

THE WHITE HOUSE

WASHINGTON

October 12, 1993

MEMORANDUM FOR SECRETARY SHALALA

THROUGH: Kevin Thurme
FROM: Carol H. Rasco
SUBJECT: Social Security Administration

The White House is receiving a great deal of pressure to back down from the HHS proposal to maintain the Social Security Administration within HHS. I understand that in a meeting on Friday, October 8 on the Hill where Jerry Klepner was present, an alternative was proposed by Howard Paster wherein SSA would be elevated within HHS. There seemed to be some sentiment on the part of Congressional members to look at that proposal. I want to urge serious and speedy thought to this or other significant proposals as it is clear this idea of moving SSA has clear support by past approvals in the Democratic Congress and that support continues to be evident.

Please let me know if we need to discuss this further.

Thank you.

Handwritten: Mary 10/12/93

ROZ: Put this in standard memo form and get faxed to Kevin early Tuesday...please call and make sure his office gets it. It is NOT a memo we need floating around unattended. Thanks.

Secretary Shalala
Through Kevin Thurme
SUBJ: Social Security Administration

The White House is receiving a great deal of pressure to back down from backing the HHS proposal to maintain the Social Security Administration within HHS. I understand that in a meeting on Friday, October 8 on the Hill where Jerry Klepner was present an alternative was proposed by Howard Paster wherein SSA would be elevated within HHS. There seemed to be some sentiment on the part of Congressional members to look at that proposal. I want to urge serious and speedy thought to this or other significant proposals as it is clear this idea of moving SSA has clear support by past approvals in the Democratic Congress and that support continues to be evident.

Please let me know if we need to discuss this further.

Thank you.

—
This does
not go to
Kevin

THE WHITE HOUSE
WASHINGTON

orig: CHR
xc: Paster ~~Mark~~
Reubin 9/29/93

September 29, 1993

MEMORANDUM FOR CAROL RASCO
BOB RUBIN

FROM: HOWARD PASTER *HP*

SUBJECT: INDEPENDENT SOCIAL SECURITY ADMINISTRATION

This was discussed with the President although not in any series of high level meetings. I propose asking

As you may know, Senator Moynihan was disappointed with Secretary Shalala's testimony in opposition to his legislation to create an independent Social Security Administration. The Chairman intends to proceed with his legislation in the face of our opposition.

HHS for an in-depth briefing memo which we can

In the House, Chairman Rostenkowski is willing to modify his prior support for this proposal IF it is important to the Administration. But he must process the legislation and it may well have enough votes in the Ways and Means Committee.

Is this something in which our interest exceeds the legitimate turf concerns of HHS?

Are we operating with a Presidential decision, or an interagency review and consensus that never went to the President?

Since we are in disagreement with both of these key Chairmen (although it is a big deal only for Moynihan) and since we may be headed for defeat, might we reexamine how much we care about this?

Re-Memoed Personally

Thanks.

I believe there are strong policy reasons for leaving the system in HHS but I am certainly open to further discussion, CHR

Sent

EXECUTIVE OFFICE OF THE PRESIDENT

03-Jan-1994 05:13pm

TO: Leon E. Panetta
TO: Alice M. Rivlin
TO: Philip Lader

FROM: Isabel Sawhill *Belle*
Office of Mgmt and Budget, HRVL

SUBJECT: Social Security as an Independent Agency

Issue: This is a brief rundown of the major issues and our options for responding to Congressional attempts to make the Social Security Administration an independent agency.

Background: Senator Moynihan, with bipartisan support, has introduced legislation to establish Social Security as a separate agency. His bill was overwhelmingly approved by the Senate Finance Committee late in the last session. Similar legislation has passed the House three times and is likely to be enacted unless the Administration mounts an effective counterstrategy or threatens to veto the bill.

Moynihan argues that an independent Social Security would increase public confidence in the system, better insulate it from partisan politics (his bill creates a bipartisan advisory board), assure that it gets the attention that the size and importance of the program deserve (rather than being eclipsed by health and welfare reform), and help it to attract stronger leadership that could address a variety of management problems, including rising disability caseloads.

Current Administration position: Our current position is that we are committed to providing the resources and the management to make the system work effectively, that being a part of HHS gives Social Security a voice in the cabinet and insures better coordination of policies for the poor, the disabled and the elderly, that it would be inefficient to duplicate a variety of administrative functions in a new agency, and would be inconsistent with creating a more streamlined and cost-effective government.

HHS, with OMB approval, has been shopping a counterproposal on the Hill that would upgrade the Commissioner to an undersecretary in the Department, require the President to submit a strategic plan to the Congress with specific performance goals and the budgetary

resources needed to achieve them, establish an advisory board to advise the undersecretary, and take a number of concrete steps to improve customer service. However, SSA would remain within HHS, and its budget and policies would continue to be reviewed by the Department and the White House.

Options:

1) Change our policy now to support the Moynihan bill, perhaps with minor modifications.

