

APPENDIX B

A DRAFT BILL

To establish the Social Security Administration as an independent agency responsible for the administration of titles II and XVI of the Social Security Act and certain related functions.

SECTION 1. This Act, with the following table of contents, may be cited as the "Social Security Reorganization Act of 19 ."

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TITLE I - DECLARATION OF PURPOSE

SECTION 101. The purposes of this bill are as follows:

- (a) to establish the Social Security Administration as an independent agency, **separate** from the Department of Health and Human Services;
- (b) to charge the Social Security Administration with administration of the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs and with part of the Black Lung program;
- (c) to create the office of Administrator of Social Security and define the powers and duties thereof;
- (d) to create the Social Security Advisory Board and define its membership and functions;
- (e) to provide for delegating major management authorities to the Administrator of Social Security.

TITLE II - ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION

SECTION 201. (a) Title VII of the Social Security Act is amended by striking Section 701 and inserting in lieu thereof the following new section:

"Social Security Administration

- "Section 701. (a) There is hereby established, as an independent agency of the executive branch of the government, a Social Security Administration (hereinafter in this section referred to as the *'Administration'*).
- "(b) It shall be the duty of the Administration to administer the programs established by titles II and XVI of this act and to discharge the duties and responsibilities imposed (as of the date of enactment of the Social Security Reorganization Act of 19__) on the Secretary of Health and Human Services in connection with the **administration** of the program established by title IV of the Federal Mine Safety and Health Act of 1977.
- "(c) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Administrator and who shall be the **principal** legal officer in the Administration.
- "(d) There shall **be in** the Administration an Inspector General appointed in accordance with the Inspector General Act of 1978 (as amended by Section 409(a) of this Act).

- (b) (1) Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to the Department of Health and Human Services with regard to that Department's responsibility for administering Title's II or XVI of the Social Security Act or Title IV of the Federal Mine Safety and Health Act of 1977, such reference shall be considered a reference to the Social Security Administration as established by Section 201 of this Act.
- (2) Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule record, or document to the Secretary of Health and Human Services with regard to that Secretary's responsibility for administering Titles II or XVI of the Social Security Act or Title IV of the Federal Mine Safety and Health Act of 1977, such reference shall be considered a reference to the Administrator of Social Security as established by Section 202 of this Act. Whenever any such reference is made to any other officer or employee of the Department of Health and Human Services or the Department of Health, Education, and Welfare, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.
- (c) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the administration of Titles II and XVI of the Social Security Act or those responsibilities imposed (as of enactment of the Social Security Reorganization Act of 19__) on the Secretary of Health and Human Services in connection with the **administration** of the program established by Title IV of the Federal Mine Safety and Health Act of 1977, shall be transferred to the Administrator of Social Security (as established by Section 202 of this Act) for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

SECTION 202. (a) Section 702 of the Social Security Act is redesignated section 711. A new section 702 is inserted as follows:

"Administrator of Social Security

- "Sec. 702. (a) There shall be in the Social Security Administration an Administrator of Social Security (hereinafter in this section referred to as the Administrator) who shall be appointed by the President, subject to the advice and consent of the Senate, who shall report to the President, and who shall be removable only for cause.
- "(b) The Administrator shall be compensated at the rate provided for Level II of the Executive Schedule.
- "(c) The Administrator shall be appointed for a term of four years coincident with the term of the President. The Administrator may be appointed for additional terms at the desire of the President.

- "(d) The Administrator shall be selected on the basis of proven competence as a manager of large organizations and a knowledge of Federal government operations. . In making his selection for the post of Administrator, the President shall take into account candidates suggested to him by the Social Security Advisory Board established in section 703. .
- "(e) The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Social Security Administration, and shall have authority and control over all personnel and activities thereof.
- "(f) The Administrator may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, with respect to all laws administered by the Social Security Administration, to such officers and employees as he may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.
- "(g) The Administrator is authorized to prescribe such rules and regulations as the Administrator determines necessary or appropriate to administer and manage the functions of the Administrator or the Administration.
- "(h) The Administrator is authorized to establish, alter, consolidate or discontinue such organizational units or components within the Administration as he may deem to be necessary or appropriate. Such authority shall not extend to the abolition of any positions established by this Act.
- "(i) There shall be in the Social Security Administration a Deputy Administrator, who shall be appointed by the President, subject to the advice and consent of the Senate, and who shall be compensated at the rate provided for level III of the Executive Schedule.
- "(j) The Deputy Administrator shall perform such duties and exercise such powers as the Administrator shall from time to time assign or delegate. The Deputy Administrator shall be Acting Administrator of Social Security during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.
- "(k) The Administrator shall have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy pertaining thereto."
- (b) Until such time as the President appoints an Administrator, the Commissioner (or Acting Commissioner, if applicable) of the current Social Security Administration shall serve as Acting Administrator.

