

115TH CONGRESS
2D SESSION

S. 3147

To amend title II of the Social Security Act to permanently appropriate funding for the administrative expenses of the Social Security Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2018

Mr. SANDERS (for himself, Mrs. GILLIBRAND, Ms. WARREN, Mr. BOOKER, Mr. SCHATZ, Mr. MERKLEY, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title II of the Social Security Act to permanently appropriate funding for the administrative expenses of the Social Security Administration, 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.**

4 This Act may be cited as the “Social Security Admin-
5 istration Fairness Act”.

1 **SEC. 2. FUNDING FOR ADMINISTRATIVE EXPENSES OF THE**
2 **SOCIAL SECURITY ADMINISTRATION.**

3 (a) IN GENERAL.—Section 201(g)(1)(A) of the Social
4 Security Act (42 U.S.C. 401(g)(1)(A)) is amended—

5 (1) in the third sentence of the matter following
6 clause (ii), by striking “the costs of the part of the
7 administration of this title, title VIII, title XVI, and
8 title XVIII for which the Commissioner of Social Se-
9 curity is responsible,”; and

10 (2) by adding at the end the following: “For
11 each fiscal year beginning with fiscal year 2019,
12 there is hereby appropriated to pay the costs of the
13 part of the administration of this title, title VIII,
14 and title XVI for which the Commissioner of Social
15 Security is responsible an amount equal to 1.5 per-
16 cent of the sum of the amount of benefit payments
17 required to be made under this title for the fiscal
18 year involved and the amount of benefit payments
19 expected to be paid under titles VIII and XVI for
20 the fiscal year involved, as estimated by the Com-
21 missioner of Social Security. For purposes of the
22 preceding sentence, (I) the portion of the amount to
23 be appropriated for a fiscal year that is attributable
24 to benefit payments required to be made under this
25 title shall be appropriated from the Federal Old-Age
26 and Survivors Insurance Trust Fund and the Fed-

1 eral Disability Insurance Trust Fund in a manner
2 that ensures that the amount appropriated from
3 each Trust Fund for the year bears the same pro-
4 portion to the amount appropriated from both Trust
5 Funds for the year as the amount of benefit pay-
6 ments required to be made from such Trust Fund
7 for the year bears to the amount of benefit pay-
8 ments required to be made from both Trust Funds
9 for the year, and (II) the portion of the amount to
10 be appropriated for a fiscal year that is attributable
11 to benefit payments expected to be made under titles
12 VIII and XVI shall be appropriated from the general
13 fund of the Treasury. For each fiscal year beginning
14 with fiscal year 2019, there is hereby appropriated
15 from the Federal Hospital Insurance Trust Fund
16 and the Federal Supplementary Medical Insurance
17 Trust Fund, in such proportion as the Commissioner
18 of Social Security shall determine, such sums as are
19 necessary to pay the costs of the part of the admin-
20 istration of title XVIII for which the Commissioner
21 is responsible.”.

22 (b) REMOVING THE LIMITATION ON THE ADMINIS-
23 TRATIVE EXPENSES OF THE SOCIAL SECURITY ADMINIS-
24 TRATION FROM DISCRETIONARY BUDGET CAPS, THE

1 CONGRESSIONAL BUDGET RESOLUTION, THE 302(a) AL-
 2 LOCATIONS AND THE 302(b) SUBALLOCATIONS.—

3 (1) EXCLUSION OF THE ADMINISTRATIVE
 4 COSTS OF SOCIAL SECURITY, SSI, AND MEDICARE
 5 FROM ALL BUDGETS.—Section 13301(a) of the
 6 Budget Enforcement Act of 1990 (2 U.S.C. 632
 7 note) is amended to read as follows:

