

119TH CONGRESS }
2d Session } HOUSE OF REPRESENTATIVES { REPORT
119-

REMOVING BARRIERS TO WORK FOR DISABLED
AMERICANS ACT

JUNE --, 2026.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means,
submitted the following

R E P O R T

together with

____ VIEWS

[To accompany H.R. 8884]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 8884) to amend title II of the Social Security Act to reauthorize demonstration authority for the disability insurance program, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Removing Barriers to Work for Disabled Americans Act”.

SEC. 2. TEMPORARY REAUTHORIZATION OF DISABILITY INSURANCE DEMONSTRATION PROJECT AUTHORITY.

(a) **TERMINATION DATE.**—Section 234(d)(2) of the Social Security Act (42 U.S.C. 434(d)(2)) is amended by striking “December 31, 2021, and the authority to carry out such projects shall terminate on December 31, 2022” and inserting “December 31, 2030, and the authority to carry out such projects shall terminate on December 31, 2031”.

(b) **AUTHORITY TO WAIVE COMPLIANCE WITH BENEFITS REQUIREMENTS.**—Section 234(c) of such Act (42 U.S.C. 434(c)) is amended—

- (1) by striking “December 30, 2021” and inserting “December 31, 2030”;
- (2) by striking “90 days” and inserting “120 days”; and

(3) by inserting after “the expected annual and total costs,” the following: “evaluation metrics to be used with respect to the experiment or demonstration project,”.

(c) EXPENDITURE.—Section 201(k) of such Act (42 U.S.C. 401(k)) is amended to read as follows:

“(k) Administrative expenditures for experiments and demonstration projects under section 234 shall be paid from funds made available for the administration of this title. Benefits payable to or on behalf of individuals by reason of participation in experiments and demonstration projects under section 234 shall be made from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security.”.

(d) LIMITATION.—Section 234(e) of such Act (42 U.S.C. 434(e)) is amended—

(1) in paragraph (2), by striking the “and” at the end;

(2) in paragraph (3), by striking the period at the end and inserting “; and”;

and

(3) by adding at the end the following:

“(4) that the total income of an individual will not be reduced due to the individual’s participation in an experiment or demonstration project.”.

(e) TECHNICAL AMENDMENTS.—Section 234 of such Act (42 U.S.C. 434) is further amended—

(1) in subsection (d)(1), by striking “subsection” and inserting “section”; and

(2) by striking subsection (f).

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2027.

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I. SUMMARY AND BACKGROUND

A. Purpose and Summary

H.R. 8884, the “Removing Barriers to Work for Disabled Americans Act,” reauthorizes section 234 of the Social Security Act for five years, allowing the Social Security Administration (SSA) to conduct demonstration projects that test alternative Social Security Disability Insurance (DI) policies designed to promote work for those who are able. The bill bars the SSA from conducting a demonstration project that would reduce a participant’s total income. The bill also requires the SSA to report to Congress 120 days prior to implementing any demonstration project.

B. Background and Need for Legislation

Roughly 60 percent of DI beneficiaries and Supplemental Security Income (SSI) recipients report being “work-oriented” and see themselves working in the next two to five years.¹ Eighteen percent saw themselves working enough to leave either the DI or SSI program in the next five years.² Despite this desire to work, fewer than one percent of beneficiaries leave the DI program each year because of a successful return to work.³

The Committee’s September 9, 2025, joint Social Security Subcommittee and Work and Welfare Subcommittee hearing titled “Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals with Disabilities,” examined the numerous challenges DI beneficiaries and SSI recipients face when attempting to return to work and potential solutions to those barriers. Witnesses highlighted major hurdles to returning to the labor force, including fear of overpayments, benefit cliffs, and confusing program eligibility rules. An expert witness recommended providing the SSA with the authority to test alternative return-to-work rules, which would allow policymakers to evaluate the effectiveness of policy changes without unintentionally harming beneficiaries or the system.⁴

Congress first authorized the SSA to conduct demonstration projects in the DI program in 1980 and has routinely reauthorized this authority on numerous occasions. However, the SSA’s demonstration authority under section 234 of the Social Security Act expired on December 31, 2022. The SSA has permanent authority to conduct demonstration projects for SSI.⁵ Section 234 demonstration authority allowed the SSA to test different program rules designed to promote attachment to the labor force and improve work outcomes. Under section 234, an individual’s

¹ Social Security Administration, *DI & SSI Program Participants: Characteristics & Employment, 2021* (May 2025) at p. 12.

² *Ibid.*

³ Social Security Administration, *Annual Statistical Report on the Social Security Disability Insurance Program, 2024* (Dec. 2025) at p. 153.

⁴ *Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals with Disabilities*, Hearing Before the H. Comm. on Ways & Means Subcomm. on Soc. Sec. and Subcomm. on Work and Welfare, 119 Cong. (2025) (Statement of Denise Hoffman, Principal Researcher, Mathematica), <https://waysandmeans.house.gov/wp-content/uploads/2025/07/Denise-Hoffman-Testimony.pdf>.

⁵ *Work and Social Security Disability Benefits: Addressing Challenges and Creating Opportunities*, Hearing Before the Senate Comm. on Fin. 118th Cong. (2024) (Statement of William R. Morton, Analyst in Income Security, Cong. Rsch. Serv.).

participation in a demonstration must be voluntary, and requires their informed written consent, which the individual may revoke at any time.

C. Legislative History

Background

H.R. 8884 was introduced on May 19, 2026, and was referred to the Committee on Ways and Means.

Committee Hearings

The Committee on Ways and Means held the following hearing concerning the policy in H.R. 8884:

On September 9, 2025, the Committee on Ways and Means Subcommittee on Social Security and Subcommittee on Work and Welfare held a hearing on “Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals with Disabilities.” The hearing examined the barriers that Social Security Disability Insurance beneficiaries face when attempting to work and how policymakers can support opportunities for individuals with disabilities to establish, renew, or strengthen their connection to the workforce.

