

3A981 Polygraphs (except biomedical recorders designed for use in medical facilities for monitoring biological and neurophysical responses); fingerprint analyzers, cameras and equipment, n.e.s.; automated fingerprint and identification retrieval systems, n.e.s.; psychological stress analysis equipment; electronic monitoring restraint devices; and specially designed parts and accessories, n.e.s.

\* \* \* \* \*

#### List of Items Controlled

Unit: \* \* \*

*Related Controls:* See ECCN 0A982 for other types of restraint devices.

*Related Definitions:* \* \* \*

Items: \* \* \*

**Note to ECCN 3A981.** In this ECCN, electronic monitoring restraint devices are devices used to record or report the location of confined persons for law enforcement or penal reasons. The term does not include devices that confine memory impaired patents to appropriate medical facilities.

Dated: July 12, 2010.

**Kevin J. Wolf,**

*Assistant Secretary for Export Administration.*

[FR Doc. 2010-17338 Filed 7-14-10; 8:45 am]

BILLING CODE 3510-33-P

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## SOCIAL SECURITY ADMINISTRATION

### 20 CFR Part 418

[Docket No. SSA-2009-0078]

RIN 0960-AH06

#### Amendments to Regulations Regarding Major Life-Changing Events Affecting Income-Related Monthly Adjustment Amounts to Medicare Part B Premiums

**AGENCY:** Social Security Administration.  
**ACTION:** Interim rule with request for comments.

**SUMMARY:** We are modifying our regulations to clarify and revise what we consider major life-changing events for the Medicare Part B income-related monthly adjustment amount (IRMAA) and what evidence we require to support a claim of a major life-changing event. Recent changes in the economy and other unforeseen events have had a significant effect on many Medicare Part B beneficiaries. The changes we are making in this interim final rule will allow us to respond appropriately to circumstances brought about by the current economic climate and other unforeseen events, as described below.

#### DATES:

*Effective Date:* This interim rule will be effective July 15, 2010.

*Comment Date:* To ensure that your comments are considered, we must

receive them no later than September 13, 2010.

**ADDRESSES:** You may submit comments by any one of three methods—Internet, fax, or mail. Do not submit the same comments multiple times or by more than one method. Regardless of which method you choose, please state that your comments refer to Docket No. SSA-2009-0078 so that we may associate your comments with the correct regulation.

**Caution:** You should be careful to include in your comments only information that you wish to make publicly available. We strongly urge you not to include in your comments any personal information such as Social Security numbers or medical information.

1. *Internet:* We strongly recommend that you submit your comments via the Internet. Please visit the Federal eRulemaking portal at <http://www.regulations.gov>. Use the *Search* function to find docket number SSA-2009-0078. The system will issue a tracking number to confirm your submission. You will not be able to view your comment immediately because we must post each comment manually. It may take up to a week for your comment to be viewable.

2. *Fax:* Fax comments to (410) 966-2830.

3. *Mail:* Mail your comments to the Office of Regulations, Social Security Administration, 107 Altmeyer Building, 6401 Security Boulevard, Baltimore, Maryland 21235-6401.

Comments are available for public viewing on the Federal eRulemaking portal at <http://www.regulations.gov> or in person, during regular business hours, by arranging with the contact person identified below.

**FOR FURTHER INFORMATION CONTACT:** Craig Streett, Office of Income Security Programs, Social Security Administration, 2-R-24 Operations Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-9793. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

#### SUPPLEMENTARY INFORMATION:

##### Electronic Version

The electronic file of this document is available on the date of publication in the **Federal Register** at <http://www.gpoaccess.gov/fr/index.html>.

## Background

Medicare Part B is a voluntary medical insurance program that provides coverage for services such as physician's care, diagnostic services, and medical supplies. A beneficiary enrolled in Medicare Part B pays monthly premiums, deductibles, and co-insurance associated with covered services. The Centers for Medicare & Medicaid Services (CMS) promulgates rules and regulations about the Medicare program, including the standard monthly premium. We determine and deduct the amount of certain Medicare Part B premiums from beneficiaries' Social Security benefits and make rules and regulations necessary to carry out these functions.

