TO SVTS.—An administra-  
12          tive law judge may only consider the results of a  
13          symptom validity test as a part of an individual’s en-  
14          tire medical history and shall not give controlling  
15          weight to such results.

16          (e) EVIDENCE OBTAINED FROM PUBLICLY AVAIL-  
17          ABLE SOCIAL MEDIA.—For purposes of evaluating the  
18          credibility of an individual’s medical evidence, an adminis-  
19          trative law judge responsible for conducting a hearing to  
20          determine whether an individual applying for disability in-  
21          surance benefits under title II of the Social Security Act  
22          is disabled shall be permitted to consider information  
23          about the individual obtained from publicly available social  
24          media.



1 (f) REGULATIONS RELATED TO EVALUATING MED-  
2 ICAL EVIDENCE.—Not later than 1 year after the date of  
3 enactment of this Act, the Commissioner of Social Secu-  
4 rity shall promulgate rules and regulations to carry out  
5 the purposes of this section, including regulations relating  
6 to when it is appropriate for an administrative law judge  
7 to order a symptom validity test or to consider evidence  
8 obtained from publicly available social media.

9 **SEC. 208. REFORMING FEES PAID TO ATTORNEYS AND**  
10 **OTHER CLAIMANT REPRESENTATIVES.**

11 (a) IN GENERAL.—Not later than 1 year after the  
12 date of enactment of this Act, the Commissioner of Social  
13 Security shall establish rules and regulations relating to  
14 the fees payable to representatives of individuals claiming  
15 entitlement to disability insurance benefits under title II  
16 of the Social Security Act (42 U.S.C. 401 et seq.). Such  
17 rules and regulations shall—

18 (1) require representatives to account for the  
19 work performed with respect to a case, whether or  
20 not there is a valid fee agreement between the rep-  
21 resentative and the individual; and

22 (2) prohibit a representative from being reim-  
23 bursed by the Social Security Administration for  
24 travel expenses related to a case.

1 (b) REVIEW OF HIGHEST-EARNING CLAIMANT REP-  
2 RESENTATIVES.—

3 (1) REVIEW.—Not later than 1 year after the  
4 date of enactment of this Act and annually there-  
5 after, the Inspector General of the Social Security  
6 Administration shall conduct a review of the prac-  
7 tices of a sample of the highest-earning claimant  
8 representatives to ensure compliance with the poli-  
9 cies of the Social Security Administration. In review-  
10 ing representative practices, the Inspector General  
11 shall look for suspicious practices, including—

12 (A) repetitive language in residual func-  
13 tional capacity forms;

14 (B) irregularities in the licensing history of  
15 medical professionals providing medical opin-  
16 ions in support of a claimant's application; and

17 (C) a disproportionately high number of  
18 appearances by a representative before the  
19 same administrative law judge.

20 (2) REPORT.—Not later than December 1 of  
21 each year in which a review described in paragraph  
22 (1) is conducted, the Inspector General of the Social  
23 Security Administration shall submit a report con-  
24 taining the results of such review, together with any  
25 recommendations for administrative action or pro-

1 posed legislation that the Inspector General deter-  
 2 mines appropriate, to the Committees on Finance  
 3 and Homeland Security and Government Affairs of  
 4 the Senate and the Committees on Ways and Means  
 5 and Oversight and Government Reform of the House  
 6 of Representatives.

7 (c) APPLICABILITY OF THE EQUAL ACCESS TO JUSTICE ACT.—Section 205 of the Social Security Act (42  
 8 U.S.C. 405) is amended by adding at the end the following  
 9 new subsection:  
 10

11 “(v) Sections 504 of title 5 and 2412 of title 28,  
 12 United States Code (commonly known as the ‘Equal Ac-  
 13 cess to Justice Act’), shall not apply to—

14 “(1) any review under this title of a determina-  
 15 tion of disability made by the Commissioner of So-  
 16 cial Security; or

17 “(2) if new evidence is submitted by an indi-  
 18 vidual after a hearing to determine whether or not  
 19 the individual is under a disability, judicial review of  
 20 a final determination of disability under subsection  
 21 (g) of this section.”.