SECTION 203. Section 703 of the Social Security Act is redesignated section 712. A new section 703 is inserted as follows:

"Social Security Advisory Board

- "Sec. 703. (a) There is established in the Social Security Administration a Social Security Advisory Board (hereinafter in this section referred to 'as the Board). The Board shall consist of nine members, five of whom (no more than three from the same political party) shall be appointed by the President and two each of whom (no more than one from the same political party) shall be appointed by the Speaker of the House of Representatives and by the Speaker Pro Tempore of the Senate. Members shall be appointed with the advice and consent of the Senate and shall be removable only for cause, The President shall designate one of the members as Chairman of the Board.
- "(b) Recommendations and findings of the Board shall be by majority vote. Tie votes (in the event of the absence of one or more members) will be broken by the vote of the Chairman. At least five Board members must be present at full Board meetings, as a quorum, in order to act as the Board.
- "(c) Each member of the Board shall serve for a term of six years, except that:
- "(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and
- "(2) the terms of service of the nine members first taking office after enactment of the Social Security Reorganization Act of 19__ shall expire as designated by the President, the Speaker or **the President** Pro Tempore at the time of nomination, one at the end of one year; two at the end of two years; one at the end of three years; two at the end of four years; one at the end of five years; two at the end of six years; The Speaker and the President Pro Tempore shall each make one of the initial appointments for two and six years.
- "(d) The first nine board members will begin service effective six months after enactment of the Social Security Reorganization Act of 19__. Terms of service will end on the anniversary of six months after **enactment** of said Act in the years designated in subsection (c), and all subsequent terms will end on the same date of the applicable years.
- "(e) Members of the Board may be compensated at the rate of \$15,000 per year and, for days when the Board or any authorized subcommittee thereof meets, may receive additional compensation not to exceed \$500 per day. When so serving away **from** their homes or regular places of business, members may be **allowēd** travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.
- "(f) The Board shall meet at least bi-monthly to consider a specific agenda of issues agreed to by the Chairman of the Board and the Administrator of Social Security. ,

- "(g) The Board shall be exempt from the provisions of the Federal Advisory Committee Act except for section 10 relating to Advisory Committee procedures. . .
- "(h) Specific functions of the Board shall include, but not be limited to, the following:
- ● *(1) making recommendations from time to time as to the most effective methods of providing economic security through social insurance;
 - "(2) making an independent assessment of the annual report of the Board of Trustees of the social security system and advising the President and the Congress on the implications of the assessment (and transmitting that assessment to the President and the Congress);
 - "(3) **engaging** in public dialogue and education about social security;
 - "(4) suggesting to the President candidates to consider in selecting his nominee for the position of Administrator of Social Security;
 - "(5) on its own initiative or as requested by the President or congressional committees having legislative jurisdiction over social security, reviewing and assessing major legislative proposals regarding social security, including an assessment of the administrative feasibility and probable operational consequences of those proposals;
 - "(6) reviewing and assessing the quality of service that the agency provides to the public;
 - "(7) making an annual assessment of the Social Security Administration's progress in upgrading its computer-based technology for support of program operations;
 - "(8) reviewing and assessing the Social Security Administration's progress in developing needed management improvements;
 - "(9) in consultation with the Administrator of Social Security, reviewing the development and implementation of a long-range research and program evaluation plan for the agency; and
 - "(10) reviewing and assessing any major studies of social security as may come to the Board's attention.
- "(i) In the event of a vacancy on the Board, whether because of the scheduled expiration of a **term** or for any other reason, the President, the Speaker or the President Pro Tempore, as applicable, shall submit to the Senate the name of a candidate to fill the vacancy no later than 30 days after the vacancy occurs. A vacancy on the Board shall not impair the right of the remaining members to exercise all the powers of the Board."

TITLE III - ADMINISTRATIVE PROVISIONS

SECTION 301. (a) The Administrator of Social Security (hereinafter in this title referred to as the Administrator) is authorized to appoint and fix the compensation of such officers and employees as may be **necessary** to carry out the functions of the Administrator and the Social Security Administration. Except as otherwise provided by law, such officers and employees shall be appointed and their compensation fixed in accordance with title 5 of the United States Code (hereinafter in this title referred to as title 5).