Committee Action

The Committee on Ways and Means marked up H.R. 8884, the “Removing Barriers to Work for Disabled Americans Act,” on May 21, 2026, and favorably reported the bill, as amended, to the House of Representatives (with quorum being present).

D. Designated Hearing

Pursuant to clause 3(c)(6) of Rule XIII, the following hearing was used to develop and consider H.R. 8884:

On September 9, 2025, the Committee on Ways and Means Subcommittee on Social Security and Subcommittee on Work and Welfare held a hearing titled, “Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals with Disabilities.”

II. EXPLANATION OF THE BILL

A. Reasons for Change

It is the view of the Committee that the discrepancy between the desire of Social Security Disability Insurance (DI) beneficiaries to return to work and the actual number who successfully return to the workforce reflects unintended consequences within the DI program that require further examination. Reauthorizing the Social Security Administration's (SSA) authority to conduct demonstrations under section 234 of the Social Security Act allows the agency to waive certain DI program requirements to test different policies designed to promote attachment to the labor force. The SSA's authority under section 234 expired on December 31, 2022, and has not been renewed. H.R. 8884 reauthorizes this authority with additional beneficiary protections and Congressional oversight for five years.

B. Explanation of Provisions

Section 1 designates the short title of the bill as the "Removing Barriers to Work for Disabled Americans Act".

Section 2 reauthorizes the SSA's ability to conduct demonstration projects designed to promote labor force attachment among DI beneficiaries for five years beginning January 1, 2027, and ending December 31, 2031. It requires the SSA to notify Congress at least 120 days before implementing any demonstration project, which must include the objectives of the project, projected costs, and evaluation metrics. The bill clarifies that administrative expenses associated with such projects are to be paid from funds subject to appropriation. Finally, it prohibits the SSA from conducting any demonstration project that would reduce a participant's total income.

C. Effective Date

The bill would become effective January 1, 2027.

III. VOTES OF THE COMMITTEE

In compliance with the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means during the markup consideration of H.R. 8884, the “Removing Barriers to Work for Disabled Americans Act,” on May 21, 2026.

The vote on the amendment offered by Mr. Larson to the amendment in the nature of a substitute to H.R. 8884, which under this amendment: no demonstration program can result in people’s benefits being lower than current law; no demonstration program can be used to deny eligibility to applicants who would be approved for SSDI under current law; the Social Security Administration must notify the public about any planned demonstrations and must provide the same opportunities for public comment as under the Administrative Procedures Act; and current law that administrative costs for any demonstration would come out of the disability trust fund and not SSA customer service funding is retained. The amendment was not agreed to by a roll call vote of 18 yeas to 23 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)		✓		Mr. Neal	✓		
Mr. Buchanan		✓		Mr. Doggett	✓		
Mr. Smith (NE)		✓		Mr. Thompson	✓		
Mr. Kelly		✓		Mr. Larson	✓		
Mr. Schweikert		✓		Mr. Davis	✓		
Mr. LaHood				Ms. Sanchez	✓		
Mr. Arrington		✓		Ms. Sewell	✓		
Mr. Estes		✓		Ms. DelBene	✓		
Mr. Smucker		✓		Ms. Chu	✓		
Mr. Hern		✓		Ms. Moore (WI)	✓		
Mrs. Miller (WV)				Mr. Boyle	✓		
Dr. Murphy		✓		Mr. Beyer	✓		
Mr. Kustoff		✓		Mr. Evans	✓		
Mr. Fitzpatrick		✓		Mr. Schneider	✓		
Mr. Steube		✓		Mr. Panetta	✓		
Ms. Tenney		✓		Mr. Gomez			
Mrs. Fischbach		✓		Mr. Horsford	✓		
Mr. Moore (UT)		✓		Ms. Plaskett	✓		
Ms. Van Duyne		✓		Mr. Suozzi	✓		
Mr. Feenstra		✓					
Ms. Malliotakis							
Mr. Carey		✓					
Mr. Yakym		✓					

Mr. Miller (OH)		✓					
Mr. Bean		✓					
Mr. Moran		✓					

VOTES OF THE COMMITTEE

In compliance with the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means during the markup consideration of H.R. 8884, the “Removing Barriers to Work for Disabled Americans Act,” on May 21, 2026.

H.R. 8884 was ordered favorably reported to the House of Representatives as amended by a roll call vote of 27 yeas to 16 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	✓			Mr. Neal		✓	
Mr. Buchanan	✓			Mr. Doggett		✓	
Mr. Smith (NE)	✓			Mr. Thompson		✓	
Mr. Kelly	✓			Mr. Larson		✓	
Mr. Schweikert	✓			Mr. Davis		✓	
Mr. LaHood	✓			Ms. Sanchez		✓	
Mr. Arrington	✓			Ms. Sewell		✓	
Mr. Estes	✓			Ms. DelBene		✓	
Mr. Smucker	✓			Ms. Chu		✓	
Mr. Hern	✓			Ms. Moore (WI)		✓	
Mrs. Miller (WV)				Mr. Boyle		✓	
Dr. Murphy	✓			Mr. Beyer		✓	
Mr. Kustoff	✓			Mr. Evans		✓	
Mr. Fitzpatrick	✓			Mr. Schneider		✓	
Mr. Steube	✓			Mr. Panetta	✓		
Ms. Tenney	✓			Mr. Gomez		✓	
Mrs. Fischbach	✓			Mr. Horsford	✓		
Mr. Moore (UT)	✓			Ms. Plaskett	✓		
Ms. Van Duyne	✓			Mr. Suozzi		✓	
Mr. Feenstra	✓						
Ms. Malliotakis							
Mr. Carey	✓						
Mr. Yakym	✓						
Mr. Miller (OH)	✓						
Mr. Bean	✓						
Mr. Moran	✓						

IV. BUDGET EFFECTS OF THE BILL

A. Committee Estimate of Budgetary Effects

With respect to clause 3(d) of Rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report.

B. Statement Regarding New Budget Authority and Tax Expenditures Budget Authority

In compliance with clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives, the Committee states that the bill involved no new or increased budget authority. The Committee states further that the bill involves no new or increased tax expenditures.