The Federal Government subsidizes the cost of Medicare Part B medical coverage. However, beneficiaries with modified adjusted gross incomes (MAGI) above a specified threshold must pay a higher percentage of their cost than those with MAGIs below the threshold.<sup>1</sup> We refer to this subsidy reduction as an IRMAA. CMS determines and publishes the annual MAGI thresholds and ranges.

The Internal Revenue Service (IRS) provides us with MAGI information. We use MAGI and Federal income tax filing status for the tax year 2 years before the effective year to determine whether a beneficiary must pay an IRMAA, and if so, how much.<sup>2</sup> If information is not yet available for the tax year 2 years before the effective year, we will use information from the tax year 3 years before the effective year until the later information becomes available.

A beneficiary who experiences a major life-changing event may request that we use a more recent tax year to make a new IRMAA determination. If a beneficiary provides evidence that the qualifying major life-changing event reduces his or her MAGI below the threshold amount, we will determine the IRMAA based on data from a more recent tax year.<sup>3</sup> We define a significant reduction in MAGI as any change that results in a reduction or elimination of IRMAA.<sup>4</sup> The Social Security Act provides that major life-changing events include marriage, divorce, death of

<sup>1</sup> MAGI is defined in 42 U.S.C. 1395r(i)(4). The threshold amount is defined in 42 U.S.C. 1395r(i)(2).

<sup>2</sup> MAGI ranges are established in 42 U.S.C. 1395r(i)(3), (5). The MAGI dollar amounts listed in 1395r(i)(3) may increase annually based on changes in the Consumer Price Index under 42 U.S.C. 1395r(i)(5).

<sup>3</sup> 20 CFR 418.1201.

<sup>4</sup> 20 CFR 418.1215.

spouse, or other events specified in our regulations.<sup>5</sup>

Our current regulations identify the following additional events as major life-changing events: (1) The annulment of a marriage, (2) a work stoppage, (3) reduced hours of work, (4) reductions in income due to certain losses of income-producing property, (5) a scheduled cessation of a pension, and (6) a reduction in or loss of income from an insured pension plan due to termination or reorganization of the plan.<sup>6</sup> Our current regulations also provide that we do not consider events other than those described in 20 CFR 418.1205 to be major life-changing events. In addition, under our current regulations we do not consider events that affect expenses but not income, or that result in the loss of dividend income, to be major life-changing events.<sup>7</sup>

Recent changes in the economy and other unforeseen events have significantly affected many Medicare Part B beneficiaries. These unforeseen events have caused reductions in the MAGI of beneficiaries for the tax years following the tax year reported to us by the IRS, which results in IRMAAs that may be higher than a beneficiary's ability to pay. Several major employers in the United States have closed or reorganized in recent years. As a result, some companies have provided settlement payments to current and retired employees in lieu of periodic pension payments, extended health insurance coverage, or both. These settlement payments have caused an unexpected one-time increase in a beneficiary's income for a tax-reporting year, which in turn may result in the imposition of an IRMAA or a higher IRMAA.

In order to address these recent changes in the economy, we are adding a new paragraph (g) to 20 CFR 418.1205 to include the receipt of a settlement payment from an employer or former employer in the list of major life-changing events. To qualify as a major life-changing event, a settlement payment received by a beneficiary or the spouse of a beneficiary must be the result of an employer's or former employer's closure, bankruptcy, or reorganization. This change will allow a beneficiary to request that we base the IRMAA on the MAGI from a more recent tax year.

Section 418.1205(e) of our current regulations provides that a reduction in the income of a beneficiary or the

spouse of a beneficiary due to a loss of income-producing property is a major life-changing event. In order to qualify as a major life-changing event, the loss of income-producing property must not be at the direction of the beneficiary, such as through the sale or transfer of the property. Section 418.1205(e) provides some examples of qualifying property losses. Most examples in the current regulation result from natural disasters, but we also include the loss of income from real property due to the criminal act of arson as an example of a life-changing event. Some beneficiaries also have experienced a loss of income-producing property as the result of another type of criminal act: Fraud or theft. To address this situation, we are revising 20 CFR 418.1205(e) to include the loss of investment property as a result of fraud or theft due to a criminal act by a third party.