- Better to switch than fight if you're going to lose
- Could solidify Moynihan's support for Health Care Reform or other Administration initiatives
- Would be politically popular and relatively harmless from a substantive perspective

2) Stick to our current policy of trying to gain support for our alternative for all the reasons cited above, but be prepared to switch positions later, if necessary.

3) Take a still stronger stand and threaten to veto the Moynihan bill on the grounds that it is not consistent with the best interests of recipients or taxpayers as defined by the principles of the NPR. The process of creating a new agency could actually divert SSA from its primary tasks which should be to manage its resources more effectively and serve its customers better.

*Who is this man
next to me?*

Acting head of Soc. Security ~

EXECUTIVE OFFICE OF THE PRESIDENT

03-Jan-1994 02:35pm

TO: (See Below)
FROM: Wendy C. New
Office of Mgmt and Budget, HRVL
SUBJECT: mtg. RE: SSI

Belle Sawhill would like to invite you to a mtg. tomorrow, Jan. 4, at 1:00 p.m., in rm. 248. The topic will be Social Security as an Independent Agency. Jerry Klepner and David Ellwood with HHS will be attending. Please let me know if you can not attend. (x 5-4844)

Thanks.

Distribution:

TO: Sally Katzen
TO: Martha Foley
TO: Richard A. Popper
TO: Jonathan D. Breul
TO: Barbara S. Selfridge
TO: Carol H. Rasco

CC: Phyllis E. Kaiser-Dark
CC: Kristina A. Emanuels
CC: Lydia Muniz
CC: Jo Ellen Godfrey
CC: Keith J. Fontenot

Daniel Patrick Moynihan
New York

United States Senate
Washington, D. C.

December 23, 1993

Dear George:

Herewith some exhibits and a proposed Presidential message.

Exhibit A. Personal Earnings and Benefit Statement. Daniel Patrick Moynihan. (Note 3-1/2 years Navy time not posted.) I sent this to Little Rock last November suggesting President say in State of the Union everyone will get one starting now. (Also Canadian sample statement.)

Exhibit B. Letter from the President of April 21, drafted I assume in OMB, saying get lost with your idea of sending out statements right away. Will stick to present which starts with people over 60 and does not become universal until 2000. President adds footnote: "The annual statement to Social Security holder (?) is a great idea."

Exhibit C. Letter to Secretary Shalala asking her to testify on Finance Committee bill dealing with Social Security coverage of domestic employees. Too busy.

Exhibit D. The new "tamper proof" Social Security card. I.e., same old pasteboard.

Exhibit E. Letter to Liz from Martha McSteen, former Administrator. URGENT -- OPEN IMMEDIATELY. We get one a week from someone and don't always open. Feel free to do so.

Best,



The Honorable George Stephanopoulos
The White House
Washington, D.C. 20500

Enclosures

Presidential Message

Fellow Americans. I have proposed universal health care coverage, the one thing missing from our Social Security system.

I have proposed to reform welfare, the one part of our Social Security system that is not working.

I now propose to re-establish the Social Security Administration as an independent agency responsible to the 140 million persons who are now paying into the Trust Funds and the 40 million persons now drawing benefits from those Trust Funds. That is the way President Roosevelt originally set up Social Security.

Each of you has a Social Security card. It is made of pasteboard. Soon we will be sending you a proper plastic card with a hologram that befits a depositor in this great financial system.

Beginning immediately, the newly-independent Agency will arrange to send out an annual statement to everyone paying into

the Social Security Trust Funds. This is your money. The government holds it in trust for you, just as a bank holds savings. But banks send out regular Statements so you will know your balance. It is time the Social Security system did the same.

Your Social Security is safe. The Trust Funds have a \$350 billion reserve! Your money. I mean to keep it this way. The House of Representatives has three times passed legislation restoring the independence of Social Security, just as President Roosevelt wanted it. The Senate Finance Committee reported out such a bill only a few months ago. It is time the President of the United States listened to Congress and to the American People. This President has heard you.

Moreover, this President is deeply concerned that there is a class of workers, domestic workers, who are not getting the Social Security coverage to which they are entitled by law. These good persons, for the most part women, who work hard and play by the rules. However, we have made the rules so

complicated that only about a fifth of them get coverage, which is to say employer contributions under the Federal Insurance Contribution Act are deposited to their account. Imagine what Frances Perkins would have thought of this! We can fix this in no time at all. (Describe legislation.) I am assured of bipartisan support in both houses and urge you to pass my bill by April 1st.

ROOSEVELT QUOTE

(No Presidential Message on Social Security is complete without one.)

In the summer of 1941, Columbia University Professor Luther H. Gulick suggested to President Roosevelt that it might be time to give up the separate payroll tax that financed Social Security, then as now. FDR replied:

I guess you are right on the economics, but those taxes were never a problem of economics.... We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pension and their unemployment benefits. With those taxes in there, no damn politician can ever scrap my Social Security program.