(b) The Administrator shall have those authorities permitted to be delegated by Section 1104 of title 5 which are necessary for the Administrator to establish, within the constraints otherwise imposed by title 5, the Social Security Administration's own:

- (1) recruitment and examination program for entry level employees;
- (2) classification and standards development system and pay ranges for those job categories identified by the Administrator as unique and/or critical to agency operations.

The Director of the Office of Personnel Management shall provide any assistance requested by the Administrator in assuming these delegations.

- (c) The Administrator may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5.
- (d) The Administrator may appoint, without regard to the provisions of title 5 governing appointments in the competitive service, a number (to be determined by the Administrator) of technical or professional employees and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates.
- (e) Notwithstanding any requirements of section 3133 of title 5, the Director of the Office of Personnel Management shall authorize for the Social Security Administration a total of ___ Senior Executive Service positions, and the total number of such positions authorized in future years pursuant to the aforementioned section 3133 shall not be less than [same number].
- (f) In addition to the Executive Schedule positions specified in section 702 of this Act, the Social Security Administration is authorized additional positions at Executive Levels IV and V.

SECTION 302. (a) Notwithstanding any provision of Title 31, United States Code, or any other provision of law, or any requirement pursuant to law, the Administrator shall prepare and submit to the President appropriations requests for the Social Security Administration on a biennial basis and all appropriations for the Social Security Administration shall be made on a biennial basis.

- (b) Appropriations requests for staffing and other personnel shall be based upon a comprehensive workforce plan, as determined by the Administrator. The entire amount of appropriations provided for the administrative costs of the Administration shall be apportioned in the time period provided in Title 31 for apportionment and shall be apportioned for the entire period of availability without restriction or deduction by the apportioning officer or employee of the Office of Management and Budget or any other entity within the Executive Branch, except as otherwise provided in this section.
- (c) The report submitted pursuant to Section 704 of the Social Security Act, as amended by this Act, shall include a section reflecting the use of budget authority provided to the Administration by quarters.
- (d) (1) Appropriations for administrative expenses of the Administration are authorized to be provided on a biennial basis and authority for automated data processing procurement and facilities construction shall be provided in the form of contract authority covering the total costs of such acquisitions, to be available until expended.
- (2) Amounts necessary for the liquidation of contract authority provided pursuant to this section are hereby made available from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the extent that the Administrator, with the concurrence of the Secretary of the Treasury, determines that such amounts are not necessary to meet the current obligations for benefit payments from the Funds.
- (3) Funds appropriated for the Administration to be available on a contingency basis shall be apportioned only upon the occurrence of the stipulated contingency, as determined by the Administrator and reported to the Congress.

SECTION 303. The Administrator shall have all authorities permitted to be delegated under title 40 of the United States Code that are necessary for the acquiring, operating, and maintaining of the facilities needed for administration of programs for which the Administrator is given responsibility under this Act. The Administrator of the General Services Administration shall provide any assistance requested by the Administrator in assuming these delegations.

SECTION 304. The Administrator shall have the authorities permitted to be delegated under section 759 of title 40 of the United States Code relating to the lease, purchase or maintenance of automated data processing equipment. The Administrator of the General Services Administration shall provide any assistance requested by the Administrator in assuming these delegations. The Administrator shall have the authority to contract for any automated data processing equipment or services necessary for the efficient and effective operation of the agency.

SECTION 305. The Administrator shall cause a seal of office to be made for the Social Security Administration of such design as the Administrator shall approve. **Judicial notice** shall be taken of such seal.

TITLE IV - MISCELLANEOUS AND CONFORMING AMENDMENTS

SECTION 401. Title II of the Social Security Act is amended as follows:

