

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2233

To amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and related statutes to ease administration of the railroad retirement and railroad unemployment insurance programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Ms. MOLINARI (by request) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and related statutes to ease administration of the railroad retirement and railroad unemployment insurance programs, and for other purposes.

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

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

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Railroad Retirement and Railroad Unemployment Insur-  
6       ance Amendments Act of 1995”.

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

Sec. 1. Short title and table of contents.

TITLE I—FINANCIAL AMENDMENTS

Sec. 101. Disclosure of information to Railroad Retirement Board.

Sec. 102. Uncashed checks.

Sec. 103. Investment of Railroad Retirement Trust Funds.

TITLE II—BENEFIT AMENDMENTS

Sec. 201. Annuities as marital property.

Sec. 202. Requirement for a social security number.

Sec. 203. Repeal of obsolete provision.

TITLE III—ADMINISTRATIVE SIMPLIFICATION AMENDMENTS

Sec. 301. Single administrative account.

Sec. 302. Continuing disability reviews.

TITLE IV—DEBT COLLECTION AMENDMENTS

Sec. 401. Debt collection.

TITLE V—PENALTY AMENDMENTS

Sec. 501. Criminal penalties.

Sec. 502. Program Fraud Civil Remedies Act finds and penalties.

3 **TITLE I—FINANCIAL**  
4 **AMENDMENTS**

5 **SEC. 101. DISCLOSURE OF INFORMATION TO RAILROAD RE-**  
6 **TIREMENT BOARD.**

7 Section 6103(l)(1)(C) of the Internal Revenue Code  
8 of 1986 is amended to read as follows:

9 “(C) taxes imposed by chapters 22 and  
10 23A, to the Railroad Retirement Board for pur-  
11 poses of its administration of the Railroad Re-  
12 tirement and Railroad Unemployment Insur-  
13 ance Acts.”

1 **SEC. 102. UNCASHED CHECKS.**

2 (a) IN GENERAL.—Section 3334(b) of title 31 of the  
3 United States Code is amended—

4 (1) in paragraph (2), by striking “The” and in-  
5 serting “Except as provided in paragraph (3), the”;  
6 and

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

8 “(3) The proceeds of checks canceled pursuant  
9 to paragraph (1) which were drawn on accounts es-  
10 tablished under the Railroad Retirement Act or the  
11 Railroad Unemployment Insurance Act shall be re-  
12 credited to the account or accounts initially charged  
13 for the payment.”

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to checks issued before October  
16 1, 1989.

17 **SEC. 103. INVESTMENT OF RAILROAD RETIREMENT TRUST**  
18 **FUNDS.**

19 Section 15(e) of the Railroad Retirement Act is  
20 amended—

21 (1) by striking “notes” in the fifth sentence and  
22 inserting “obligations”; and

23 (2) by striking “three years” in the fifth sen-  
24 tence and inserting “four years”.

1                                   **TITLE II—BENEFIT**  
2                                   **AMENDMENTS**

3   **SEC. 201. ANNUITIES AS MARITAL PROPERTY.**

4           (a) IN GENERAL.—Section 14(b)(2) of the Railroad  
5 Retirement Act is amended to read as follows:

6           “(2) This section shall not operate to prohibit the  
7 characterization or treatment of that portion of an annuity  
8 under this Act which is computed under section 3(b), 3(e),  
9 3(g) or 3(h) of this Act as community property for the  
10 purposes of, or property subject to, distribution in accord-  
11 ance with a court decree of divorce, annulment, or legal  
12 separation or the terms of any court-approved property  
13 settlement incident to any such court decree. The Board  
14 shall make payments of such portions in accordance with  
15 any such characterization or treatment or any such decree  
16 or settlement.”.

17           (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply with respect to annuity payments  
19 payable for months beginning after August 12, 1983.

20   **SEC. 202. REQUIREMENT FOR A SOCIAL SECURITY NUM-**  
21                                   **BER.**

22           (a) IN GENERAL.—Section 2 of the Railroad Retire-  
23 ment Act of 1974 is amended by adding at the end the  
24 following:

1       “(i) The Board shall require, as a condition for either  
2 the receipt of an annuity or to be included in the computa-  
3 tion of an annuity under this Act, that an individual fur-  
4 nish satisfactory proof of a social security account number  
5 assigned to such individual by the Social Security Admin-  
6 istration.”.

7       (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to claims for benefits not awarded  
9 prior to the date of the enactment of this Act.