22 **SEC. 209. STRENGTHENING THE ADMINISTRATIVE LAW**  
 23 **JUDGE QUALITY REVIEW PROCESS.**

24 (a) IN GENERAL.—

1           (1) REVIEW.—Not later than 1 year after the  
2           date of enactment of this Act and annually there-  
3           after, the Division of Quality of the Office of Appel-  
4           late Operations of the Social Security Administra-  
5           tion shall conduct a review of a sample of determina-  
6           tions that individuals are entitled to disability insur-  
7           ance benefits by outlier administrative law judges  
8           and identify any determinations that are not sup-  
9           ported by the evidence.

10           (2) REPORT.—Not later than December 1 of  
11           each year in which a review described in paragraph  
12           (1) is conducted, the Division of Quality Review of  
13           the Office of Appellate Operations of the Social Se-  
14           curity Administration shall submit a report con-  
15           taining the results of such review, including all de-  
16           terminations that were found to be unsupported by  
17           the evidence, together with any recommendations for  
18           administrative action or proposed legislation that the  
19           Division determines appropriate, to—

20                   (A) the Inspector General of the Social Se-  
21                   curity Administration;

22                   (B) the Commissioner of the Social Secu-  
23                   rity Administration;

1 (C) the Committees on Ways and Means  
 2 and Oversight and Government Reform of the  
 3 House of the Representatives; and

4 (D) the Committees on Finance and  
 5 Homeland Security and Government Affairs of  
 6 the Senate.

7 (3) DEFINITION OF OUTLIER ADMINISTRATIVE  
 8 LAW JUDGE.—For purposes of this subsection, the  
 9 term “outlier administrative law judge” means an  
 10 administrative law judge within the Office of Dis-  
 11 ability Adjudication and Review of the Social Secu-  
 12 rity Administration who, in a given year—

13 (A) issues more than 700 decisions; and

14 (B) determines that the applicant is enti-  
 15 tled to disability insurance benefits in not less  
 16 than 85 percent of cases.

17 (b) MANDATORY CONTINUING DISABILITY RE-  
 18 VIEW.—

19 (1) IN GENERAL.—The Commissioner of Social  
 20 Security shall ensure that, not less than 6 months  
 21 after receiving a report described in subsection  
 22 (a)(2), every determination of entitlement found to  
 23 be unsupported by the evidence is in the process of  
 24 being reviewed under section 221(i)(1)(B) of the So-  
 25 cial Security Act (as amended by section 102(b)(1)).

1           (2) CONFORMING AMENDMENT.—Section  
2           221(i)(1) of the Social Security Act (42 U.S.C.  
3           421(i)(1)), as amended by section 102(b)(1), is fur-  
4           ther amended in subparagraph (C) by inserting “or  
5           under section 209(b) of the Protecting Social Secu-  
6           rity Disability Act of 2014” before the period.

7 **SEC. 210. PERMITTING DATA MATCHING BY INSPECTORS**

8                           **GENERAL.**

9           Clause (ix) of section 552a(a)(8)(B) of title 5, United  
10          States Code, is amended by striking “the Secretary of  
11          Health and Human Services or the Inspector General of  
12          the Department of Health and Human Services” and in-  
13          serting “the Inspector General of an agency, or an agency  
14          in coordination with an Inspector General”.

15 **SEC. 211. ACCOUNTING FOR SOCIAL SECURITY PROGRAM**

16                           **INTEGRITY SPENDING.**

17          Amounts made available for Social Security program  
18          integrity spending by the Social Security Administration  
19          for a fiscal year shall be—

20                   (1) included in a separate account within the  
21          Federal budget; and

22                   (2) funded in a separate account in the appro-  
23          priate annual appropriations bill.