(Note. Luther gulick, a Columbia professor, was a member of the Brownlow Commission which got you your job. In 1935, they came up with the radical proposal that the President should have up to five assistants in the White House. Gulick died earlier this year, age 100, in Potsdam, New York. Mind clear as Easter bells. I talked with him on the telephone about his visit with FDR.)

SOCIAL SECURITY ADMINISTRATION

Personal Earnings and Benefit Estimate Statement

Senator Daniel P. Moynihan
464 SROB
Washington, D.C. 20510

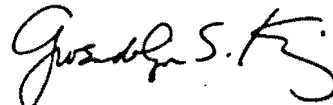
At Social Security, we are committed to providing you with quality public service that meets your needs. That is why I am pleased to send you this Personal Earnings and Benefit Estimate Statement. I hope this statement helps you understand your Social Security program and plan for a secure future.

Inside, we have displayed your Social Security earnings record and, based on the information you have provided us, estimates of the benefits for which you and your family might qualify now and in the future. On the back of this statement you will find more facts about how the Social Security program works.

I encourage you to use the information we have provided to plan for your financial, health, housing and other needs when you retire. It is important that you keep in mind that Social Security is not designed to meet all your financial needs in your retirement years. You will likely need other sources of income, such as savings or a pension, that will provide you and your family the financial security you have worked so hard to achieve. To help you plan, you may want to contact your employer or your local Area Agency on Aging.

As you plan for your own future, I know that you are also interested in the future of Social Security. I want to assure you that Social Security is built on a sound financial foundation. Social Security benefits will be there when you need them.

It has been a pleasure to serve you and we look forward to serving you in the years ahead.



GWENDOLYN S. KING
Commissioner of Social Security

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EXHIBIT A

FACTS, CREDITS, AND EARNINGS

THE FACTS YOU GAVE US

Your Name DANIEL PATRICK MOYNTHAN
Your Social Security Number
Your Date of Birth
1991 Earnings
1992 Earnings
Your Estimated Future Average Yearly Earnings
The Age You Plan To Retire
Other Social Security Numbers You've Used

P6/b(6)

We used these facts and the information already on our records to prepare this statement for you.

When we estimated your benefits, we included any 1991 and 1992 earnings and any future earnings you told us about. If you did not estimate your future earnings, we did not project any future earnings for you.

YOUR SOCIAL SECURITY CREDITS

To qualify for Social Security benefits and Medicare, you need credit for a certain amount of work covered by Social Security. The number of credits you need will vary with the type of benefit. Under current law, you do not need more than 40 credits to qualify for any benefit or for Medicare.

Our review of your earnings, including any 1991 and 1992 earnings you told us about, shows that you now have at least 40 credits.

YOUR SOCIAL SECURITY EARNINGS

The chart on the next page shows the earnings on your Social Security record. It also estimates the amount of Social Security taxes you paid each year to finance benefits under Social Security and Medicare. If you have government earnings that help you qualify for Medicare, those earnings also are included on the chart under the heading "Medicare—Your Taxed Earnings."

We show earnings only up to the maximum yearly amount covered by Social Security. These maximum amounts are shown on the chart. The chart may not include some or all of your earnings from last year because they may not have been added to your record yet.

YOUR EARNINGS RECORD

YEARS	SOCIAL SECURITY			MEDICARE	
	Maximum Yearly Earnings	Your Taxed Earnings	Estimated Taxes You Paid	Your Taxed Earnings*	Estimated Taxes You Paid
1937-50					
1951					
1952					
1953					
1954					
1955					
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1992					

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*Earnings were taxed for Medicare beginning in 1966. From 1983 on, these earnings include Medicare-Qualified Government Earnings (see page 7). In 1991, the maximum yearly earnings taxed for Medicare are \$125,000. For 1992, the amount is \$130,200.

ESTIMATED BENEFITS

Retirement

You must have 38 Social Security credits to qualify for retirement benefits. This is the same number of credits you need to qualify for Medicare at age 65. Assuming that you meet all the requirements, here are estimates of your retirement benefits based on your past and any projected earnings. The estimates are in today's dollars, but adjusted to account for average wage growth in the national economy.

The earliest age at which you can receive an unreduced retirement benefit is 65 years of age. We call this your full retirement age. If you wait until that age to receive benefits, your monthly benefit in today's dollars will be about

P6/b(6)

If you wait until you are 70 to receive benefits, your monthly benefit in today's dollars will be about ...

If you wait until January 1995 to receive benefits, your monthly benefit in today's dollars will be about

P6/b(6)

Survivors

If you have a family, you must have 38 Social Security credits for certain family members to receive benefits if you were to die this year. They may also qualify if you earn 6 credits in the 3 years before your death.