10 **SEC. 203. REPEAL OF OBSOLETE PROVISION.**

11       Section 17 of the Railroad Unemployment Insurance  
12 Act (45 U.S.C. 368) providing supplemental benefits is re-  
13 pealed.

14       **TITLE III—ADMINISTRATIVE**  
15       **SIMPLIFICATION AMENDMENTS**

16 **SEC. 301. SINGLE ADMINISTRATIVE ACCOUNT.**

17       (a) RAILROAD RETIREMENT.—Section 15(h) of the  
18 Railroad Retirement Act of 1974 is amended to read as  
19 follows:

20       “(h)(1) Notwithstanding any other provision of law,  
21 there are authorized to be made available for expenditure  
22 out of the Railroad Retirement Account, the Railroad Re-  
23 tirement Supplemental Account, the Social Security  
24 Equivalent Benefit Account, and the railroad unemploy-  
25 ment insurance account, such sums as the Congress may

1 deem appropriate to pay the costs of administration of this  
2 Act and the Railroad Unemployment Insurance Act.

3       “(2) If at the beginning of a fiscal year or at any  
4 time during a fiscal year there is a lapse in appropriations  
5 to pay the costs of administration of this Act or the Rail-  
6 road Unemployment Insurance Act, the Board is author-  
7 ized to make expenditures out of the above mentioned ac-  
8 counts to pay the costs of such administration at a level  
9 not exceeding the most recent current level until the ear-  
10 lier of—

11               “(A) enactment into law of an appropriation  
12       Act or Resolution providing for the payment of such  
13       costs; or

14               “(B) enactment into law of an Act repealing  
15       this provision.

16       “(3) During each fiscal year or after the close of such  
17 fiscal year (or at both times), the Board shall analyze the  
18 costs of administration of this Act and the Railroad Un-  
19 employment Insurance Act during the appropriate part or  
20 all of the fiscal year in order to determine the portion of  
21 such costs which should be borne by each of the accounts  
22 and shall certify to the Secretary of the Treasury the  
23 amount, if any, which should be transferred among such  
24 accounts in order to assure that each of the accounts bears  
25 its proper share of the costs incurred during such fiscal

1 year for administration of this Act and the Railroad Un-  
2 employment Insurance Act. The Secretary of the Treasury  
3 is authorized and directed to transfer any such amount  
4 (determined under the preceding sentence) among such  
5 accounts in accordance with any certification so made. De-  
6 terminations of the Board as to whether funds made avail-  
7 able for administration of this Act and the Railroad Un-  
8 employment Insurance Act are properly chargeable with  
9 the authorized expenses, or parts thereof, incurred in the  
10 administration of this Act or the Railroad Unemployment  
11 Insurance Act shall be binding and conclusive for all pur-  
12 poses and upon all persons, including the Comptroller  
13 General and any other administrative or accounting offi-  
14 cer, employee, or agent of the United States, and shall  
15 not be subject to review in any manner.”.

16 (b) DEPOSIT OF UNEMPLOYMENT CONTRIBU-  
17 TIONS.—Section 8(i) of the Railroad Unemployment In-  
18 surance Act is amended to read as follows:

19 “(i) The contributions required by this Act shall be  
20 collected by the Board and shall be deposited by it with  
21 the Secretary of the Treasury of the United States to the  
22 credit of the railroad unemployment insurance account.”.

23 (c) UNEMPLOYMENT ACCOUNT.—Section 10(a) of  
24 the Railroad Unemployment Insurance Act is amended—

25 (1) by inserting “(1)” after “(a)”;

1           (2) by striking “(i) such part of all contribu-  
2           tions collected pursuant to section 8 of this Act as  
3           is in excess of 0.65 per centum of the total com-  
4           pensation on which such contributions are based,”  
5           and inserting “(i) all contributions collected pursu-  
6           ant to section 8 of this Act”; and

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

8           “(2) Notwithstanding any other provision of law,  
9           there are authorized to be made available for expenditure  
10          out of the railroad unemployment insurance account, the  
11          Railroad Retirement Account, the Railroad Retirement  
12          Supplemental Account, and the Social Security Equivalent  
13          Benefit Account, such sums as the Congress may deem  
14          appropriate to pay the costs of administration of this Act  
15          and the Railroad Retirement Act. If at the beginning of  
16          a fiscal year or at any time during a fiscal year there is  
17          a lapse in appropriations to pay the costs of administra-  
18          tion of this Act or the Railroad Retirement Act, the Board  
19          is authorized to make expenditures out of the above men-  
20          tioned accounts to pay the costs of such administration  
21          at a level not exceeding the most recent current level until  
22          the earlier of (A) enactment into law of an appropriation  
23          Act or Resolution providing for the payment of such costs  
24          or (B) enactment into law of an Act repealing this provi-  
25          sion. During each fiscal year or after the close of such