8 “(a) EXCLUSION OF THE ADMINISTRATIVE COSTS OF
 9 SOCIAL SECURITY, SSI, AND MEDICARE FROM ALL
 10 BUDGETS.—

11 “(1) IN GENERAL.—Notwithstanding any other
 12 provision of law, the receipts and disbursements de-
 13 scribed in paragraph (2) shall not be counted as new
 14 budget authority, outlays, receipts, or deficit or sur-
 15 plus for purposes of—

16 “(A) the budget of the United States Gov-
 17 ernment as submitted by the President under
 18 section 1105 of title 31, United States Code;

19 “(B) a concurrent resolution on the budg-
 20 et;

21 “(C) the Balanced Budget and Emergency
 22 Deficit Control Act of 1985 (2 U.S.C. 900 et
 23 seq.); or

24 “(D) the Statutory Pay-As-You-Go Act of
 25 2010 (2 U.S.C. 931 et seq.).

1 “(2) RECEIPTS AND DISBURSEMENTS COV-
2 ERED.—The receipts and disbursements described in
3 this paragraph are—

4 “(A) the receipts and disbursements of the
5 Federal Old-Age and Survivors Trust Fund and
6 the Federal Disability Insurance Trust Fund,
7 including the costs of the part of the adminis-
8 tration of title II of the Social Security Act for
9 which the Commissioner of Social Security is
10 responsible; and

11 “(B) the receipts and disbursements from
12 the Federal Hospital Insurance Trust Fund,
13 the Federal Supplementary Insurance Trust
14 Fund, and amounts appropriated for the Sup-
15 plemental Security Income program for the
16 costs of the part of the administration of titles
17 XVI and XVIII of the Social Security Act for
18 which the Commissioner of Social Security is
19 responsible.”.

20 (2) EXCLUSION OF THE ADMINISTRATIVE
21 COSTS OF SOCIAL SECURITY, SSI, AND MEDICARE
22 FROM THE CONGRESSIONAL BUDGET RESOLU-
23 TION.—Section 301(a) of the Congressional Budget
24 Act of 1974 (2 U.S.C. 632(a)) is amended by strik-

1 ing the matter following paragraph (7) and inserting
2 the following:

3 “The concurrent resolution shall not include in the surplus
4 or deficit totals required by this subsection or in any other
5 surplus or deficit totals required by this title the outlays
6 and revenue totals of the program under title II of the
7 Social Security Act, or the related provisions of the Inter-
8 nal Revenue Code of 1986, including the costs of the part
9 of the administration of such title II for which the Com-
10 missioner of Social Security is responsible or the costs of
11 the part of the administration of titles XVI and XVIII
12 of the Social Security Act for which the Commissioner of
13 Social Security is responsible.”.

14 (3) EXCLUSION OF THE ADMINISTRATIVE
15 COSTS OF SOCIAL SECURITY, SSI, AND MEDICARE
16 FROM CONGRESSIONAL BUDGET ACT 302(a) ALLOCA-
17 TIONS.—Section 302(a)(1) of the Congressional
18 Budget Act of 1974 (2 U.S.C. 633(a)(1)) is amend-
19 ed by adding at the end the following: “The alloca-
20 tion under this paragraph shall not include the out-
21 lays of the program under title II of the Social Secu-
22 rity Act, including the costs of the part of the ad-
23 ministration of such title for which the Commis-
24 sioner of Social Security is responsible, or the out-
25 lays for the costs of the part of the administration

1 of titles XVI and XVIII of the Social Security Act
2 for which the Commissioner of Social Security is re-
3 sponsible.”.

4 (4) EXCLUSION OF THE ADMINISTRATIVE
5 COSTS OF SOCIAL SECURITY, SSI, AND MEDICARE
6 FROM THE CONGRESSIONAL BUDGET ACT 302(b)
7 SUBALLOCATIONS.—Section 302(b) of the Congres-
8 sional Budget Act of 1974 (2 U.S.C. 633(b)) is
9 amended by adding at the end the following: “The
10 suballocation under this subsection shall not include
11 the outlays of the program under title II of the So-
12 cial Security Act, including the costs of the part of
13 the administration of such title for which the Com-
14 missioner of Social Security is responsible, or the
15 outlays for the costs of the part of the administra-
16 tion of titles XVI and XVIII of the Social Security
17 Act for which the Commissioner of Social Security
18 is responsible.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on October 1, 2018.