Here is an estimate of the benefits your family could receive if you had enough credits to be insured, they qualified for benefits, and you died this year:

Your child could receive a monthly benefit of about

If your child and your surviving spouse who is caring for your child both qualify, they could each receive a monthly benefit of about

When your surviving spouse reaches full retirement age, he or she could receive a monthly benefit of about

P6/b(6)

If more family members qualify for benefits (other children, for example), the total amount that we could pay your family each month is about

We may also be able to pay your surviving spouse or children a one-time death benefit of

BENEFITS

ocial Security credits to qualify for
his is the same number of credits you
edicare at age 65. Assuming that you
nts, here are estimates of your
ed on your past and any projected
s are in today's dollars, but adjusted
wage growth in the national economy.

ch you can receive an unreduced
years of age. We call this
e. If you wait until that age to receive
benefit in today's dollars will be
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re 70 to receive benefits,
n today's dollars will be about ...
January 1995 to receive benefits, your
today's dollars will be about

P6/b(6)

ou must have 38 Social Security
ly members to receive benefits if you
hey may also qualify if you earn
before your death.

he benefits your family could receive
dits to be insured, they qualified for
this year:

ve a monthly benefit of about

surviving spouse who is caring
lily, they could each receive
out

ouse reaches full retirement age,
a monthly benefit of about

P6/b(6)

s qualify for benefits (other
the total amount that we could
onth is about

pay your surviving spouse or
th benefit of

Disability

Since you are over age 65, you are no longer eligible for disability benefits.

IF YOUR RECORDS DO NOT AGREE WITH OURS

If your earnings records do not agree with ours, please report this to us right away by calling the 800 number shown below. We can usually help you by phone. When you call, have this statement available along with any W-2 forms, paystips, tax returns or any other proof of your earnings.

IF YOU HAVE ANY QUESTIONS

If you have any other questions about this statement, please read the information on the reverse side. If you still have questions, please call 1-800-537-7005.

Social Security considers all calls confidential. We also want to ensure that you receive accurate and courteous service. That is why we may have a second Social Security representative listen to some calls.

ABOUT YOUR EARNINGS AND BENEFIT ESTIMATE STATEMENT

YOUR EARNINGS RECORD

YOUR EARNINGS RECORD

We keep a lifetime record of the earnings reported under your name and Social Security number. When you apply for Social Security benefits, we check your earnings record to see if you have enough credits to qualify, and then use your earnings to determine the amount of your monthly benefit.

This statement includes any wages from employment as well as any self-employment income. Wages were covered under Social Security beginning in 1937, and most self-employment income was covered beginning in 1951.

MAXIMUM EARNINGS

The maximum amount of yearly earnings covered by Social Security is set by law. You and each of your employers only pay Social Security taxes on earnings up to this maximum. If you pay taxes on more than the yearly maximum, you can ask the Internal Revenue Service (IRS) for a refund if you are within the time limit, usually your last 3 tax years. (Contact your local IRS office with questions about refunds.)

MILITARY AND RAILROAD SERVICE

Any basic pay you earned from active duty or active duty for training in the military since 1957 is shown on this statement. In addition, if you served in the military after September 15, 1940, you may qualify for free earnings credits for that service. These credits do not appear on this statement. We will decide if you qualify for these free credits when you apply for benefits.

This statement does not list any wages you earned from a railroad employer. However, if you worked less than 10 years in the railroad industry, we did consider any railroad wages when we estimated your Social Security credits and benefits.

YOUR SOCIAL SECURITY TAXES

Currently, you and your employer each pay Social Security taxes of 6.2 percent on your first \$55,500 of covered wages. You each also pay Medicare taxes of 1.45 percent on the first \$130,200 of covered wages. If you are self-employed, your Social Security tax is 12.4 percent and your Medicare tax is 2.9 percent.

The earnings chart shows how much tax you paid to finance Social Security benefits and how much you paid to finance Medicare hospital insurance. If you had earnings from employment and self-employment in the same year, we show estimated taxes as if all your earnings were from employment. If you had Social Security covered earnings and Medicare-qualified government earnings in the same year, we show the combined Medicare taxes you paid.

YOUR SOCIAL SECURITY CREDITS

HOW YOU EARN SOCIAL SECURITY CREDITS

To earn Social Security credits, your earnings from work or self-employment must be covered under Social Security. The amount of money you need to earn Social Security credits changes each year. In 1992, you earn 1 Social Security credit (previously called a "quarter of coverage") for each \$570 of your covered wages or self-employment income. You can earn up to 4 Social Security credits a year. Under certain conditions, we may use credits you have earned under a foreign social security system to help you qualify for benefits.

If you stop working under Social Security before you have enough credits, the credits for the earnings already reported for you will stay on your Social Security record. You can add to them if you later return to work. The number of credits you need to qualify for benefits depends on your date of birth or your age when you become disabled or, for survivor benefits, your age at death. Your credits don't determine the amount of your Social Security benefits—that's determined by the amount of your average covered earnings over your working career.