C. Cost Estimate Prepared by the Congressional Budget Office

With respect to the requirements of clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause (3)(c)(3) of Rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Chairman of the Committee shall cause such estimate and statement to be printed in the Congressional Record upon its receipt by the Committee.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. Committee Oversight Findings and Recommendations

With respect to clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. Statement of General Performance Goals and Objectives

With respect to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. Information Relating to Unfunded Mandates

This information is provided in accordance with section 423 of the *Unfunded Mandates Reform Act of 1995* (Pub. L. No. 104-4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

D. Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits

With respect to clause 9 of Rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

E. Duplication of Federal Programs

In compliance with clause 3(c)(5) of Rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111 139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95-220, as amended by Pub. L. No. 98-169).

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows.

[INSERT A – RAMSEYER]

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

* * * * *

TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

* * * * *

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND

SEC. 201. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "Federal Old-Age and Survivors Insurance Trust Fund". The Federal Old-Age and Survivors Insurance Trust Fund shall consist of the securities held by the Secretary of the Treasury for the Old-Age Reserve Account and the amount standing to the credit of the Old-Age Reserve Account on the books of the Treasury on January 1, 1940, which securities and amount the Secretary of the Treasury is authorized and directed to transfer to the Federal Old-Age and Survivors Insurance Trust Fund, and, in addition, such gifts and bequests as may be made as provided in subsection (i)(1), and such amounts as may be appropriated to, or deposited in, the Federal Old-Age and Survivors Insurance Trust Fund as hereinafter provided. There is hereby appropriated to the Federal Old-Age and Survivors Insurance Trust Fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

(1) the taxes (including interest, penalties, and additions to the taxes) received under subchapter A of chapter 9 of the Internal Revenue Code of 1939<fttrf> (and covered into the Treasury) which are deposited into the Treasury by collectors of internal revenue before January 1, 1951; and

(2) the taxes certified each month by the Commissioner of Internal Revenue as taxes received under subchapter A of chapter 9 of such Code which are deposited into the Treasury by collectors of internal revenue after December 31, 1950, and before January 1, 1953, with respect to assessments of such taxes made before January 1, 1951; and

(3) the taxes imposed by subchapter A of chapter 9 of such Code with respect to wages (as defined in section 1426 of such

Code), and by chapter 21 (other than sections 3101(b) and 3111(b)) of the Internal Revenue Code of 1954 with respect to wages (as defined in section 3121 of such Code) reported to the Commissioner of Internal Revenue pursuant to section 1420(c) of the Internal Revenue Code of 1939 after December 31, 1950, or to the Secretary of the Treasury or his delegates pursuant to subtitle F of the Internal Revenue Code of 1954 after December 31, 1954, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such subchapter or chapter 21 (other than sections 3101(b) and 3111(b)) to such wages, which wages shall be certified by the Commissioner of Social Security on the basis of the records of wages established and maintained by such Commissioner in accordance with such reports, less the amounts specified in clause (1) of subsection (b) of this section; and

(4) the taxes imposed by subchapter E of chapter 1 of the Internal Revenue Code of 1939, with respect to self-employment income (as defined in section 481 of such Code), and by chapter 2 (other than section 1401(b)) of the Internal Revenue Code of 1954 with respect to self-employment income (as defined in section 1402 of such Code) reported to the Commissioner of Internal Revenue on tax returns under such subchapter or to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such subchapter or chapter (other than section 1401(b)) to such self-employment income, which self-employment income shall be certified by the Commissioner of Social Security on the basis of the records of self-employment income established and maintained by the Commissioner of Social Security in accordance with such returns, less the amounts specified in clause (2) of subsection (b) of this section.

The amounts appropriated by clauses (3) and (4) shall be transferred from time to time from the general fund in the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from time to time from the general fund in the Treasury to the Federal Disability Insurance Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in clauses (3) and (4) of this subsection, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such clauses (3) and (4) of this subsection. All amounts transferred to either Trust Fund under the preceding sentence shall be invested by the Managing Trustee in the same manner and to the same extent as the other assets of such Trust Fund. Notwithstanding the preceding sentence, in any case in which the Secretary of the Treasury determines that the assets of either such Trust Fund would otherwise be inadequate to meet such Fund's obligations for any month, the Secretary of the Treasury shall transfer to such Trust Fund on the first day of such month the amount which would have been transferred to such Fund under this section

as in effect on October 1, 1990; and such Trust Fund shall pay interest to the general fund on the amount so transferred on the first day of any month at a rate (calculated on a daily basis, and applied against the difference between the amount so transferred on such first day and the amount which would have been transferred to the Trust Fund up to that day under the procedures in effect on January 1, 1983) equal to the rate earned by the investments of such Fund in the same month under subsection (d).

(b) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "Federal Disability Insurance Trust Fund". The Federal Disability Insurance Trust Fund shall consist of such gifts and bequests as may be made as provided in subsection (i)(1), and such amounts as may be appropriated to, or deposited in, such fund as provided in this section. There is hereby appropriated to the Federal Disability Insurance Trust Fund for the fiscal year ending June 30, 1957, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