1 **SEC. 3. ELIMINATING THE 5-MONTH WAITING PERIOD FOR**
 2 **DISABILITY BENEFITS AND FOR DISABLED**
 3 **SURVIVING SPOUSES.**

4 (a) IN GENERAL.—Section 223(a)(1) of the Social
 5 Security Act (42 U.S.C. 423(a)(1)) is amended in the
 6 matter following subparagraph (E)—

7 (1) by inserting “for months beginning before
 8 the date of the enactment of the Social Security Ad-
 9 ministration Fairness Act,” after “(i)”;

10 (2) by striking “or (ii)” and inserting “(ii), for
 11 months beginning before the date of the enactment
 12 of the Social Security Administration Fairness
 13 Act,”; and

14 (3) by inserting “or (iii) for months beginning
 15 on or after the date of the enactment of the Social
 16 Security Administration Fairness Act, for each
 17 month beginning with the first month during all of
 18 which the individual is under a disability and in
 19 which the individual becomes entitled to such insur-
 20 ance benefits,” before “and ending”.

21 (b) DISABLED SURVIVING SPOUSES.—Section 202 of
 22 the Social Security Act (42 U.S.C. 402) is amended—

23 (1) in subsection (e)(1)(F)—

24 (A) in clause (i)—

25 (i) by inserting “for months beginning
 26 before the date of the enactment of the So-

1 cial Security Administration Fairness
2 Act,” before “the first month”; and

3 (ii) by striking “, or” and inserting a
4 comma;

5 (B) in clause (ii)—

6 (i) by inserting “for months beginning
7 before the date of the enactment of the So-
8 cial Security Administration Fairness
9 Act,” before “the first month”; and

10 (ii) by striking “terminated,” and in-
11 serting “, or”; and

12 (C) by adding at the end the following new
13 clause:

14 “(iii) for months beginning on or after
15 the date of the enactment of the Social Se-
16 curity Administration Fairness Act, the
17 first month during all of which she is
18 under a disability and in which she be-
19 comes entitled to such insurance benefits,”;
20 and

21 (2) in subsection (f)(1)(F)—

22 (A) in clause (i)—

23 (i) by inserting “for months beginning
24 before the date of the enactment of the So-

1 cial Security Administration Fairness
2 Act,” before “the first month”; and

3 (ii) by striking “, or” and inserting a
4 comma;

5 (B) in clause (ii)—

6 (i) by inserting “for months beginning
7 before the date of the enactment of the So-
8 cial Security Administration Fairness
9 Act,” before “the first month”; and

10 (ii) by striking “terminated,” and in-
11 serting “, or”; and

12 (C) by adding at the end the following new
13 clause:

14 “(iii) for months beginning on or after
15 the date of the enactment of the Social Se-
16 curity Administration Fairness Act, the
17 first month during all of which he is under
18 a disability and in which he becomes enti-
19 tled to such insurance benefits,”.

20 **SEC. 4. ELIMINATING THE 24-MONTH WAITING PERIOD FOR**
21 **MEDICARE COVERAGE FOR INDIVIDUALS**
22 **WITH DISABILITIES.**

23 (a) IN GENERAL.—Section 226(b) of the Social Secu-
24 rity Act (42 U.S.C. 426(b)) is amended—

1 (1) in paragraph (2)(A), by striking “, and has
2 for 24 calendar months been entitled to,”;

3 (2) in paragraph (2)(B), by striking “, and has
4 been for not less than 24 months,”;