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CREDITS FOR MEDICARE-QUALIFIED GOVERNMENT EARNINGS

Starting in 1983, Medicare coverage was extended to Federal government employees, and, in 1986, to employees of State and local governments who are not otherwise covered by Social Security. If you have this type of government earnings, they will help you earn credits to qualify for Medicare hospital insurance. These earnings do not help you earn credits to qualify for Social Security benefits.

ESTIMATED BENEFITS

ESTIMATED RETIREMENT BENEFITS

The estimates on this statement are based on your earnings record and any information you gave us. We used current dollar values for these estimates. We adjusted all retirement estimates to account for average wage growth in the national economy by increasing your benefit by 1 percent for each year between now and when you turn age 62.

If you qualify, you can start receiving reduced retirement benefits as early as age 62. People retiring now receive full unreduced retirement benefits at age 65. However, starting in the year 2000, this full retirement age will be increased in monthly steps until it reaches age 67 in 2027.

Social Security retirement benefits will replace part of your covered preretirement earnings. The replacement rate ranges from about 60 percent of preretirement earnings for a worker who has always earned the minimum wage to about 26 percent for a worker who has always earned the maximum covered by Social Security.

IF YOU CONTINUE TO WORK

There's a limit on how much most people receiving Social Security benefits can earn from work without losing some or all of their benefits. If you work, your earnings may affect your own benefits and those of your family. If members of your family work, their earnings affect only their own benefits.

If you plan to work after the benefits start, check with us for current earnings limits. These earnings limits change each year and apply to each person receiving Social Security benefits except people receiving disability benefits. Different earnings rules apply to people who receive disability benefits.

BENEFITS FOR YOUR FAMILY

As you work you also build up protection for your family. On the next page, we discuss the kinds of benefits for which your family members might qualify. Keep in mind that there is a maximum monthly amount that we can pay for your family. This amount depends on the amount of your benefit and the number of family members who qualify.

Benefits for Spouses

If you retire or become disabled, your spouse or former spouse may qualify for benefits. We pay benefits as early as age 62, or at any age if your spouse is caring for your child. The child must be under 16 or disabled and receive benefits on your record. Your spouse's benefits will be one-half or less of your "full retirement age" monthly benefit.

We also pay benefits to widows and widowers. Benefits are paid at age 60, at age 50 if disabled, or at any age if the widow or widower is caring for your child. The child must be under 16 or disabled and receive benefits on your record.

Your spouse's, or surviving spouse's, benefit can be affected by your spouse's age, the number of other family members who receive benefits on your record, and your spouse's own work history. This benefit is permanently reduced if he or she retires before full retirement age and is not caring for a child who receives benefits on your record.

If your spouse has worked in a job covered by Social Security, he or she can get more facts about his or her benefits by contacting us to get a Personal Earnings and Benefit Estimate Statement. Then, when you both have Personal Earnings and Benefit Estimate Statements, any Social Security office can help estimate your spouse's future benefits.

Benefits for Children

Your unmarried children who are under age 18 (under 19 if in high school) or any age if disabled before age 22 also may qualify for benefits.

GOVERNMENT PENSIONS AND SOCIAL SECURITY BENEFITS

If you are eligible for a government pension based on work not covered by Social Security, your Social Security benefits and those of your spouse may be lower than the amounts shown on this statement. If your spouse is eligible for a government pension, your spouse's benefits may be lower than the amounts shown on this statement. To learn more, call us at the 800 number shown on this statement for free fact sheets called "A Pension From Work Not Covered by Social Security," and "Government Pension Offset."

[The left side of the page is heavily obscured by a dark, grainy shadow, making the text illegible. Only faint words like "benefits", "amount", and "you" are visible.]

MEDICARE

Medicare hospital and medical insurance help to protect you from the high costs of medical care. Hospital insurance helps pay the cost of inpatient hospital care and certain kinds of followup care. Medical insurance helps pay the costs of physicians' services.

You may qualify for Medicare hospital insurance at age 65 or before age 65 if you are disabled or have permanent kidney failure. Almost anyone who is 65 or older or eligible for Medicare hospital insurance can enroll for medical insurance, although you must pay a monthly premium for it.

OTHER IMPORTANT FACTS

**ABOUT
SOCIAL
SECURITY
BENEFITS**

Benefits are based on your Social Security earnings over your working career, not on the taxes you paid. When you apply and we figure your benefits, we update your earnings to account for changes in the national average wage from the time you started work until you reach age 60, become disabled, or die. Your adjusted earnings are averaged together and a formula is applied to the average to arrive at a benefit amount.

REMINDER

This statement is not a decision on a claim for Social Security benefits. You do not qualify for any of these benefits unless you apply for them, have all the Social Security credits you need, and meet all other requirements. The actual number of Social Security credits and the benefit estimates shown on this statement may change. We will determine the exact number of credits and the exact amount of your Social Security benefits, if any, when you apply.

If any of the information you gave us is wrong, the Social Security credits we show and the benefits we estimated in this statement may also be wrong. We base your benefit estimates in part on your future average yearly earnings. How accurately you predict your earnings will affect the accuracy of your benefit estimates.