We are also making several other changes to this section of our regulations. First, we are specifically providing that the beneficiary's spouse cannot direct the loss of income-producing property. While our current regulations state that the loss cannot be at the direction of the beneficiary, it was our intent to include both the beneficiary and spouse. Second, we are revising section 418.1205(e) to clarify that the loss of income-producing property due to the ordinary risk of investment is not a major life-changing event. In some cases, beneficiaries and adjudicators have misinterpreted our current regulations in this regard. We are making a similar change to 20 CFR 418.1210(b) to clarify that we do not consider events that result in the loss of dividend income as the result of the ordinary risk of investment to be major life-changing events.

Our current regulations provide that "a reduction in or loss of income from an insured pension plan due to termination or reorganization of the pension plan or a scheduled cessation of pension" qualifies as a major life-changing event.<sup>8</sup> Recently, a number of uninsured pension plans have been terminated or reorganized. The termination or reorganization of an uninsured pension plan does not qualify as a major life-changing event under our current regulations. To ensure that Medicare Part B beneficiaries who experience a loss of income under these circumstances can request new initial determinations using a more recent tax year, we are replacing "insured pension plan" with "employer's pension plan" in 20 CFR 418.1205(f). This language

change will qualify both insured and uninsured pension plans.

We are further revising sections 418.1205(e) and (f) and 418.1255(e) and (f) to remove the wording that requires a reduction in or loss of income from these life-changing events. This language has confused beneficiaries and adjudicators and is redundant in light of the first sentence of current section 418.1201(b), which we are not revising. That sentence says that in order to use information from a more recent tax year because of a major life-changing event, the event must "result in a significant reduction in your modified adjusted gross income for the year which you request we use and the next year, if applicable." The change we are making will make the wording of the revised subsections consistent with that of the subsections explaining other life-changing events found in 20 CFR 418.1205 and 20 CFR 418.1255.

#### Required Evidence

We are also revising 20 CFR 418.1255 to clarify the type of evidence we require when a beneficiary asks us to use a more recent tax year to calculate an IRMAA based on certain changes in circumstance. If a beneficiary or his or her spouse experiences a loss of income-producing property due to criminal fraud or theft by a third party, we will require proof of the conviction and evidence of loss. If a beneficiary or his or her spouse experiences a scheduled cessation, termination, or reorganization of an employer's pension plan, we will require evidence documenting the change in or loss of the pension. If a beneficiary or his or her spouse receives a settlement from an employer or a former employer because of the employer's closure, bankruptcy, or reorganization, we will require evidence documenting the settlement and the reason(s) for the settlement. These changes will make it easier for a beneficiary to meet the burden of proof for establishing a major life-changing event.

#### Technical Revisions

We are revising paragraph (d) of 20 CFR 418.1230 and paragraphs (c)(2) and (3) of 20 CFR 418.1265 to reflect the addition of new paragraph 418.1205(g), which concerns the addition of receipt of certain settlements as life-changing events, as discussed above.

#### When will we start to use this rule?

We will start to use this rule on the date shown under **DATES** earlier in this preamble.

We are also inviting public comment on the changes made by this rule. We

<sup>5</sup> 42 U.S.C. 1395r(i)(4)(C)(ii)(II).

<sup>6</sup> 20 CFR 418.1205.

<sup>7</sup> 20 CFR 418.1210.

<sup>8</sup> 20 CFR 418.1205(f).

will consider any relevant comments we receive. We will publish a final rule to respond to those comments and to make any appropriate changes.

**Regulatory Procedures**

We follow the Administrative Procedure Act (APA) rulemaking procedures specified in 5 U.S.C. 553 when we develop regulations. Generally, the APA requires that an agency provide prior notice and opportunity for public comment before issuing a final regulation. The APA provides exceptions to its notice and public comment procedures when an agency finds good cause for dispensing with such procedures as impracticable, unnecessary, or contrary to the public interest.<sup>9</sup>

We find that good cause exists for proceeding without prior public notice and comment because any delay in revising our regulations could negatively affect the financial welfare of our beneficiaries. This interim rule addresses, among other things, the unintended consequences of higher Medicare Part B premium burdens for beneficiaries who have lost their pensions or suffered other deleterious effects due to the economic recession. Accordingly, we find that prior public comment would be contrary to the public interest. However, we are inviting public comment on the interim rule, and we will consider any responsive comments we receive within 60 days of the publication of the interim rule.