1 **SEC. 212. USE OF THE NATIONAL DIRECTORY OF NEW**  
 2 **HIRES.**

3 Beginning with the date that is 1 year after the date  
 4 of the enactment of this Act, the Commissioner of Social  
 5 Security shall consult the National Directory of New Hires  
 6 established under section 453(i) of the Social Security Act  
 7 (42 U.S.C. 653(i)) in determining whether any individual  
 8 who submits an application or reapplication for disability  
 9 insurance benefits under title II of the Social Security Act  
 10 or for monthly benefits under section 202 of such Act by  
 11 reason of a disability is able to engage in substantial gain-  
 12 ful activity.

13 **TITLE III—PROVIDING SUPPORT**  
 14 **FOR WORKING DISABLED**  
 15 **AMERICANS**

16 **SEC. 301. ESTABLISHMENT OF WORK INCENTIVE BENEFIT**  
 17 **SYSTEM.**

18 (a) **ELIMINATION OF THE TICKET TO WORK AND**  
 19 **SELF-SUFFICIENCY PROGRAM.—**

20 (1) **IN GENERAL.—**Part A of title XI of the So-  
 21 cial Security Act (42 U.S.C. 1301 et seq.) is amend-  
 22 ed by striking section 1148.

23 (2) **CONFORMING AMENDMENTS.—**

24 (A) Section 225(b)(1) of such Act is  
 25 amended by striking “consisting of the Ticket

1 to Work and Self-Sufficiency Program under  
2 section 1148 or another program”.

3 (B) Section 1631(a)(6)(A) of such Act is  
4 amended by striking “consisting of the Ticket  
5 to Work and Self-Sufficiency Program under  
6 section 1148 or another program”.

7 (C) Section 1633(c) of such Act is amend-  
8 ed by striking paragraph (2).

9 (b) ESTABLISHMENT OF THE WORK INCENTIVE  
10 BENEFIT SYSTEM.—

11 (1) IN GENERAL.—Section 223 of the Social  
12 Security Act (42 U.S.C. 423), as amended by sec-  
13 tion 102(c), is further amended—

14 (A) in subsection (a)(2), by striking “sec-  
15 tion 202(q) and section 215(b)(2)(A)(ii)” and  
16 inserting “subsection (l) and sections 202(q)  
17 and 215(b)(2)(A)(ii)”; and

18 (B) by adding at the end the following new  
19 subsection:

20 “Work Incentive Benefit System

21 “(l)(1) The Commissioner shall establish a Work In-  
22 centive Benefit System in accordance with the provisions  
23 of this subsection, pursuant to which an eligible individual  
24 entitled to a disability insurance benefit under this section  
25 may elect to return to employment and receive an adjusted



1 disability insurance benefit amount (as determined pursu-  
2 ant to paragraph (3)).

3 “(2)(A) For purposes of this subsection, the term ‘eli-  
4 gible individual’ means an individual who has been entitled  
5 to a disability insurance benefit for period of not less than  
6 9 months preceding participation in the Work Incentive  
7 Benefit System.

8 “(B) Participation by an eligible individual in the  
9 Work Incentive Benefit System shall be suspended if such  
10 individual has no reported wages or self-employment in-  
11 come for the 4 preceding calendar quarters (as defined  
12 in section 213(a)(1)).

13 “(3)(A) For purposes of subsection (a)(2), the  
14 amount of the disability insurance benefit provided to an  
15 eligible individual who is participating in the Work Incen-  
16 tive Benefit System for any month shall be equal to—

17 “(i) in the case of an individual who has aver-  
18 age monthly earnings (as determined under subpara-  
19 graph (B)) equal to or less than \$50, the amount  
20 otherwise applicable under subsection (a)(2), or

21 “(ii) in the case of an individual who has aver-  
22 age monthly earnings greater than \$50, an amount  
23 equal to the sum of—

24 “(I) an amount (not less than zero) equal  
25 to—

1           “(aa) the enhanced benefit amount  
2           (as determined under subparagraph (C))  
3           for such individual, minus

4           “(bb) the quotient obtained by divid-  
5           ing the average monthly earnings for such  
6           individual by 3, and

7           “(II) the work incentive adjustment  
8           amount (as determined under subparagraph  
9           (D)) for such individual.