1 fiscal year (or at both times), the Board shall analyze the  
2 costs of administration of this Act and the Railroad Re-  
3 tirement Act during the appropriate part or all of the fis-  
4 cal year in order to determine the portion of such costs  
5 which should be borne by each of the accounts and shall  
6 certify to the Secretary of the Treasury the amount, if  
7 any, which should be transferred among such accounts in  
8 order to assure that each of the accounts bears its proper  
9 share of the costs incurred during such fiscal year for ad-  
10 ministration of this Act and the Railroad Retirement Act.  
11 The Secretary of the Treasury is authorized and directed  
12 to transfer any such amount (determined under the pre-  
13 ceding sentence) among such accounts in accordance with  
14 any certification so made. Determinations of the Board,  
15 as to whether funds made available for administration of  
16 this Act and the Railroad Retirement Act of 1974 are  
17 properly chargeable with the authorized expenses, or parts  
18 thereof, incurred in the administration of this Act or the  
19 Railroad Retirement Act of 1974, shall be binding and  
20 conclusive for all purposes and upon all persons, including  
21 the Comptroller General and any other administrative or  
22 accounting officer, employee, or agent of the United  
23 States, and shall not be subject to review in any manner.”.

24 (d) REPEAL OF DEFINITION.—Section 1(q) of the  
25 Railroad Unemployment Insurance Act is repealed.

1 (e) REPEAL OF ADMINISTRATION FUND.—Section 11  
2 of the Railroad Unemployment Insurance Act is repealed.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 8(a)(1)(C)(v) of the Railroad Un-  
5 employment Insurance Act is amended to read as  
6 follows:

7 “(v) STEP 5.—Add 0.65 to the per-  
8 centage rate arrived at under clause (iv),  
9 representing the portion of the employer’s  
10 contribution which is to be deposited to the  
11 credit of the account for administrative  
12 purposes.”.

13 (2) Section 8(a)(8)(B) of the Railroad Unem-  
14 ployment Insurance Act is amended to read as  
15 follows:

16 “(B) STEP 2.—Subtract an amount equal  
17 to 0.65 per centum of the contribution rate  
18 which was deposited to the credit of the account  
19 for administrative purposes.”.

20 (3) Section 8(a)(10) of the Railroad Unemploy-  
21 ment Insurance Act is amended—

22 (A) in subparagraph (C), by inserting “(i)”  
23 before “not chargeable” and by striking “to the  
24 fund under section 11” and inserting “(ii) not  
25 chargeable as an expense of administration,

1 other than expenditures from the Limitation on  
2 Review or the Special Management Improve-  
3 ment Fund”;

4 (B) so that subparagraph (E) reads as fol-  
5 lows:

6 “(E) STEP 5.—Subtract an amount equal  
7 to the amount by which that portion of the ac-  
8 count attributable to the 0.65 per centum con-  
9 tribution rate for administrative expenses as of  
10 the end of the prior fiscal year exceeded  
11 \$6,000,000.”;

12 (C) in subparagraph (F) by adding at the  
13 end “, except that portion of employer contribu-  
14 tions attributable to the 0.65 per centum con-  
15 tribution for administrative expenses”.

16 (4) Section 8(a)(12)(A) of the Railroad Unem-  
17 ployment Insurance Act is amended by striking the  
18 second sentence and inserting: “In determining such  
19 balance as of June 30 of any year, that portion of  
20 the balance, up to \$6,000,000, as is attributable to  
21 the 0.65 per centum contribution for administrative  
22 expenses shall be disregarded if greater than zero.”.

23 (5) Section 8(a)(14)(A) of the Railroad Unem-  
24 ployment Insurance Act is amended by striking the  
25 second sentence and inserting: “In determining such

1 balance as of June 30 of any year, that portion of  
2 the balance, up to \$6,000,000, as is attributable to  
3 the 0.65 per centum contribution for administrative  
4 expenses shall be disregarded if greater than zero.”.

5 (6) Section 8(e) of the Railroad Unemployment  
6 Insurance Act is amended by striking “fund” and  
7 inserting “account and shall be treated in the same  
8 manner as if the payment were a payment of con-  
9 tributions for administrative expenses”.