THE WHITE HOUSE
WASHINGTON

April 21, 1993

Dear Mr. Chairman:

Thank you for your letter of April 10, 1993. I appreciate your support for the concept of a health security card. I have passed on your ideas about combining the Social Security and health care cards to my Task Force on National Health Care Reform. We will continue to talk with you as we progress in our deliberations.

I share your concern about the need to bolster public confidence in the Social Security system. This Administration is fully committed to implementing the legislation requiring mailings of Personal Earnings and Benefit Estimate Statements which you championed so effectively. A planning effort is in place to send citizens statements that include information on their contributions and expected benefits. We will begin to mail these statements to selected populations during FY 1995 in accordance with the law. I am certain that Secretary Shalala would be pleased to talk with you about her specific plans in this area.

The selection of a nominee for Commissioner of Social Security is a high priority, and our search must be thorough and rapid. The Secretary and I agree that the Social Security Commissioner needs to be a person who will provide leadership, vision, and commitment. Social Security is a compact among the generations, and we must see to it that it is honored.

With best wishes,

Sincerely,

Bill

The Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

*The annual
statement to
social security
holders is a great idea*

DANIEL PATRICK MOYNIHAN, NEW YORK, CHAIRMAN

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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

LAWRENCE O'DONNELL, JR., STAFF DIRECTOR
EDMUND J. MIHALSKI, MINORITY CHIEF OF STAFF

July 9, 1993

Dear Madam Secretary:

We would like to invite you or your designee to testify at a hearing of the Committee on Finance regarding Social Security coverage for domestic employees. The hearing is scheduled to begin at 10:00 A.M. on Wednesday, July 21, 1993, and will be held in Room SD 215 of the Dirksen Senate Office Building.

The Committee would be interested to hear the Administration's views on legislation that I will introduce on July 13 to improve public understanding of and compliance with Social Security laws related to the employment of domestic workers.

As you know, under current law, an employer is required to file quarterly reports and pay Social Security taxes for domestic employees who are paid in excess of \$50 per quarter. This wage threshold was established in 1954 when Congress extended Social Security coverage to domestic workers. It appears that many who employ part-time or occasional domestic workers may not be aware that they must pay Social Security taxes for such employees.

I propose that we adopt an annual wage threshold and that this threshold be equal to the amount of wages needed to earn a "quarter of coverage" for Social Security purposes. This amount, which is indexed to rise with the growth in average wages, is \$590 this year and is estimated to be \$610 next year. This, incidentally, was the original idea. In 1954, \$50 is what was needed to earn a quarter of coverage. We would improve compliance by making the IRS Form 1040 the instrument for paying Social Security taxes for domestic workers. Also, we would exempt teenage domestic employees, such as babysitters, from Social Security taxes and coverage.

We look forward to seeing you or your representative at the hearing.

Sincerely,


Daniel Patrick Moynihan

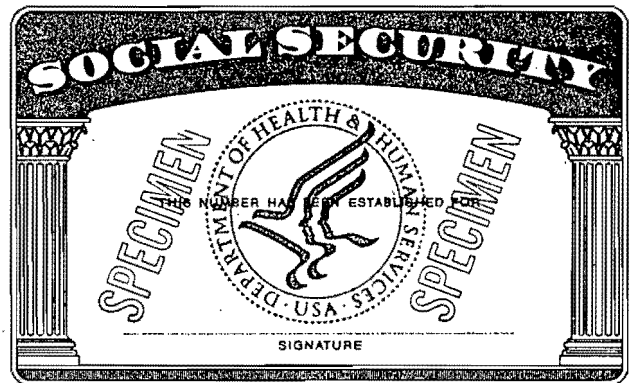
The Honorable Donna E. Shalala
Secretary of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

EXHIBIT C

EXHIBIT D

YOUR SOCIAL SECURITY CARD

Detach the card below and sign it in ink immediately.
Do not laminate your card.
Carry it in your purse or wallet.



SOCIAL SECURITY ADMINISTRATION

Personal Earnings and Benefit Estimate Statement

JANE Q PUBLIC
123 MAIN ST
ANYTOWN USA 00000

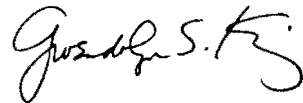
At Social Security, we are committed to providing you with quality public service that meets your needs. That is why I am pleased to send you this Personal Earnings and Benefit Estimate Statement. I hope this statement helps you understand your Social Security program and plan for a secure future.

Inside, we have displayed your Social Security earnings record and, based on the information you have provided us, estimates of the benefits for which you and your family might qualify now and in the future. On the back of this statement you will find more facts about how the Social Security program works.

I encourage you to use the information we have provided as a planning tool. It is important that, as you plan for your financial future, you keep in mind that Social Security is not designed to meet all your future financial needs. You need additional sources of income so that when you retire you and your family can enjoy the financial security you have worked so hard to achieve.