(1)(A) $\frac{1}{2}$ of 1 per centum of the wages (as defined in section 3121 of the Internal Revenue Code of 1954) paid after December 31, 1956, and before January 1, 1966, and reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1954, (B) 0.70 of 1 per centum of the wages (as so defined) paid after December 31, 1965, and before January 1, 1968, and so reported, (C) 0.95 of 1 per centum of the wages (as so defined) paid after December 31, 1967, and before January 1, 1970, and so reported, (D) 1.10 per centum of the wages (as so defined) paid after December 31, 1969, and before January 1, 1973, and so reported, (E) 1.1 per centum of the wages (as so defined) paid after December 31, 1972, and before January 1, 1974, and so reported, (F) 1.15 per centum of the wages (as so defined) paid after December 31, 1973, and before January 1, 1978, and so reported, (G) 1.55 per centum of the wages (as so defined) paid after December 31, 1977, and before January 1, 1979, and so reported, (H) 1.50 per centum of the wages (as so defined) paid after December 31, 1978, and before January 1, 1980, and so reported, (I) 1.12 per centum of the wages (as so defined) paid after December 31, 1979, and before January 1, 1981, and so reported, (J) 1.30 per centum of the wages (as so defined) paid after December 31, 1980, and before January 1, 1982, and so reported, (K) 1.65 per centum of the wages (as so defined) paid after December 31, 1981, and before January 1, 1983, and so reported, (L) 1.25 per centum of the wages (as so defined) paid after December 31, 1982, and before January 1, 1984, and so reported, (M) 1.00 per centum of the wages (as so defined) paid after December 31, 1983, and before January 1, 1988, and so reported, (N) 1.06 per centum of the wages (as so defined) paid after December 31, 1987, and before January 1, 1990, and so reported, (O) 1.20 per centum of the wages (as so defined) paid after December 31, 1989, and before January 1, 1994, and so reported, (P) 1.88 per centum of the wages (as so defined) paid after December 31, 1993, and before January 1, 1997, and so reported, (Q) 1.70

per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and before January 1, 2016, and so reported, (S) 2.37 per centum of the wages (as so defined) paid after December 31, 2015, and before January 1, 2019, and so reported, and (T) 1.80 per centum of the wages (as so defined) paid after December 31, 2018, and so reported,, which wages shall be certified by the Commissioner of Social Security on the basis of the records of wages established and maintained by such Commissioner in accordance with such reports; and

(2)(A) $\frac{3}{8}$ of 1 per centum of the amount of self-employment income (as defined in section 1402 of the Internal Revenue Code of 1954) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of the Internal Revenue Code of 1954 for any taxable year beginning after December 31, 1956, and before January 1, 1966, (B) 0.525 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1965, and before January 1, 1968, (C) 0.7125 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1967, and before January 1, 1970, (D) 0.825 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1969, and before January 1, 1973, (E) 0.795 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1972, and before January 1, 1974, (F) 0.815 of 1 per centum of the amount of self-employment income (as so defined) as reported for any taxable year beginning after December 31, 1973, and before January 1, 1978, (G) 1.090 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1977, and before January 1, 1979, (H) 1.0400 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1978, and before January 1, 1980, (I) 0.7775 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1979, and before January 1, 1981, (J) 0.9750 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1980, and before January 1, 1982, (K) 1.2375 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1981, and before January 1, 1983, (L) 0.9375 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1982, and before January 1, 1984, (M) 1.00 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1983, and before January 1, 1988, (N) 1.06 per centum of the self-employment income (as so defined) so reported for

any taxable year beginning after December 31, 1987, and before January 1, 1990, (O) 1.20 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1989, and before January 1, 1994, (P) 1.88 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1993, and before January 1, 1997, (Q) 1.70 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, (R) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999, and before January 1, 2016, (S) 2.37 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2015, and before January 1, 2019, and (T) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2018, which self-employment income shall be certified by the Commissioner of Social Security on the basis of the records of self-employment income established and maintained by the Commissioner of Social Security in accordance with such returns.

(c) With respect to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (hereinafter in this title called the "Trust Funds") there is hereby created a body to be known as the Board of Trustees of the Trust Funds (hereinafter in this title called the "Board of Trustees") which Board of Trustees shall be composed of the Commissioner of Social Security, the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health and Human Services, all ex officio, and of two members of the public (both of whom may not be from the same political party), who shall be nominated by the President for a term of four years and subject to confirmation by the Senate. A member of the Board of Trustees serving as a member of the public and nominated and confirmed to fill a vacancy occurring during a term shall be nominated and confirmed only for the remainder of such term. An individual nominated and confirmed as a member of the public may serve in such position after the expiration of such member's term until the earlier of the time at which the member's successor takes office or the time at which a report of the Board is first issued under paragraph (2) after the expiration of the member's term. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this title called the "Managing Trustee"). The Deputy Commissioner of Social Security shall serve as Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

- (1) Hold the Trust Funds;
- (2) Report to the Congress not later than the first day of April of each year on the operation and status of the Trust Funds during the preceding fiscal year and on their expected operation and status during the next ensuing five fiscal years;

(3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that the amount of either of the Trust Funds is unduly small;

(4) Recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivors insurance and Federal-State unemployment compensation program; and

(5) Review the general policies followed in managing the Trust Funds, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the Trust Funds are to be managed.

The report provided for in paragraph (2) above shall include a statement of the assets of, and the disbursements made from, the Trust Funds during the preceding fiscal year, an estimate of the expected future income to, and disbursements to be made from, the Trust Funds during each of the next ensuing five fiscal years, and a statement of the actuarial status of the Trust Funds. Such statement shall include a finding by the Board of Trustees as to whether the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, individually and collectively, are in close actuarial balance (as defined by the Board of Trustees). Such report shall include an actuarial opinion by the Chief Actuary of the Social Security Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable. Such report shall also include an actuarial analysis of the benefit disbursements made from the Federal Old-Age and Survivors Insurance Trust Fund with respect to disabled beneficiaries. Such report shall be printed as a House document of the session of the Congress to which the report is made. A person serving on the Board of Trustees shall not be considered to be a fiduciary and shall not be personally liable for actions taken in such capacity with respect to the Trust Funds.

(d) It shall be the duty of the Managing Trustee to invest such portion of the Trust Funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Funds. Such obligations issued for purchase by the Trust Funds shall have maturities fixed with due regard for the needs of the Trust Funds and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average mar-

ket yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. Each obligation issued for purchase by the Trust Funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury setting forth the principal amount, date of maturity, and interest rate of the obligation, and stating on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

(e) Any obligations acquired by the Trust Funds (except public-debt obligations issued exclusively to the Trust Funds) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

(f) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, respectively. Payment from the general fund of the Treasury to either of the Trust Funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such Trust Fund.