5 (3) in paragraph (2)(C)(ii), by striking “, in-
6 cluding the requirement that he has been entitled to
7 the specified benefits for 24 months,”;

8 (4) in the first sentence, by striking “for each
9 month beginning with the later of (I) July 1973 or
10 (II) the twenty-fifth month of his entitlement or sta-
11 tus as a qualified railroad retirement beneficiary de-
12 scribed in paragraph (2), and” and inserting “for
13 each month for which the individual meets the re-
14 quirements of paragraph (2), beginning with the
15 month following the month in which the individual
16 meets the requirements of such paragraph, and”;
17 and

18 (5) in the second sentence, by striking “the
19 ‘twenty-fifth month of his entitlement’” and all that
20 follows through “paragraph (2)(C) and”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) SECTION 226.—Section 226 of the Social
23 Security Act (42 U.S.C. 426) is amended by—

24 (A) striking subsections (e)(1)(B), (f), and
25 (h); and

1 (B) redesignating subsections (g) and (i)
2 as subsections (f) and (g), respectively.

3 (2) MEDICARE DESCRIPTION.—Section 1811(2)
4 of the Social Security Act (42 U.S.C. 1395c(2)) is
5 amended by striking “have been entitled for not less
6 than 24 months” and inserting “are entitled”.

7 (3) MEDICARE COVERAGE.—Section 1837(g)(1)
8 of the Social Security Act (42 U.S.C. 1395p(g)(1))
9 is amended by striking “25th month of” and insert-
10 ing “month following the first month of”.

11 (4) RAILROAD RETIREMENT SYSTEM.—Section
12 7(d)(2)(ii) of the Railroad Retirement Act of 1974
13 (45 U.S.C. 231f(d)(2)(ii)) is amended—

14 (A) by striking “has been entitled to an
15 annuity” and inserting “is entitled to an annu-
16 ity”;

17 (B) by striking “, for not less than 24
18 months”; and

19 (C) by striking “could have been entitled
20 for 24 calendar months, and”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to insurance benefits under title
23 XVIII of the Social Security Act with respect to items and
24 services furnished on or after the date of the enactment
25 of this Act.

1 **SEC. 5. CLOSURE OF FIELD AND HEARING OFFICES AND**
2 **RESIDENT OR RURAL CONTACT STATIONS.**

3 (a) MORATORIUM ON CLOSURE OR CONSOLIDATION
4 OF FIELD OR HEARING OFFICES OR NEW LIMITATIONS
5 ON ACCESS TO SUCH OFFICES.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the Commissioner of Social Security shall
8 take no action on or after the date of the enactment
9 of this Act to close or consolidate field or hearing of-
10 fices of the Social Security Administration or to oth-
11 erwise impose any new limitation on access to such
12 offices.

13 (2) CESSATION OF MORATORIUM UPON REPORT
14 TO CONGRESS.—Paragraph (1) shall cease to be ef-
15 fective 180 days after the Commissioner submits to
16 the Committee on Ways and Means of the House of
17 Representatives and the Committee on Finance of
18 the Senate a detailed report outlining and justifying
19 the process for selecting field or hearing offices to be
20 closed or consolidated or otherwise to have limited
21 access. Such report shall include—

22 (A) an analysis of the criteria used for se-
23 lecting field or hearing offices for closure, con-
24 solidation, or limited access;

25 (B) a description of how the Commissioner
26 has analyzed and considered relevant factors,

1 including but not limited to transportation and
2 communication burdens faced by individuals
3 serviced by the offices, including elderly and
4 disabled citizens; and

5 (C) a description of any method of cost-
6 benefit analysis applied by the Commissioner in
7 connection with closures and consolidations of
8 field or hearing offices, and other limitations on
9 access to field or hearing offices, including any
10 analysis that takes into account—

11 (i) the anticipated savings resulting
12 from the closure, consolidation, or limita-
13 tion on access;