We also find good cause for proceeding without prior public notice and comment regarding the technical revisions we are making in 20 CFR 418.1205(e) and (f) and 20 CFR 418.1255(e) and (f). These revisions simply make the language defining each life-changing event consistent and will have no substantive effect on the IRMAA program. Therefore, we find that public comment is unnecessary regarding those changes.

In addition, for the reasons cited above, we also find good cause for dispensing with the 30-day delay in the effective date of this interim rule.<sup>10</sup> Because unintended and extraordinary hardships to affected Medicare Part B beneficiaries and their families could occur if we delay the effective date of this interim rule, we find that it is contrary to the public interest to delay the effective date of our rule changes. Additionally, because the technical revisions to 20 CFR 418.1205(e) and (f) and 20 CFR 418.1255(e) and (f) have no

substantive effect on how we determine what is a major life-changing event, we find that it is unnecessary to delay the effective date of those changes. Accordingly, we are making this interim rule effective upon publication.

**Executive Order 12866**

We have consulted with the Office of Management and Budget (OMB) and determined that this interim rule does meet the criteria for a significant regulatory action under Executive Order 12866. It was subject to OMB formal review.

**Regulatory Flexibility Act**

We certify that this interim rule will not have a significant economic impact on a substantial number of small entities because it affects individuals only. Therefore, a regulatory flexibility analysis is not required under the Regulatory Flexibility Act, as amended.

**Paperwork Reduction Act**

The Office of Management and Budget (OMB) previously approved the new public reporting requirements posed by these rules under a separate Information Collection Request (OMB No. 0960-0735). We are therefore not seeking OMB approval for these requirements here under the Paperwork Reduction Act.

(Catalog of Federal Domestic Assistance Program Nos. 93.774 Medicare Supplementary Medical Insurance; 96.002 Social Security—Retirement Insurance.)

**List of Subjects in 20 CFR Part 418**

Administrative practice and procedure, Aged, Blind, Disability benefits, Public assistance programs, Reporting and recordkeeping requirements, Supplemental Security Income (SSI), Medicare subsidies.

Dated: April 20, 2010.

**Michael J. Astrue,**  
*Commissioner of Social Security.*

■ For the reasons set out in the preamble, we amend 20 CFR chapter III, part 418, subpart B as set forth below:

**PART 418—MEDICARE SUBSIDIES**

**Subpart B—[Amended]**

■ 1. The authority citation for subpart B of part 418 continues to read as follows:

**Authority:** Secs. 702(a)(5) and 1839(i) of the Social Security Act (42 U.S.C. 902(a)(5) and 1395(i)).

■ 2. Amend § 418.1205 to revise paragraphs (e) and (f) and add paragraph (g) to read as follows:

**§ 418.1205 What is a major life-changing event?**

\* \* \* \* \*

(e) You or your spouse experiences a loss of income-producing property, provided the loss is not at the direction of you or your spouse (e.g., due to the sale or transfer of the property) and is not a result of the ordinary risk of investment. Examples of the type of property loss include, but are not limited to: Loss of real property within a Presidentially or Governorially-declared disaster area, destruction of livestock or crops by natural disaster or disease, loss from real property due to arson, or loss of investment property as a result of fraud or theft due to a criminal act by a third party;

(f) You or your spouse experiences a scheduled cessation, termination, or reorganization of an employer's pension plan;

(g) You or your spouse receives a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.

■ 3. Amend § 418.1210 to revise paragraph (b) to read as follows:

**§ 418.1210 What is not a major life-changing event?**

\* \* \* \* \*

(b) Events that result in the loss of dividend income because of the ordinary risk of investment.

■ 4. Amend § 418.1230 to revise paragraph (d) to read as follows:

**§ 418.1230 What is the effective date of an income-related monthly adjustment amount initial determination that is based on a more recent tax year?**

\* \* \* \* \*

(d) Our initial determination will be effective January 1 of the year following the year you make your request, when your modified adjusted gross income will not be significantly reduced as a result of one or more of the events described in § 418.1205(a) through (g) until the year following the year you make your request.