(g)(1)(A) The Managing Trustee of the Trust Funds (which for purposes of this paragraph shall include also the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII) is directed to pay from the Trust Funds into the Treasury—

(i) the amounts estimated by the Managing Trustee, the Commissioner of Social Security, and the Secretary of Health and Human Services which will be expended, out of moneys appropriated from the general fund in the Treasury, during a three-month period by the Department of Health and Human Services for the administration of title XVIII of this Act, and by the Department of the Treasury for the administration of titles II and XVIII of this Act and chapters 2 and 21 of the Internal Revenue Code of 1986, less

(ii) the amounts estimated (pursuant to the applicable method prescribed under paragraph (4) of this subsection) by the Commissioner of Social Security which will be expended, out of moneys made available for expenditures from the Trust Funds, during such three-month period to cover the cost of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) and the functions of the Social

Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee.

Such payments shall be carried into the Treasury as the net amount of repayments due the general fund account for reimbursement of expenses incurred in connection with the administration of titles II and XVIII of this Act and chapters 2 and 21 of the Internal Revenue Code of 1986. A final accounting of such payments for any fiscal year shall be made at the earliest practicable date after the close thereof. There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title, title VIII, title XVI, and title XVIII for which the Commissioner of Social Security is responsible, the costs of title XVIII for which the Secretary of Health and Human Services is responsible, and the costs of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) of the first sentence of this subparagraph and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee. Of the amounts authorized to be made available out of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund under the preceding sentence, there are hereby authorized to be made available from either or both of such Trust Funds for continuing disability reviews—

- (i) for fiscal year 1996, \$260,000,000;
- (ii) for fiscal year 1997, \$360,000,000;
- (iii) for fiscal year 1998, \$570,000,000;
- (iv) for fiscal year 1999, \$720,000,000;
- (v) for fiscal year 2000, \$720,000,000;
- (vi) for fiscal year 2001, \$720,000,000; and
- (viii) for fiscal year 2002, \$720,000,000.

For purposes of this subparagraph, the term "continuing disability review" means a review conducted pursuant to section 221(i) and a review or disability eligibility redetermination conducted to determine the continuing disability and eligibility of a recipient of benefits under the supplemental security income program under title XVI, including any review or redetermination conducted pursuant to section 207 or 208 of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103-296).

(B) After the close of each fiscal year—

- (i) the Commissioner of Social Security shall determine—
 - (I) the portion of the costs, incurred during such fiscal year, of administration of this title, title VIII, title XVI, and title XVIII for which the Commissioner is responsible and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code

of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)) and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee, which should have been borne by the general fund of the Treasury,

(II) the portion of such costs which should have been borne by the Federal Old-Age and Survivors Insurance Trust Fund,

(III) the portion of such costs which should have been borne by the Federal Disability Insurance Trust Fund,

(IV) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

(V) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund (and, of such portion, the portion of such costs which should have been borne by the Medicare Prescription Drug Account in such Trust Fund), and

(ii) the Secretary of Health and Human Services shall determine—

(I) the portion of the costs, incurred during such fiscal year, of the administration of title XVIII for which the Secretary is responsible, which should have been borne by the general fund of the Treasury,

(II) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

(III) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund (and, of such portion, the portion of such costs which should have been borne by the Medicare Prescription Drug Account in such Trust Fund).

(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commissioner of Social Security and the Secretary shall each certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund of the Treasury, in order to ensure that each of the Trust Funds and the general fund of the Treasury have borne their proper share of the costs, incurred during such fiscal year, for—

(i) the parts of the administration of this title, title VIII, title XVI, and title XVIII for which the Commissioner of Social Security is responsible,

(ii) the parts of the administration of title XVIII for which the Secretary is responsible, and

(iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)) and the functions of the Social Se-

curity Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee.

The Managing Trustee shall transfer any such amounts in accordance with any certification so made.

(D) The determinations required under subclauses (IV) and (V) of subparagraph (B)(i) shall be made in accordance with the cost allocation methodology in existence on the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, until such time as the methodology for making the determinations required under such subclauses is revised by agreement of the Commissioner and the Secretary, except that the determination of the amounts to be borne by the general fund of the Treasury with respect to expenditures incurred in carrying out the functions of the Social Security Administration specified in section 232 and the functions of the Social Security Administration in connection with the withholding of taxes from benefits as described in section 207(c) shall be made pursuant to the applicable method prescribed under paragraph (4).

(2) The Managing Trustee is directed to pay from time to time from the Trust Funds into the Treasury the amount estimated by him as taxes imposed under section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code). Such taxes shall be determined on the basis of the records of wages maintained by the Commissioner of Social Security in accordance with the wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code, and the Commissioner of Social Security shall furnish the Managing Trustee such information as may be required by the Trustee for such purpose. The payments by the Managing Trustee shall be covered into the Treasury as repayments to the account for refunding internal revenue collections. Payments pursuant to the first sentence of this paragraph shall be made from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in the ratio in which amounts were appropriated to such Trust Funds under clause (3) of subsection (a) of this section and clause (1) of subsection (b) of this section.

(3) Repayments made under paragraph (1) or (2) shall not be available for expenditures but shall be carried to the surplus fund of the Treasury. If it subsequently appears that the estimates under either such paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future payments.

(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as in effect immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, for determining the costs which should be borne by the general fund of the Treasury of carrying out the functions of the Commissioner, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause

(i) of the first sentence of paragraph (1)(A)). The Board of Trustees of such Trust Funds shall prescribe the method of determining the costs which should be borne by the general fund in the Treasury of carrying out the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee. If at any time or times thereafter the Boards of Trustees of such Trust Funds consider such action advisable, they may modify the method of determining such costs.

(h) Benefit payments required to be made under section 223, and benefit payments required to be made under subsection (b), (c), or (d) of section 202 to individuals entitled to benefits on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits, shall be made only from the Federal Disability Insurance Trust Fund. All other benefit payments required to be made under this title (other than section 226) shall be made only from the Federal Old-Age and Survivors Insurance Trust Fund.

(i)(1) The Managing Trustee may accept on behalf of the United States money gifts and bequests made unconditionally to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund (and for the Medicare Prescription Drug Account and the Transitional Assistance Account in such Trust Fund) or to the Social Security Administration, the Department of Health and Human Services, or any part or officer thereof, for the benefit of any of such Funds or any activity financed through such Funds.