14 (ii) the anticipated costs associated
15 with replacing services lost by the closure,
16 consolidation, or limitation on access;

17 (iii) the anticipated effects on employ-
18 ees of the offices affected;

19 (iv) how the loss of access resulting
20 from the closure, consolidation, or limita-
21 tion on access will be replaced by the es-
22 tablishment of a new field or hearing of-
23 fice, increased access at a different office,
24 or some other means, and the factors con-
25 sidered by the Commissioner in deter-

1 mining how to replace such lost access;
 2 and

3 (v) such other relevant factors as may
 4 be determined by the Commissioner, in-
 5 cluding but not limited to transportation
 6 and communication burdens faced by indi-
 7 viduals serviced by the offices, including el-
 8 derly and disabled citizens.

9 (b) REQUIREMENTS FOR FUTURE CLOSURES, CON-
 10 SOLIDATIONS, AND NEW LIMITATIONS ON ACCESS.—

11 (1) IN GENERAL.—Section 704 of the Social
 12 Security Act (42 U.S.C. 904) is amended by adding
 13 at the end the following new subsection:

14 “Field and Hearing Offices

15 “(f)(1) The Commissioner may not close a field or
 16 hearing office of the Administration, consolidate two or
 17 more such offices, or otherwise impose any new limitation
 18 on public access to any such office, unless the Commis-
 19 sioner complies with the requirements of paragraphs (2),
 20 (3), (4), and (5) in connection with the closure, consolida-
 21 tion, or limitation on public access.

22 “(2)(A) The requirements of this paragraph are met
 23 in connection with a closure, consolidation, or new limita-
 24 tion on access referred to in paragraph (1) only if—

1 “(i) not later than 120 days before the date of
2 the closure, consolidation, or limitation on access,
3 the Commissioner provides effective public notice of
4 the proposed closure, consolidation, or limitation on
5 access (including, to the extent practicable, notice by
6 direct mailing and through community outlets such
7 as newspapers and posting in heavily frequented
8 public spaces) to individuals residing in the area
9 serviced by the affected office or offices;

10 “(ii) the public notice issued pursuant to clause
11 (i) includes information on—

12 “(I) how the Commissioner will, not later
13 than 30 days after the date of the closure, con-
14 solidation, or limitation on access, replace the
15 loss in access resulting from the closure, con-
16 solidation, or limitation on access by estab-
17 lishing a new office, increasing public access to
18 a different office, or some other means; and

19 “(II) how to contact the Administration if
20 an individual experiences service delays or prob-
21 lems as a result of the closure, consolidation, or
22 limitation on access; and

23 “(iii) not earlier than 30 days after the
24 issuance of public notice pursuant to clause (i) and
25 not later than 45 days before the date of the pro-

1 posed closure, consolidation, or limitation on access,
2 the Commissioner conducts at least 2 public hear-
3 ings (scheduled so that the first and last such hear-
4 ings are separated by at least 10 days), at which the
5 Commissioner presents the justifications for the clo-
6 sure, consolidation, or limitation on access described
7 in subparagraph (B) and provides for attendees an
8 opportunity to present their views regarding the pro-
9 posed closure, consolidation, or limitation on access.

10 “(B) The justifications referred to in subparagraph
11 (A)(iii) shall consist of the following:

12 “(i) an analysis of the criteria used for selecting
13 the field or hearing office or offices for closure, con-
14 solidation, or limited access;

15 “(ii) a description of how the Commissioner has
16 analyzed and considered relevant factors, including
17 but not limited to transportation and communication
18 burdens faced by individuals serviced by the offices,
19 including elderly and disabled citizens; and

20 “(iii) a description of a method of cost-benefit
21 analysis which shall be applied by the Commissioner
22 in connection with the closure, consolidation, or limi-
23 tation on access, and which shall take into ac-
24 count—

1 “(I) the anticipated savings resulting from
2 the closure, consolidation, or limitation on ac-
3 cess;

4 “(II) the anticipated costs associated with
5 replacing services lost by the closure, consolida-
6 tion, or limitation on access;

7 “(III) the anticipated effects on employees
8 of the offices affected; and

9 “(IV) such other relevant factors as may
10 be determined by the Commissioner, including
11 but not limited to transportation and commu-
12 nication burdens faced by individuals serviced
13 by the offices, including elderly and disabled
14 citizens.