As you plan for your own future, I know that you are also interested in the future of Social Security. I want to assure you that Social Security is built on a sound financial foundation. Social Security benefits will be there when you need them.

It has been a pleasure to serve you and we look forward to serving you in the years ahead.



GWENDOLYN S. KING
Commissioner of Social Security

FACTS, CREDITS, AND EARNINGS

February 15, 1992

THE FACTS YOU GAVE US

Your Name	JANE Q PUBLIC
Your Social Security Number	XXX-XX-XXXX
Your Date of Birth	June 18, 1948
1991 Earnings	\$31,200
1992 Earnings	\$33,500
Your Estimated Future Average Yearly Earnings	\$34,000
The Age You Plan To Retire	62
Other Social Security Numbers You've Used	None

We used the facts you gave us and the information in our records under your Social Security number to prepare this statement for you.

When we estimated your benefits, we included any 1991 and 1992 earnings and any future estimated earnings you told us about. If you did not estimate your future earnings, we did not project any future earnings for you.

YOUR SOCIAL SECURITY CREDITS

To qualify for Social Security benefits and Medicare, you need credit for a certain amount of work covered by Social Security. The number of credits you need will vary with the type of benefit. Under current law, you do not need more than 40 credits to qualify for any benefit or for Medicare.

Our review of your earnings, including any 1991 and 1992 earnings you told us about, shows that you now have at least 40 Social Security credits.

YOUR SOCIAL SECURITY EARNINGS

The chart on the next page shows the earnings on your Social Security record. It also estimates the amount of Social Security taxes you paid in each year to finance benefits under Social Security and Medicare. If you have government earnings that help you qualify for Medicare, those earnings also are included on the chart under the heading "Medicare—Your Taxed Earnings."

We show earnings only up to the maximum yearly amount covered by Social Security. These maximum amounts are shown on the chart. The chart may not include some or all of your earnings from last year because they may not have been added to your record yet.

YOUR EARNINGS RECORD

YEARS	SOCIAL SECURITY			MEDICARE	
	Maximum Yearly Earnings	Your Taxed Earnings	Estimated Taxes You Paid	Your Taxed Earnings*	Estimated Taxes You Paid
1937-50	\$3,000	\$ 0	\$ 0		
1951	3,600	0	0		
1952	3,600	0	0		
1953	3,600	0	0		
1954	3,600	0	0		
1955	4,200	0	0		
1956	4,200	0	0		
1957	4,200	0	0		
1958	4,200	0	0		
1959	4,800	0	0		
1960	4,800	0	0		
1961	4,800	0	0		
1962	4,800	0	0		
1963	4,800	0	0		
1964	4,800	0	0		
1965	4,800	0	0		
1966	6,600	0	0	\$ 0	\$
1967	6,600	501	19	501	
1968	7,800	3,178	120	3,178	
1969	7,800	1,852	77	1,852	
1970	7,800	3,292	138	3,292	
1971	7,800	4,680	215	4,680	
1972	9,000	5,063	232	5,063	
1973	10,800	5,581	270	5,581	
1974	13,200	6,900	341	6,900	
1975	14,100	7,322	362	7,322	
1976	15,300	7,829	387	7,829	
1977	16,500	8,283	410	8,283	
1978	17,700	9,019	455	9,019	
1979	22,900	10,788	548	10,788	
1980	25,900	11,897	604	11,897	
1981	29,700	13,623	728	13,623	
1982	32,400	18,464	997	18,464	
1983	35,700	18,828	1,016	18,828	
1984	37,800	17,576	949	17,576	
1985	39,600	21,479	1,224	21,479	
1986	42,000	24,768	1,411	24,768	
1987	43,800	22,637	1,290	22,637	
1988	45,000	23,381	1,416	23,381	
1989	48,000	25,590	1,550	25,590	
1990	51,300	29,955	1,857	29,955	
1991	53,400	Not Yet Recorded			
1992	55,500				

* Earnings were taxed for Medicare beginning in 1966. From 1983 on, these earnings include Medicare-Qualified Government Earnings (see page 7). In 1991, the maximum yearly earnings taxed for Medicare are \$125,000. For 1992, the amount is \$130,200.

ESTIMATED BENEFITS

Retirement

You must have 40 Social Security credits to qualify for retirement benefits. This is the same number of credits you need to qualify for Medicare at age 65. Assuming that you meet all the requirements, here are estimates of your retirement benefits based on your past and any projected earnings. The estimates are in today's dollars, but adjusted to account for average wage growth in the national economy.

If you retire at 62, your monthly benefit in today's dollars will be about. \$ 875

The earliest age at which you can receive an unreduced retirement benefit is 66 years of age. We call this your full retirement age. If you wait until that age to receive benefits, your monthly benefit in today's dollars will be about \$ 1,185

If you wait until you are 70 to receive benefits, your monthly benefit in today's dollars will be about \$ 1,595

Survivors

If you have a family, you must have 22 Social Security credits for certain family members to receive benefits if you were to die this year. They may also qualify if you earn 6 credits in the 3 years before your death. The number of credits a person needs to qualify for survivors benefits increases each year until age 62, up to a maximum of 40 credits.