(2) Any such gift accepted pursuant to the authority granted in paragraph (1) of this subsection shall be deposited in—

(A) the specific trust fund designated by the donor or

(B) if the donor has not so designated, the Federal Old-Age and Survivors Insurance Trust Fund.

(j) There are authorized to be made available for expenditure, out of the Federal Old-Age and Survivors Insurance Trust Fund, or the Federal Disability Insurance Trust Fund (as determined appropriate by the Commissioner of Social Security), such amounts as are required to pay travel expenses, either on an actual cost or commuted basis, to individuals for travel incident to medical examinations requested by the Commissioner of Social Security in connection with disability determinations under this title, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 210(i)) to attend reconsideration interviews and proceedings before administrative law judges with respect to any determination under this title. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Commissioner of Social Security) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel

by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health condition, as specified in such regulations. The amount available for payment under this subsection for travel by a representative to attend an administrative proceeding before an administrative law judge or other adjudicator shall not exceed the maximum amount allowable under this subsection for such travel originating within the geographic area of the office having jurisdiction over such proceeding.

[(k) Expenditures made for experiments and demonstration projects under section 234 shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security.]

(k) Administrative expenditures for experiments and demonstration projects under section 234 shall be paid from funds made available for the administration of this title. Benefits payable to or on behalf of individuals by reason of participation in experiments and demonstration projects under section 234 shall be made from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security.

(1)(1) If at any time prior to January 1988 the Managing Trustee determines that borrowing authorized under this subsection is appropriate in order to best meet the need for financing the benefit payments from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, the Managing Trustee may borrow such amounts as he determines to be appropriate from the other such Trust Fund, or, subject to paragraph (5), from the Federal Hospital Insurance Trust Fund established under section 1817, for transfer to and deposit in the Trust Fund whose need for financing is involved.

(2) In any case where a loan has been made to a Trust Fund under paragraph (1), there shall be transferred on the last day of each month after such loan is made, from the borrowing Trust Fund to the lending Trust Fund, the total interest accrued to such day with respect to the unrepaid balance of such loan at a rate equal to the rate which the lending Trust Fund would earn on the amount involved if the loan were an investment under subsection (d) (even if such an investment would earn interest at a rate different than the rate earned by investments redeemed by the lending fund in order to make the loan).

(3)(A) If in any month after a loan has been made to a Trust Fund under paragraph (1), the Managing Trustee determines that the assets of such Trust Fund are sufficient to permit repayment of all or part of any loans made to such Fund under paragraph (1), he shall make such repayments as he determines to be appropriate.

(B)(i) If on the last day of any year after a loan has been made under paragraph (1) by the Federal Hospital Insurance Trust Fund to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, the Managing Trustee determines that the OASDI trust fund ratio exceeds 15 percent, he

shall transfer from the borrowing Trust Fund to the Federal Hospital Insurance Trust Fund an amount that—

(I) together with any amounts transferred from another borrowing Trust Fund under this paragraph for such year, will reduce the OASDI trust fund ratio to 15 percent; and

(II) does not exceed the outstanding balance of such loan.

(ii) Amounts required to be transferred under clause (i) shall be transferred on the last day of the first month of the year succeeding the year in which the determination described in clause (i) is made.

(iii) For purposes of this subparagraph, the term “OASDI trust fund ratio” means, with respect to any calendar year, the ratio of—

(I) the combined balance in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as of the last day of such calendar year, to

(II) the amount estimated by the Commissioner of Social Security to be the total amount to be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund during the calendar year following such calendar year for all purposes authorized by section 201 (other than payments of interest on, and repayments of, loans from the Federal Hospital Insurance Trust Fund under paragraph (1), but excluding any transfer payments between such trust funds and reducing the amount of any transfer to the Railroad Retirement Account by the amount of any transfers into either such trust fund from that Account).

(C)(i) The full amount of all loans made under paragraph (1) (whether made before or after January 1, 1983) shall be repaid at the earliest feasible date and in any event no later than December 31, 1989.

(ii) For the period after December 31, 1987, and before January 1, 1990, the Managing Trustee shall transfer each month to the Federal Hospital Insurance Trust Fund from any Trust Fund with any amount outstanding on a loan made from the Federal Hospital Insurance Trust Fund under paragraph (1) an amount not less than an amount equal to (I) the amount owed to the Federal Hospital Insurance Trust Fund by such Trust Fund at the beginning of such month (plus the interest accrued on the outstanding balance of such loan during such month), divided by (II) the number of months elapsing after the preceding month and before January 1990. The Managing Trustee may, during this period, transfer larger amounts than prescribed by the preceding sentence.

(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (including interest payments) under this subsection.

(5)(A) No amounts may be borrowed from the Federal Hospital Insurance Trust Fund under paragraph (1) during any month if the Hospital Insurance Trust Fund ratio for such month is less than 10 percent.

(B) For purposes of this paragraph, the term “Hospital Insurance Trust Fund ratio” means, with respect to any month, the ratio of—

(i) the balance in the Federal Hospital Insurance Trust Fund, reduced by the outstanding amount of any loan (including interest thereon) theretofore made to such Trust Fund under this subsection, as of the last day of the second month preceding such month, to

(ii) the amount obtained by multiplying by twelve the total amount which (as estimated by the Secretary) will be paid from the Federal Hospital Insurance Trust Fund during the month for which such ratio is to be determined (other than payments of interest on, or repayments of loans from another Trust Fund under this subsection), and reducing the amount of any transfers to the Railroad Retirement Account by the amount of any transfer into the Hospital Insurance Trust Fund from that Account.

(m)(1) The Secretary of the Treasury shall implement procedures to permit the identification of each check issued for benefits under this title that has not been presented for payment by the close of the sixth month following the month of its issuance.

(2) The Secretary of the Treasury shall, on a monthly basis, credit each of the Trust Funds for the amount of all benefit checks (including interest thereon) drawn on such Trust Fund more than 6 months previously but not presented for payment and not previously credited to such Trust Fund, to the extent provided in advance in appropriation Acts.