15 “(C) The notice provided pursuant to subparagraph
16 (A)(i) shall include notice of the time and place of the
17 public hearings to be conducted pursuant to clause (A)(iii)
18 and of the right of aggrieved individuals to appeal to the
19 Commissioner regarding the proposed closure, consolida-
20 tion, or limitation on access pursuant to paragraph (4).

21 “(3) The requirements of this paragraph are met in
22 connection with a closure, consolidation, or limitation on
23 access referred to in paragraph (1) only if, not later than
24 30 days before the date of the proposed closure, consolida-
25 tion, or limitation on access, the Commissioner submits

1 to the Committee on Ways and Means of the House of
2 Representatives, the Committee on Finance of the Senate,
3 and each Member of the Congress representing a State
4 or congressional district in which the affected office or of-
5 fices are located a detailed final report in support of the
6 closure, consolidation, or limitation on access. Such report
7 shall include—

8 “(A) the justifications described in paragraph
9 (2)(B), (including any amendments made to such
10 justifications after the public hearings conducted
11 pursuant to paragraph (2)(A));

12 “(B) any findings made by the Commissioner
13 pursuant to the public hearings;

14 “(C) the status of any appeals regarding the
15 closure, consolidation, or new limitation on access
16 which were commenced pursuant to paragraph (4)
17 before the date of the report;

18 “(D) the final decision of the Commissioner re-
19 garding the closure, consolidation, or new limitation
20 on access; and

21 “(E) such other information as the Commis-
22 sioner considers relevant.

23 “(4)(A) Upon timely request by any individual who
24 makes a showing in writing described in subparagraph (B)
25 in connection with a proposed closure, consolidation, or

1 limitation on access referred to in subparagraph (A), the
2 Commissioner shall give such individual an opportunity for
3 a hearing with respect to the closure, consolidation, or lim-
4 itation on access. The request for the hearing shall be con-
5 sidered timely only if it is made not later than 30 days
6 before the proposed date of the closure, consolidation, or
7 limitation on access. The Commissioner shall submit to
8 the Committee on Ways and Means of the House of Rep-
9 resentatives, the Committee on Finance of the Senate, and
10 each Member of the Congress representing a State or con-
11 gressional district in which the affected office or offices
12 are located the Commissioner's findings based on the
13 hearing and a description of any action taken or to be
14 taken by the Commissioner on the basis of such findings.

15 “(B) A showing described in subparagraph (A) shall
16 consist of a showing that—

17 “(i) the determination of the Commissioner to
18 close a field or hearing office, consolidate field or
19 hearing offices, or impose a new limitation on access
20 to a field or hearing office is arbitrary, capricious,
21 an abuse of discretion, not in accordance with law,
22 or not based on substantial evidence; or

23 “(ii) the Commissioner has failed to observe
24 procedures required by law in connection with the
25 closure, consolidation, or new limitation on access.

1 “(5) The requirement of this paragraph is met in
2 connection with a closure, consolidation, or limitation on
3 access referred to in paragraph (1) only if such closure,
4 consolidation, or limitation on access will not result in the
5 total number of field or hearing offices of the Administra-
6 tion falling below the total number of such offices that
7 were in operation on September 30, 2018.”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by paragraph (1) of this subsection shall apply with
10 respect to closures and consolidations of field or
11 hearing offices and impositions of new limitations on
12 access to such offices occurring after the cessation
13 of the moratorium under subsection (a) of this sec-
14 tion.

○