- (a) by striking out wherever it appears therein ****Secretary of Health and Human Services*** or ****Secretary of Health, Education, and Welfare*** and inserting in lieu thereof ***Administrator of Social Security,**** except that the designation **'*Secretary of Health, Education and Welfare*'** shall remain unchanged in Section 201(g)(1) (except for clause (ii) therein which is amended as indicated earlier in this subsection) and in Section 201(a)(3) which is amended by subsection (b) below.
- (b) by striking out the words **"Secretary of Health, Education and Welfare"** in Section 201(a)(3) and inserting in lieu thereof **"Administrator of Social Security (hereinafter referred to as the "Administrator")"**.
- (c) by inserting immediately after **"Administrator"** wherever it occurs in Section 202(t)(4)(D) (except when it is directly followed by **"of Veterans' Affairs"**) the words **"of Veterans' Affairs"** and by striking out the word **"Secretary"** and inserting in lieu thereof **"Administrator of Social Security."**
- (d) by striking out wherever it appears therein **"Secretary"** (except when it is directly followed by **"of Health and Human Services"** or **"of Health, Education, and Welfare"**) and inserting in lieu thereof ****Administrator,"** but only if **"Secretary"** refers to the Secretary of Health and Human Services (formerly-Health, Education, and Welfare), except:
 - (1) in sections **201(1)(5)(B)(ii)**, 226, and 2268 the word **"Secretary"** shall be amended, wherever it appears, to read ***Secretary of Health and Human Services*'**;
 - (2) Section 202(t)(4)(D) is amended as specified in subsection (c) above; and
 - (3) Section 231(c) is amended as specified in subsection (k) below.
- (e) by striking out wherever it appears therein **'*Department of Health and Human Services**** or **"Department of Health, Education, and Welfare"** and inserting in lieu thereof **"Social Security Administration,"** except that ****Department of Health, Education and Welfare*'** shall remain unchanged in Sections **201(g)(1)(A)(i)** and **201(i)**.
- (f) by striking out wherever it appears therein ***'Commissioner of Social Security*'** and inserting in lieu thereof **'*Administrator of Social Security,"** except in Section 201(c) which is amended as specified in (g) below.

- (g) by striking out in section **201(c)** "The Commissioner of Social Security shall serve as" and inserting in lieu thereof "The Managing trustee shall designate an individual other than one of the members of the Board of Trustees as".
- (h) Section **201(g)** is amended as follows:
- (1) by inserting immediately after ****Secretary of Health, Education, and Welfare*** wherever it appears therein (except in clause (ii) and subparagraph **(2)**, which are amended as specified in subsection (a) above) the words "and the Administrator of Social Security*".
 - (2) Subsection (g)(1)(A)(i) therein is amended by striking out **'Department of Health, Education and Welfare"** and inserting in lieu thereof ***'Department of Health and Human Services, the Social Security Administration****.
 - (3) by striking out "him and the" in clause **(i)** therein and inserting in lieu thereof "him, the".
 - (4) by striking out "is responsible" in subparagraphs (A) and **(B)** therein and inserting in lieu thereof "are responsible*".
- (i)** Section 201(i) is amended by inserting immediately after "Welfare" the words **"or the Social Security Administration*"**.
- (j) Section 201(m) is amended by inserting immediately after "Services" the words "or the Administrator of Social Security, as appropriate*".
- (k) Section 231(c) is amended by striking out "Secretary" and inserting in lieu thereof ***'Administrator of Social Security and Secretary of Health and Human Services"**.

SECTION 402. Title IV of the Social Security Act is amended as follows:

- (a) by striking out wherever it appears in section 402 "Administrator" and inserting in lieu thereof "Secretary".
- (b) by striking out the first time it appears in section 411 "Secretary" and inserting in lieu thereof ***'Administrator of Social Security****.

SECTION 403. Title VII of the Social Security Act is amended as follows:

- (a) Section **704** is **amended** to read as follows: "The Secretary and the Administrator shall make full reports to Congress within one hundred and twenty days after the beginning of each regular session, of the administration of the functions with which they are charged under this Act. In addition to the number of copies of such reports authorized by other law to be printed, there is hereby authorized to be printed not more than five thousand copies of each such report for use by the Secretary and Administrator for distribution to Members of Congress and to State and

other public or private agencies or organizations participating in or concerned with the programs provided for in this Act."

(b) Section 706 is amended:

- (1) by striking out in subsection (a) "Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund," and inserting in lieu thereof "Federal Hospital Insurance Trust Fund";
 - (2) by striking out in subsection (a) "old-age, survivors, and disability insurance program and the";
 - (3) by inserting after "public" in subsection (b) the words ", and shall include individuals who represent the interests of groups most affected by Medicare programs and policies";
 - (4) by striking out in subsection (c) "Department of Health, Education and Welfare" and inserting in lieu thereof "Department of Health and Human Services"; and
 - (5) by striking out paragraph (1) in subsection (d) and by redesignating paragraphs (2) and (3) paragraphs (1) and (2) respectively.
- (c) Section 709(b)(2) is amended by inserting immediately after "Secretary" the words "or the Administrator, as appropriate".