(3) If a benefit check is presented for payment to the Treasury and the amount thereof has been previously credited pursuant to paragraph (2) to one of the Trust Funds, the Secretary of the Treasury shall nevertheless pay such check, if otherwise proper, recharge such Trust Fund, and notify the Commissioner of Social Security. <p>

(4) A benefit check bearing a current date may be issued to an individual who did not negotiate the original benefit check and who surrenders such check for cancellation if the Secretary of the Treasury determines it is necessary to effect proper payment of benefits.

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

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

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

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

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

* * * * *

DEMONSTRATION PROJECT AUTHORITY

SEC. 234. (a) AUTHORITY.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the “Commissioner”) shall develop

and carry out experiments and demonstration projects designed to promote attachment to the labor force and to determine the relative advantages and disadvantages of—

(A) various alternative methods of treating the work activity of individuals entitled to disability insurance benefits under section 223 or to monthly insurance benefits under section 202 based on such individual's disability (as defined in section 223(d)), including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of such individuals;

(B) altering other limitations and conditions applicable to such individuals (including lengthening the trial work period (as defined in section 222(c)), altering the 24-month waiting period for hospital insurance benefits under section 226, altering the manner in which the program under this title is administered, earlier referral of such individuals for rehabilitation, and greater use of employers and others to develop, perform, and otherwise stimulate new forms of rehabilitation); and

(C) implementing sliding scale benefit offsets using variations in—

(i) the amount of the offset as a proportion of earned income;

(ii) the duration of the offset period; and

(iii) the method of determining the amount of income earned by such individuals,

to the end that savings will accrue to the Trust Funds, or to otherwise promote the objectives or facilitate the administration of this title.

(2) **AUTHORITY FOR EXPANSION OF SCOPE.**—The Commissioner may expand the scope of any such experiment or demonstration project to include any group of applicants for benefits under the program established under this title with impairments that reasonably may be presumed to be disabling for purposes of such demonstration project, and may limit any such demonstration project to any such group of applicants, subject to the terms of such demonstration project which shall define the extent of any such presumption.

(b) **REQUIREMENTS.**—The experiments and demonstration projects developed under subsection (a) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program under this title without committing such program to the adoption of any particular system either locally or nationally.

(c) **AUTHORITY TO WAIVE COMPLIANCE WITH BENEFITS REQUIREMENTS.**—In the case of any experiment or demonstration project initiated under subsection (a) on or before **December 30, 2021** *December 31, 2030*, the Commissioner may waive compliance with the benefit requirements of this title and the requirements of section 1148 as they relate to the program established under this

title, and the Secretary may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII, insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least **[90 days]** *120 days* prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, including the objectives of the experiment or demonstration project, the expected annual and total costs, *evaluation metrics to be used with respect to the experiment or demonstration project*, and the dates on which the experiment or demonstration project is expected to start and finish, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

(d) REPORTS.—

(1) INTERIM REPORTS.—On or before September 30 of each year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate an annual interim report on the progress of the experiments and demonstration projects carried out under this **[subsection]** *section* together with any related data and materials that the Commissioner may consider appropriate.

(2) TERMINATION AND FINAL REPORT.—The authority to initiate projects under the preceding provisions of this section shall terminate on **[December 31, 2021, and the authority to carry out such projects shall terminate on December 31, 2022]** *December 31, 2030, and the authority to carry out such projects shall terminate on December 31, 2031*. Not later than 90 days after the termination of any experiment or demonstration project carried out under this section, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a final report with respect to that experiment or demonstration project.

(e) ADDITIONAL REQUIREMENTS.—In developing and carrying out any experiment or demonstration project under this section, the Commissioner may not require any individual to participate in such experiment or demonstration project and shall ensure—

(1) that the voluntary participation of individuals in such experiment or demonstration project is obtained through informed written consent which satisfies the requirements for informed consent established by the Commissioner for use in such experiment or demonstration project in which human subjects are at risk;

(2) that any individual's voluntary agreement to participate in any such experiment or demonstration project may be revoked by such individual at any time; **[and]**

(3) that such experiment or demonstration project is expected to yield statistically significant results~~...~~; and

(4) that the total income of an individual will not be reduced due to the individual's participation in an experiment or demonstration project.

[(f) PROMOTING OPPORTUNITY DEMONSTRATION PROJECT.—

[(1) IN GENERAL.—The Commissioner shall carry out a demonstration project under this subsection as described in paragraph (2) during a 5-year period beginning not later than January 1, 2017.

[(2) BENEFIT OFFSET.—Under the demonstration project described in this paragraph, with respect to any individual participating in the project who is otherwise entitled to a benefit under section 223(a)(1) for a month—

[(A) any such benefit otherwise payable to the individual for such month (other than a benefit payable for any month prior to the 1st month beginning after the date on which the individual's entitlement to such benefit is determined) shall be reduced by \$1 for each \$2 by which the individual's earnings derived from services paid during such month exceeds an amount equal to the individual's impairment-related work expenses for such month (as determined under paragraph (3)), except that such benefit may not be reduced below \$0;

[(B) no benefit shall be payable under section 202 on the basis of the wages and self-employment income of the individual for any month for which the benefit of such individual under section 223(a)(1) is reduced to \$0 pursuant to subparagraph (A);

[(C) entitlement to any benefit described in subparagraph (A) or (B) shall not terminate due to earnings derived from services except following the first month for which such benefit has been reduced to \$0 pursuant to subparagraph (A) (and the trial work period (as defined in section 222(c)) and extended period of eligibility shall not apply to any such individual for any such month); and

[(D) in any case in which such an individual is entitled to hospital insurance benefits under part A of title XVIII by reason of section 226(b) and such individual's entitlement to a benefit described in subparagraph (A) or (B) or status as a qualified railroad retirement beneficiary is terminated pursuant to subparagraph (C), such individual shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the physical or mental impairment, on which such entitlement or status was based, continues, and throughout all of which such individual would have been entitled to monthly insurance benefits under title II or as a qualified railroad retirement beneficiary had such termination of entitlement or status not occurred, but not in excess of 93 such months.