10       “(B)(i) The average monthly earnings for an eligible  
11 individual shall be equal to the quotient of—

12           “(I) the total amount of wages and self-employ-  
13           ment income for such individual in any eligible  
14           months during the 2 calendar quarters (as defined  
15           in section 213(a)(1)) that precede the most recently  
16           completed calendar quarter, divided by

17           “(II) the total number of eligible months during  
18           such 2 calendar quarter period.

19       “(ii) For purposes of clause (i), the term ‘eligible  
20 month’ means any month subsequent to the month in  
21 which an eligible individual became entitled to a disability  
22 insurance benefit.

23       “(C) The enhanced benefit amount for an eligible in-  
24 dividual shall be equal to 106.7 percent of the primary  
25 insurance amount for such month for such individual.

1 “(D)(i) The work incentive adjustment amount for an  
 2 eligible individual shall be equal to the product of the aver-  
 3 age monthly earnings for such individual multiplied by the  
 4 applicable work incentive subsidy rate (as determined in  
 5 accordance with the table under clause (iii), based on the  
 6 applicable work incentive step for such individual).

7 “(ii) For purposes of the table under clause (iii), the  
 8 work incentive step for an eligible individual shall be equal  
 9 to the quotient obtained by dividing—

10 “(I) the average monthly earnings for such in-  
 11 dividual, by

12 “(II) an amount equal to the quotient obtained  
 13 by dividing the primary insurance amount for such  
 14 month for such individual by 5.

15 “(iii) The work incentive subsidy rate shall be deter-  
 16 mined by linear interpolation between the amounts estab-  
 17 lished under the following table:

<b>“Work Incentive Step</b>	<b>Work Incentive Subsidy Rate</b>
0 .....	- 1
1 .....	- 0.8
2 .....	- 0.6
3 .....	- 0.4
4 .....	- 0.2
5 .....	0
6 .....	0.2
7 .....	0.35
8 .....	0.39
9 .....	0.35
10 .....	0.3
11 .....	0.25
12 .....	0.18
13 .....	0.125
14 .....	0.08
15 .....	0.04

<b>“Work Incentive Step</b>	<b>Work Incentive Subsidy Rate</b>
16 .....	0.01
17 .....	0.

1       “(4) For purposes of paragraph (3)(B), wages and  
 2 self-employment income of an individual shall be deter-  
 3 mined based on relevant information for such individual  
 4 as provided by the State agency responsible for the admin-  
 5 istration of State unemployment compensation law.

6       “(5) For purposes of an eligible individual who is par-  
 7 ticipating in the Work Incentive Benefit System under this  
 8 subsection, any services performed or earnings derived  
 9 from services during the period of such participation shall  
 10 not be considered for purposes of demonstrating an indi-  
 11 vidual’s ability to engage in substantial gainful activity  
 12 under subsection (d)(4) and shall not be considered sub-  
 13 stantial gainful activity for purposes of subsection (e).

14       “(6) For purposes of this title, the disability insur-  
 15 ance benefit received by an eligible individual under this  
 16 subsection shall not be applied for purposes of determining  
 17 any monthly benefits payable to any other individuals enti-  
 18 tled to benefits for any month based on the wages and  
 19 self-employment income of such individual.”.

20       (c) PROGRAM SAVINGS.—

21               (1) IN GENERAL.—For each calendar year after  
 22 2015, the Commissioner of Social Security shall de-  
 23 termine if, as a result of the repeal of the Ticket to

1 Work and Self-Sufficiency Program under section  
2 1148 of the Social Security Act and the establish-  
3 ment the Work Incentive Benefit System under sec-  
4 tion 223(l) of such Act, the total amount of expendi-  
5 tures from the Trust Funds (as defined under sec-  
6 tion 201(e) of such Act) for payment of disability in-  
7 surance benefits pursuant to section 223 of such Act  
8 has been reduced.