10 (7) Section 10(b) of the Railroad Unemploy-  
11 ment Insurance Act is amended by inserting “ad-  
12 ministrative costs,” after “the” and before “bene-  
13 fits” in the first sentence.

14 (8) Section 10(d) of the Railroad Unemploy-  
15 ment Insurance Act is amended by inserting “ad-  
16 ministrative costs,” before “benefits” each place it  
17 appears.

18 (9) Section 10(e) of the Railroad Unemploy-  
19 ment Insurance Act is amended by striking “or the  
20 railroad unemployment insurance administration  
21 fund”.

22 (10) Section 10(f) of the Railroad Unemploy-  
23 ment Insurance Act is amended by inserting “and”  
24 before “the railroad unemployment insurance ac-

1 count” and by striking “and the railroad unemploy-  
2 ment insurance administration fund,”.

3 (11) Section 10(g) of the Railroad Unemploy-  
4 ment Insurance Act is amended by striking “, and  
5 out of the railroad unemployment insurance admin-  
6 istration fund for the payment of” and inserting  
7 “and” and by striking “or such fund, as the case  
8 may be,”.

9 (12) Section 12(d) of the Railroad Unemploy-  
10 ment Insurance Act is amended by striking “admin-  
11 istration fund established pursuant to section 11(a)  
12 of this Act” and inserting “account established pur-  
13 suant to section 10 of this Act”.

14 (13) Section 12(e) of the Railroad Unemploy-  
15 ment Insurance Act is amended by striking “fund”  
16 in the last sentence and inserting “account”.

17 (g) EFFECTIVE DATES.—

18 (1) Except as provided in paragraphs (2) and  
19 (3), the amendments made by this section shall take  
20 effect October 1, 1995.

21 (2) The amendments made by subsections (a)  
22 and (c)(3) shall be effective with respect to fiscal  
23 years beginning with fiscal year 1996.

24 (3) The amendments made by subsections (d)  
25 and (e) shall take effect October 1, 1995, except

1 that the railroad unemployment insurance adminis-  
2 tration fund shall be maintained by the Secretary of  
3 the Treasury in the unemployment trust fund until  
4 all outstanding obligations of the railroad unemploy-  
5 ment insurance administration fund incurred prior  
6 to October 1, 1995, have been settled. As soon as  
7 possible after September 30, 1995, the Board shall  
8 determine the amount of the unobligated balance in  
9 the railroad unemployment insurance administration  
10 fund and shall direct the Secretary of the Treasury  
11 to transfer such amount to the railroad unemploy-  
12 ment insurance account and the Secretary shall im-  
13 mediately make such transfer. The amount so trans-  
14 ferred shall be considered as an interfund transfer  
15 and shall not be considered as income to the railroad  
16 unemployment insurance account for purposes of de-  
17 termining the system unallocated charge balance  
18 under section 8(a)(10) of the Railroad Unemploy-  
19 ment Insurance Act.

20 **SEC. 302. CONTINUING DISABILITY REVIEWS.**

21 (a) IN GENERAL.—Section 15 of the Railroad Retire-  
22 ment Act is amended by adding at the end the following  
23 new subsection:

24 “(j)(1) There is hereby created in the Railroad Re-  
25 tirement Account a Continuing Disability Review Account.

1 The Continuing Disability Review Account shall consist of  
2 such amounts as may be transferred to it under this sub-  
3 section. The balance in the Continuing Disability Review  
4 Account shall be available without further appropriation  
5 action for expenditures certified under paragraph (3).

6 “(2)(A) Not later than September 1 of each calendar  
7 year, the Board shall—

8 “(i) estimate the present value of savings to the  
9 Railroad Retirement Account and the Social Secu-  
10 rity Equivalent Benefit Account which will accrue  
11 for all years as a result of the cessation of annuity  
12 payments during the fiscal year ending on Septem-  
13 ber 30 of the prior calendar year based on continu-  
14 ing disability reviews carried out pursuant to section  
15 2(a)(3) during or prior to such fiscal year,

16 “(ii) determine the portion of such estimate at-  
17 tributable to each of the accounts described in clause  
18 (i),

19 “(iii) certify the amount of such estimate and  
20 such portion to the Secretary of the Treasury, and

21 “(iv) direct that an amount equal to the  
22 amount determined by the Board under paragraph  
23 (3) of this subsection, but not more than the savings  
24 estimated under paragraph (2), be transferred to the  
25 Continuing Disability Review Account from the ac-

1 counts described in clause (i) in such proportion as  
2 the savings from each account bears to the total sav-  
3 ings from both accounts.