(d) Section 711 (as established by Section 202 of this Act) is amended:

- (1) by striking "Administrator" and inserting in lieu thereof "Secretary of Health and Human Services";
- (2) by inserting immediately before the period at the end thereof: "except that nothing in this section shall be construed to require the Secretary to make studies of or recommendations with respect to programs administered by the Social Security Administration"; and
- (3) by striking the title and inserting in lieu thereof "Duties of the Secretary".

(e) Section 712 is amended:

- (1) by striking "Administrator" and inserting in lieu thereof "Secretary"; and
- (2) by striking the title and inserting in lieu thereof "Expenses of the Secretary".

SECTION 404. Title XI of the Social Security Act is amended as follows:

- (a) by adding a new section 1101(a)(10) to read as follows: "The term "Administrator", except where the context otherwise requires, means the Administrator of Social Security."

- (b) Section 1102 is amended by inserting immediately after the word "Labor," the words "~~the~~ Administrator of Social Security,"
- (c) Section 1106 is amended:
- (1) by striking out "Federal Security Agency" wherever it appears therein and inserting in lieu thereof "Social Security Administration*"; and
 - (2) by striking out "Secretary" wherever it appears therein and inserting in lieu thereof '*Administrator*'.
- (d) Section 1107(b) is amended by inserting immediately after "Welfare" the words "or to the Administrator of Social Security".
- (e) Section 1110(a) and 1110(b)(1) are amended by striking out wherever it appears therein "Secretary" and inserting in lieu thereof "Secretary or Administrator*".
- (f) Section 1110(b)(2) is amended by striking out wherever it appears therein "Secretary" and inserting in lieu thereof "Administrator".
- (g) Section 1127 is amended by striking out "Secretary" and inserting in lieu thereof '**Administrator*'.
- (h) Section 1131 is amended:
- (1) by striking out in subsection (a)(1) "Secretary makes" and inserting in lieu thereof '**Secretary or Administrator make";
 - (2) by striking out **in subsection** (a)(2) "Secretary" and inserting in lieu thereof "Secretary or Administrator"; and
 - (3) by striking **out** in subsection (b)(2) "Secretary" and inserting in lieu thereof '*Administrator".

SECTION 405. Title XVI (as it pertains to the Supplemental Security Income program) of the Social Security Act is amended as follows:

- (a) by striking out wherever it appears therein "Secretary" (except when it is directly followed by "of Health, Education, and Welfare") and inserting in lieu thereof '**Administrator*', but only if the word "Secretary" refers to the Secretary of Health and Human Services (formerly Health, Education, and Welfare).
- (b) by striking out in **Section** 1602 "Secretary of Health, Education, and Welfare" and inserting in lieu thereof '*Administrator of Social Security*'.
- (c) by striking out in section 1631(a)(6)(B) "Commissioner" and inserting in lieu thereof '*Administrator**'.

SECTION 406. **Title XVIII** of the Social Security Act is amended as follows:

(a) by striking out wherever it appears in sections 1817(a) and 1817(f) "Secretary of Health, Education, and Welfare" and inserting **in lieu** thereof "Administrator of Social Security".

(b). Section 1840 is amended:

(1) by striking out in subsection (a)(1) "Secretary" and inserting in lieu thereof ****Administrator****; and

(2) by striking out in subsection (a)(2) **'Secretary of Health, Education, and Welfare**** and inserting in lieu thereof ****Administrator of Social Security****.

SECTION 407. Title IV of the Federal Coal Mine Health and Safety Act of 1969 is amended as follows:

(a) by striking out wherever it appears therein ****Secretary of Health, Education, and Welfare**** and inserting in lieu thereof "Administrator of Social Security", except

(1) in section 402(c) which is amended as specified in (c) below, and

(2) in section 427.

(b) by striking out wherever it appears in parts A and B therein "Secretary" (except when it is directly followed by "of Health, Education, and Welfare") and inserting in lieu thereof "Administrator", but only if "Secretary" refers to the Secretary of Health and Human Services (formerly Health, Education, and Welfare), except in section 402(c) which is amended as specified in (c) below.

(c) A new section 402(c) is inserted as follows:

"(c) The term "Administrator" where used in part B means the Administrator of Social Security. The term "Secretary" where used in part C means the Secretary of Labor."

(d) by striking out in section 435(a)(3)(B) "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration."