9 (2) SHARING OF SAVINGS.—The Commissioner  
10 of Social Security shall, by regulations, establish a  
11 program to provide payments to organizations pro-  
12 viding vocational rehabilitation services to eligible in-  
13 dividuals (as defined under section 223(l)(2) of the  
14 Social Security Act) from any amounts determined  
15 to be saved under the Work Incentive Benefit Sys-  
16 tem, as determined pursuant to paragraph (1). The  
17 amount of any payments made to an organization  
18 providing vocational rehabilitation services to an eli-  
19 gible individual shall be adjusted based on the dis-  
20 ability classification of such individual, with in-  
21 creased amounts to be provided for eligible individ-  
22 uals with a lower expectation of medical improve-  
23 ment.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to benefits payable for months be-  
3 ginning after June 30, 2016.

4 **SEC. 302. EARLY-INTERVENTION DEMONSTRATION PROJ-**  
5 **ECT; STUDY ON PAYROLL TAX REDUCTIONS.**

6 (a) TARGETED EARLY-INTERVENTION DEMONSTRA-  
7 TION PROJECT.—

8 (1) IN GENERAL.—

9 (A) ESTABLISHMENT.—The Commissioner  
10 shall conduct a demonstration project designed  
11 to examine the effectiveness of providing tar-  
12 geted early-intervention support to eligible indi-  
13 viduals.

14 (B) VOCATIONAL REHABILITATION SERV-  
15 ICES.—The Commissioner shall coordinate with  
16 State vocational rehabilitation agencies to pro-  
17 vide eligible individuals who elect to participate  
18 in the demonstration project with vocational re-  
19 habilitation services.

20 (C) OTHER BENEFITS.—In addition to the  
21 vocational rehabilitation services described in  
22 subparagraph (B), the Commissioner shall pro-  
23 vide eligible individuals who elect to participate  
24 in the demonstration project with a package of  
25 benefits that may include—

- 1 (i) health care subsidies;  
2 (ii) wage subsidies; and  
3 (iii) cash stipends.

4 (D) SUSPENSION OF ELIGIBILITY FOR DIS-  
5 ABILITY ASSISTANCE.—An eligible individual  
6 who elects to participate in the demonstration  
7 project shall not be eligible for disability assist-  
8 ance for as long as the individual receives as-  
9 sistance through the demonstration project, and  
10 in no case shall an eligible individual who elects  
11 to participate in the demonstration project be  
12 eligible for disability assistance during the 1  
13 year period that begins on the date that the in-  
14 dividual first receives assistance through the  
15 demonstration project.

16 (E) PARTICIPATION VOLUNTARY.—The op-  
17 tion to participate in the demonstration project  
18 conducted under this subsection shall be vol-  
19 untary, and the designation of an applicant for  
20 disability assistance as an eligible individual  
21 shall not preclude such applicant from electing  
22 to receive disability insurance rather than par-  
23 ticipate in the demonstration project.

24 (2) IDENTIFYING ELIGIBLE INDIVIDUALS.—

1           (A) IN GENERAL.—The Commissioner  
2 shall identify eligible individuals from among  
3 applicants for disability assistance whose appli-  
4 cations have not been processed yet.

5           (B) ELIGIBILITY STANDARDS.—The Com-  
6 missioner shall only identify an applicant for  
7 disability assistance as an eligible individual if  
8 the Commissioner finds that—

9                   (i) it is highly probable that the appli-  
10 cant will be determined to be eligible dis-  
11 ability assistance; and

12                   (ii) the applicant could, with the help  
13 of assistance provided under the dem-  
14 onstration project, engage in substantial  
15 gainful activity.

16 (3) SCOPE.—

17           (A) IN GENERAL.—The demonstration  
18 project shall be of sufficient scope and shall be  
19 carried out on a wide enough scale to permit a  
20 thorough evaluation of the provision of targeted  
21 early-intervention support under consideration  
22 while giving assurance that the results derived  
23 from the demonstration project will obtain gen-  
24 erally in the operation of the disability insur-  
25 ance program under title II of the Social Secu-



1           rity Act (42 U.S.C. 401 et seq.) without com-  
2           mitting such program to the adoption of any  
3           particular system either locally or nationally.