[(3) IMPAIRMENT-RELATED WORK EXPENSES.—

[(A) IN GENERAL.—For purposes of paragraph (2)(A) and except as provided in subparagraph (C), the amount of an individual’s impairment-related work expenses for a month is deemed to be the minimum threshold amount.

[(B) MINIMUM THRESHOLD AMOUNT.—In this paragraph, the term “minimum threshold amount” means an amount, to be determined by the Commissioner, which shall not exceed the amount sufficient to demonstrate that an individual has rendered services in a month, as determined by the Commissioner under section 222(c)(4)(A). The Commissioner may test multiple minimum threshold amounts.

[(C) EXCEPTION FOR ITEMIZED IMPAIRMENT-RELATED WORK EXPENSES.—

[(i) IN GENERAL.—Notwithstanding subparagraph (A), in any case in which the amount of such an individual’s itemized impairment-related work expenses (as defined in clause (ii)) for a month is greater than the minimum threshold amount, the amount of the individual’s impairment-related work expenses for the month shall be equal to the amount of the individual’s itemized impairment-related work expenses (as so defined) for the month.

[(ii) DEFINITION.—In this subparagraph, the term “itemized impairment-related work expenses” means the amount excluded under section 223(d)(4)(A) from an individual’s earnings for a month in determining whether an individual is able to engage in substantial gainful activity by reason of such earnings in such month, except that such amount does not include the cost to the individual of any item or service for which the individual does not provide to the Commissioner a satisfactory itemized accounting.

[(D) LIMITATION.—Notwithstanding the other provisions of this paragraph, for purposes of paragraph (2)(A), the amount of an individual’s impairment-related work expenses for a month shall not exceed the amount of earnings derived from services, prescribed by the Commissioner under regulations issued pursuant to section 223(d)(4)(A), sufficient to demonstrate an individual’s ability to engage in substantial gainful activity.]

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VII. DISSENTING VIEWS

[INSERT B – DISSENTING VIEWS]



U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1139 LONGWORTH HOUSE OFFICE BUILDING

Washington, DC 20515

June 25, 2026

Dissenting Views

H.R. 8884, the Removing Barriers to Work for Disabled Americans Act

Ways and Means Democrats have long supported improving opportunities for Social Security Disability Insurance (SSDI) beneficiaries who wish to explore a return to work. To advance this goal, Congress has previously granted the Social Security Administration (SSA) with time-limited demonstration authority to test improvements to its return-to-work policies and services. Prior demonstration projects have explored many options including enhanced education and work supports, increased access to health care, and earnings limits that were more favorable than under current law. In some projects, this led to improved health outcomes and mental health status, greater rates of employment, and higher earnings; however, none of the findings showed that the demonstrations tested would likely lead to a substantial reduction in SSDI participation or savings to the Social Security trust funds.

Yet during his first Administration, President Trump repeatedly proposed using SSA's demonstration authorities to slash disability benefits by approximately \$50 billion over 10 years. President Trump's attempts to impose devastating cuts on SSDI beneficiaries did not stop there. During his first term, his budgets included long lists of hoped-for SSDI benefit cuts, and his Administration proposed a rule that would have thrown people off Social Security disability benefits by subjecting them to more frequent continuing disability reviews. As recently as 2025, the Trump Administration was considering a rule to strip away Social Security disability benefits from older, severely disabled workers by making it harder to qualify for benefits. The Administration only pulled back from these and other planned benefit cuts after massive public outcry and strong opposition by Ways and Means Democrats.

It is with this lens that we are forced to consider H.R. 8884, the Removing Barriers to Work for Disabled Americans Act, which proposes to reauthorize the SSDI demonstration authority through 2030.

In the past, prior to any reauthorization of the SSDI demonstration authority SSA typically worked with Congress to closely review its intended projects; this ensured that the planned use of the authority was well-understood before enactment. In contrast, at this time SSA has not disclosed any information on how it would use the SSDI demonstration authority, if reauthorized under H.R. 8884. While Ways and Means Republicans have cited the Purple Heart Freedom to Work Act (H.R. 1841) as an example of a potentially beneficial use of the authority,

H.R. 8884 does not commit SSA to testing this or any other specific plan. Instead, the bill leaves the SSDI demonstration project(s) open-ended, for the Trump Administration to determine.

At the same time, H.R. 8884 fails to add sufficient guardrails that could address concerns about what the Trump Administration might do with such broad authority, given its track record of repeated attempts at sweeping benefit cuts. For example, while participation in demonstrations would remain voluntary (as under current law), the bill does not protect participants against demonstrations that could result in their benefits being reduced compared to current law. Instead, the amendment in the nature of a substitute prevents an individual's total income from being reduced due to participation. Under this provision, beneficiaries could have lower benefits than under current law, and applicants who would be found eligible under current law could have even fewer protections against claim delays or denials of their benefit claims. In addition, while H.R. 8884 extends the window for Congressional notification from 90 days to 120 days prior to implementation of a demonstration, it fails to require public notice and comment or allow for Congressional disapproval.

H.R. 8884 also adds a new requirement that SSA must use its operating budget to fund the administrative costs of any SSDI demonstration projects; the operating budget funds the agency's customer service and is subject to annual appropriations limits. In contrast, current law authorizes SSA to use mandatory disability trust fund dollars for all SSDI demonstration costs, including administrative costs. This can help to prevent demonstration project costs from reducing scarce resources for front-line customer service. The Trump Administration has already thrown SSA into a customer service crisis. Forcing the agency to take away from its customer service budget in order to pursue ideologically-driven demonstrations may only worsen SSA's service to the public.

Social Security Subcommittee Ranking Member John B. Larson offered an amendment to H.R. 8884 to address these concerns. Unfortunately, the Majority failed to support the amendment's commonsense protections.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard E. Neal". The signature is fluid and cursive, with a large initial "R" and "E".

The Honorable Richard E. Neal
Ranking Member