SECTION 408. (a) Title 5 of the United States Code is amended as follows:

(1) by adding at the end of Section 5313 the following new paragraph:

Administrator of Social Security.

(2) by adding at the end of Section 5314 the following new paragraph:

• "Deputy Administrator of Social Security.*'

(3) by adding at the end of Section 5315 the following new paragraph:

General Counsel of the Social Security Administration.

"_____ positions in the Social Security Administration.*'

(4) by adding at the end of Section 5316 the following new paragraph:

"Inspector General, Social Security Administration.*'

"_____ positions in the Social Security Administration.**

(5) by striking out wherever it occurs in Section 8141 '**Secretary of Health, Education, and Welfare*' and inserting in lieu thereof '**Administrator of Social Security**'.

(b) Title 7 of the United States Code is amended as follows:

(1) by striking out in section 2015 '*Secretary of Health and Human Services*' and inserting in lieu thereof '*Administrator of Social Security.''

(2) by inserting immediately after "Services" in section 2026 "and the Administrator of Social Security*'

(c) Title 14 of the United States Code is amended by striking out wherever it occurs in section 707 "Secretary of Health and Human Services*' and inserting in lieu thereof '**Administrator of Social Security**'.

(d) Title 26 of the United States Code is amended by striking out wherever it occurs in section 3121 "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Administrator of Social Security".

(e) Title 38 of the United States Code is amended by striking out wherever it occurs in section 3005 '**Secretary of Health and Human Services" or "Secretary" and inserting in lieu thereof '*Administrator of Social Security**'.

(f) The Inspector General Act of 1978 (as amended) is amended

(1) in Section 2(1), by inserting "the Social Security Administration" immediately after "Transportation,";

(2) in Section 9(a)(1), by inserting immediately after subparagraph (n) the following **new subparagraph**

"(o) of the Social Security Administration, all functions of the Inspector General of the Department of Health and Human Services relating to functions for which the Social Security Administration was given responsibility by the "Social Security Reorganization Act of 1984";

- (3) in Section **11(1)** by inserting "Administrator of the Social Security Administration, the" immediately after "'Transportation or the";
- (4) in Section **11(2)** by inserting "the Social Security Administration, the" immediately after "'Transportation or the." . .

- SECTION 409.** (a) There are transferred to the Social Security Administration (established by section 701 of the Social Security Act under the amendment made by section 201 of this Act) all functions carried out by the Secretary of Health and Human Services with respect to the administration of programs and activities the administration of which is vested in such Administration, by reason of this Act and the amendments made thereby.
- (b) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 201 of this Act) all personnel, assets, liabilities, contracts, property, and records, which the Director of the Office of Management and Budget determines to be employed, held, or used by the Secretary of Health and Human Services primarily in connection with the functions, activities, and programs which, by reason of this Act and the amendments made thereby, are vested in or become the responsibility of such Administration.
- (c) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, delegations of authority, and privileges-
- (1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or his delegate), and (B) which relate to functions which by reason of this Act and the amendments made thereby, are vested in the Social Security Administration-(as established by section 701 of the Social Security Act under the amendment made by section 201 of this Act), and
 - (2) which are in effect at the time this Act takes effect, shall (to the extent that they relate to functions described in paragraph (1)(B) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by the Social Security Administration (as established by section 701 of the Social Security Act).
- (d) The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending at the time this Act takes effect before the Secretary of Health and Human Services with respect to functions vested (by reason of ~~this~~ Act and the amendments made thereby) in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 201 of this Act), except that such proceedings, to the extent that they relate to such functions, shall continue before the Social Security Administration (as so established). Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any

such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Social Security Administration (as so established); by a court of competent jurisdiction, or by operation of law.

(e) Except as provided in this subsection--

- (1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and
- '(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section **201** of this Act), or such official of such Administration as may be appropriate, and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of **a party**, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(f) These amendments shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act) is vested in the Social Security Administration.

(g) In the exercise of the functions vested in it under this Act (and the amendments made thereby), the Social Security Administration shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately **preceeding** the vesting of the same in such Administration, and actions of such Administration shall have the same force and effect as when exercised by such Secretary.

SECTION 410. (a) Title II of this Act is effective six months after enactment.

(b) Title III of this Act is effective upon enactment.

(c) Title IV of this Act is effective six months after enactment except that sections 408(a)(1), (a)(2), (a)(3), (a)(4), and 408(f) are effective upon enactment.