■ 5. Amend § 418.1255 to revise paragraphs (e) and (f) and add paragraph (g) to read as follows:

**§ 418.1255 What kind of evidence of a major life-changing event will you need to support your request for us to use a more recent tax year?**

\* \* \* \* \*

(e) If you or your spouse experiences a loss of income-producing property, we will require evidence documenting the loss. Examples of acceptable evidence include, but are not limited to, insurance claims or an insurance

<sup>9</sup> 5 U.S.C. 553(b)(B).

<sup>10</sup> See 5 U.S.C. 553(d)(3).

adjuster's statement. If the claim of loss is due to criminal fraud or theft by a third party, we will also require proof of conviction for the fraud or theft, such as a court document.

(f) If you or your spouse experiences a scheduled cessation, termination, or reorganization of an employer's pension plan, we will require evidence documenting the change in or loss of the pension. An example of acceptable evidence includes, but is not limited to, a statement from your pension fund administrator explaining the reduction or termination of your benefits.

(g) If you or your spouse receives a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization, we will require evidence documenting the settlement and the reason(s) for the settlement. An example of acceptable evidence includes, but is not limited to, a letter from the former employer stating the settlement terms and how they affect you or your spouse.

■ 6. Amend § 418.1265 to revise paragraphs (c)(2) and (c)(3) to read as follows:

**§ 418.1265 What kind of evidence of a significant modified adjusted gross income reduction will you need to support your request?**

\* \* \* \* \*

(c) \* \* \*

(2) If you experience one or more of the events described in § 418.1205(d), (e), (f), or (g), you must provide evidence of how the event(s) significantly reduced your modified adjusted gross income, such as a statement explaining any modified adjusted gross income changes for the tax year we used and a copy of your filed Federal income tax return (if you have filed one).

(3) If your spouse experiences one or more of the events described in § 418.1205(d), (e), (f), or (g), you must provide evidence of the resulting significant reduction in your modified adjusted gross income. The evidence requirements are described in paragraph (c)(2) of this section.

\* \* \* \* \*

[FR Doc. 2010-17198 Filed 7-14-10; 8:45 am]

BILLING CODE 4191-02-P

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**24 CFR Parts 5, 84, and 85**

[Docket No. FR-5350-I-01]

RIN 2501-AD50

**Conforming Changes to Applicant Submission Requirements; Implementing Federal Financial Report and Central Contractor Registration Requirements**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Interim rule.

**SUMMARY:** This interim rule revises HUD regulations to reference the new governmentwide Federal Financial Report (FFR), approved by the Office of Management and Budget (OMB). The purpose of the FFR is to consolidate requirements from the OMB issued Standard Forms SF-269, SF-269A SF-272, and the SF-272A, into a single governmentwide form. The consolidation provides recipients of HUD grants and cooperative agreements a standard format for reporting the financial status of their grants and cooperative agreements and will assist in efforts to move to electronic grants management by reducing the variation and number of forms required for reporting. In including the new FFR in its regulations, HUD revises its regulations to remove references to SF-270 and SF-271, since they are no longer in use.

This interim rule also codifies the requirement that applicants for HUD assistance possess an active Central Contractor Registration (CCR). Registration with CCR assists HUD in collecting, validating, and storing information in support of its grant programs and assists in ensuring the accuracy of data placed on the USASpending.gov website.

**DATES:** *Effective Date:* August 16, 2010. *Comment Due Date:* September 13, 2010.

**ADDRESSES:** Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of

Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500. HUD advises that comments submitted by mail are subject to irradiation security procedures which may result in a delay of up to 10 days before receipt by the HUD. As a result, HUD recommends that comments be submitted electronically, if feasible.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

*No Facsimile Comments.* Facsimile (FAX) comments are not acceptable.

*Public Inspection of Public Comments.* All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-402-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service, toll-free, at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Barbara Dorf, Director, Office of Departmental Grants Management and Oversight, Office of Administration, Department of Housing and Urban Development, 451 7th Street, SW., Room 3156, Washington, DC 20410-0500, telephone number 202-708-0667. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free