4           (B) AUTHORITY TO EXPAND SCOPE.—The  
5           Commissioner may expand the scope of the  
6           demonstration project to include any group of  
7           applicants for disability assistance with impair-  
8           ments that reasonably may be presumed to be  
9           disabling for purposes of the demonstration  
10          project, and may limit any such demonstration  
11          project to any such group of applicants, subject  
12          to the terms of such demonstration project  
13          which shall define the extent of any such pre-  
14          sumption.

15          (C) DURATION.—The demonstration  
16          project shall be implemented not later than  
17          January 1, 2016, and shall be conducted for a  
18          period of 5 years.

19          (4) REPORTS.—

20          (A) INTERIM REPORTS.—On or before  
21          June 1 of each year that begins after 2016, the  
22          Commissioner shall submit to the Committee on  
23          Ways and Means of the House of Representa-  
24          tives and to the Committee on Finance of the  
25          Senate an annual interim report on the

1 progress of the demonstration project together  
2 with any related data and materials that the  
3 Commissioner may consider appropriate.

4 (B) FINAL REPORT.—Not later than 90  
5 days after the termination of the demonstration  
6 project, the Commissioner shall submit to the  
7 Committee on Ways and Means of the House of  
8 Representatives and to the Committee on Fi-  
9 nance of the Senate a final report with respect  
10 to the demonstration project.

11 (C) GAO EVALUATION AND REPORT.—The  
12 Comptroller General of the United States  
13 shall—

14 (i) perform an evaluation of the imple-  
15 mentation of and results achieved by the  
16 demonstration project; and

17 (ii) not later than January 1, 2020,  
18 submit to Congress a report on the evalua-  
19 tion described in clause (i), including a rec-  
20 ommendation as to whether the Commis-  
21 sioner’s authority to conduct the dem-  
22 onstration project should be made perma-  
23 nent.

24 (5) DEFINITIONS.—In this subsection:

1 (A) COMMISSIONER.—The term “Commis-  
2 sioner” means the Commissioner of Social Se-  
3 curity.

4 (B) DEMONSTRATION PROJECT.—The  
5 term “demonstration project” means the dem-  
6 onstration project conducted under this sub-  
7 section.

8 (C) DISABILITY ASSISTANCE.—The term  
9 “disability assistance” means disability insur-  
10 ance benefits or monthly benefits under section  
11 202 of the Social Security Act for which eligi-  
12 bility is based on a disability.

13 (D) ELIGIBLE INDIVIDUAL.—The term “el-  
14 igible individual” means an applicant for dis-  
15 ability assistance who has been identified by the  
16 Commissioner under paragraph (2).

17 (b) STUDY ON PAYROLL TAX REDUCTIONS FOR  
18 BUSINESSES THAT PROVIDE DISABILITY SUPPORT.—

19 (1) IN GENERAL.—Not later than 2 years after  
20 the date of the enactment of this Act, the Commis-  
21 sioner of Social Security shall complete a study to  
22 determine whether reducing the rate at which an  
23 employer is taxed under subsection (a) of section  
24 3111 of the Internal Revenue Code of 1986 in ex-  
25 change for such employer offering its employees pri-

1 vate disability insurance and other disability sup-  
2 ports would be an effective means of reducing the  
3 rate at which such employees enter the disability in-  
4 surance program established under title II of the So-  
5 cial Security Act.

6 (2) REPORT.—Not later than 90 days after the  
7 completion of the study described in paragraph (1),  
8 the Commissioner of Social security shall submit to  
9 the Committee on Ways and Means of the House of  
10 Representatives and to the Committee on Finance of  
11 the Senate a report on the study that includes de-  
12 tailed analysis of the Commissioner's findings and  
13 recommendations for further legislative or adminis-  
14 trative action.

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