4 “(B) Upon receipt of the certification and direction  
5 by the Secretary of the Treasury under subparagraph (A),  
6 the Secretary shall transfer to the Continuing Disability  
7 Review Account the amount so determined.

8 “(3)(A) Not later than September 15 of each cal-  
9 endar year, the Board shall—

10 “(i) project the accrual balance of the Continu-  
11 ing Disability Review Account as of the close of  
12 business on September 30 of the calendar year;

13 “(ii) estimate the total amount of expenditures  
14 which will be necessary to carry out continuing dis-  
15 ability reviews (earnings reviews and medical im-  
16 provement reviews) under section 2(a)(3) of this Act  
17 during the fiscal year beginning October 1;

18 “(iii) subtract the amount projected under  
19 clause (i) from the amount estimated under clause  
20 (ii) so as to determine the amount of additional  
21 funds, if any, needed to pay the costs of continuing  
22 disability reviews for the fiscal year beginning Octo-  
23 ber 1; and

24 “(iv) certify the amount, if any, determined  
25 under clause (iii) to the Secretary of the Treasury.



1 section 207 of the Social Security Act, the Board shall  
2 also have the authority to recover the amount of any over-  
3 payment or erroneous payment of benefits made to an in-  
4 dividual under this Act, the Railroad Unemployment In-  
5 surance Act, or pursuant to section 7(b)(2) of this Act,  
6 from any payment to such individual, or to any other per-  
7 son on the basis of the same wages and self-employment  
8 income, under section 7(b)(2) of this Act.”.

9 (b) ADMINISTRATIVE OFFSET.—Section 10 of the  
10 Railroad Retirement Act of 1974 is amended by adding  
11 at the end thereof a new subsection (e) to read as follows:

12 “(e) In addition to the authority otherwise granted  
13 by this section to recover erroneous payments and over-  
14 payments of benefits under this Act, the Board shall have  
15 the authority to recover such erroneous payments and  
16 overpayments by means of administrative offset pursuant  
17 to section 3716 of title 31, United States Code.”.

18 (c) RAILROAD UNEMPLOYMENT.—Section 2(d) of the  
19 Railroad Unemployment Insurance Act is amended—

20 (1) by inserting after “entitled under this Act”  
21 and before “or any other Act” in the first sentence  
22 thereof the following: “, or in subsequent payments  
23 made to the individual, or any person on the basis  
24 of the same compensation, wages, or self-employ-  
25 ment income, under the Railroad Retirement Act

1 (including payments under section 7(b)(2) thereof,  
2 notwithstanding section 207 of the Social Security  
3 Act).”; and

4 (2) by adding at the end thereof the following:  
5 “In addition to the authority otherwise granted by this  
6 subsection to recover erroneous payments and overpay-  
7 ments of benefits under this Act, the Board shall have the  
8 authority to recover such erroneous payments and over-  
9 payments by means of administrative offset pursuant to  
10 section 3716 of title 31, United States Code.”.

11 **TITLE V—PENALTY**  
12 **AMENDMENTS**

13 **SEC. 501. CRIMINAL PENALTIES.**

14 (a) RAILROAD RETIREMENT.—Section 13(a) of the  
15 Railroad Retirement Act of 1974 is amended by striking  
16 “one year” and inserting “five years”.

17 (b) RAILROAD UNEMPLOYMENT.—Section 9(a) of the  
18 Railroad Unemployment Insurance Act is amended by  
19 striking “one year” and inserting “five years”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply with respect to acts or omissions  
22 after the date of enactment of this Act.

1 **SEC. 502. PROGRAM FRAUD CIVIL REMEDIES ACT FINDS**  
2 **AND PENALTIES.**

3 Section 3806(g)(2) of title 31, United States Code,  
4 is amended by adding at the end the following:

5 “(F) Any amount of a penalty or assess-  
6 ment imposed by the Railroad Retirement  
7 Board under this chapter with respect to a  
8 claim or statement made in connection with  
9 benefits under the Railroad Retirement Act  
10 shall be deposited in the Railroad Retirement  
11 Account.

12 “(G) Any amount of a penalty or assess-  
13 ment imposed by the Railroad Retirement  
14 Board under this chapter with respect to a  
15 claim or statement made in connection with  
16 benefits under the Railroad Unemployment In-  
17 surance Act shall be deposited in the Railroad  
18 Unemployment Insurance Account.”.

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