Here is an estimate of the benefits your family could receive if you had enough credits to be insured, they qualified for benefits, and you died this year:

Your child could receive a monthly benefit of about. . . . \$ 660

If your child and your surviving spouse who is caring for your child both qualify, they could each receive a monthly benefit of about. \$ 660

When your surviving spouse reaches full retirement age, he or she could receive a monthly benefit of about \$ 880

If more family members qualify for benefits (other children, for example), the total amount that we could pay your family each month is about \$ 1,560

We may also be able to pay your surviving spouse or children a one-time death benefit of. \$ 255

Disability

Right now, you must have 22 Social Security credits to qualify for disability benefits. And, 20 of these credits had to be earned in the 10 year period immediately before you became disabled. If you are blind or received disability benefits in the past, you may need fewer credits. The number of credits a person needs to qualify for disability benefits increases each year until age 62, up to a maximum of 40 credits.

If you were disabled, had enough credits, and met the other requirements for disability benefits, here is an estimate of the benefits you could receive right now:

Your monthly benefit would be about..... \$ 845

You and your eligible family members could receive up to a monthly total of about..... \$ 1,265

These estimates may be reduced if you receive workers' compensation or public disability benefits.

IF YOUR RECORDS DO NOT AGREE WITH OURS

If your earnings records do not agree with ours, please report this to us right away by calling the 800 number shown below. We can usually help you by phone. When you call, have this statement available along with any W-2 forms, payslips, tax returns or any other proof of your earnings.

IF YOU HAVE ANY QUESTIONS

If you have any other questions about this statement, please read the information on the reverse side. If you still have questions, please call 1-800-537-7005.

Social Security considers all calls confidential. We also want to ensure that you receive accurate and courteous service. That is why we may have a second Social Security representative listen to some calls.

ABOUT YOUR EARNINGS AND BENEFIT ESTIMATE STATEMENT

YOUR EARNINGS RECORD

YOUR EARNINGS RECORD

We keep a lifetime record of the earnings reported under your name and Social Security number. When you apply for Social Security benefits, we check your earnings record to see if you have enough credits to qualify, and then use your earnings to determine the amount of your monthly benefit.

This statement includes any wages from employment as well as any self-employment income. Wages were covered under Social Security beginning in 1937, and most self-employment income was covered beginning in 1951.

MAXIMUM EARNINGS

The maximum amount of yearly earnings covered by Social Security is set by law. You and each of your employers only pay Social Security taxes on earnings up to this maximum. If you pay taxes on more than the yearly maximum, you can ask the Internal Revenue Service (IRS) for a refund if you are within the time limit, usually your last 3 tax years. (Contact your local IRS office with questions about refunds.)

MILITARY AND RAILROAD SERVICE

Any basic pay you earned from active duty or active duty for training in the military since 1957 is shown on this statement. In addition, if you served in the military after September 15, 1940, you may qualify for free earnings credits for that service. These credits do not appear on this statement. We will decide if you qualify for these free credits when you apply for benefits.

This statement does not list any wages you earned from a railroad employer. However, if you worked less than 10 years in the railroad industry, we did consider any railroad wages when we estimated your Social Security credits and benefits.

YOUR SOCIAL SECURITY TAXES

Currently, you and your employer each pay Social Security taxes of 6.2 percent on your first \$55,500 of covered wages. You each also pay Medicare taxes of 1.45 percent on the first \$130,200 of covered wages. If you are self-employed, your Social Security tax is 12.4 percent and your Medicare tax is 2.9 percent.

The earnings chart shows how much tax you paid to finance Social Security benefits and how much you paid to finance Medicare hospital insurance. If you had earnings from employment and self-employment in the same year, we show estimated taxes as if all your earnings were from employment. If you had Social Security covered earnings and Medicare-qualified government earnings in the same year, we show the combined Medicare taxes you paid.

YOUR SOCIAL SECURITY CREDITS

HOW YOU EARN SOCIAL SECURITY CREDITS

To earn Social Security credits, your earnings from work or self-employment must be covered under Social Security. The amount of money you need to earn Social Security credits changes each year. In 1992, you earn 1 Social Security credit (previously called a "quarter of coverage") for each \$570 of your covered wages or self-employment income. You can earn up to 4 Social Security credits a year.

If you stop working under Social Security before you have enough credits, the credits for the earnings already reported for you will stay on your Social Security record. You can add to them if you later return to work. The number of credits you need to qualify for benefits depends on your date of birth or your age when you become disabled or, for survivor benefits, your age at death. Your credits don't determine the amount of your Social Security benefits—that's determined by the amount of your average covered earnings over your working career.

CREDITS FOR MEDICARE-QUALIFIED GOVERNMENT EARNINGS

Starting in 1983, Medicare coverage was extended to Federal government employees, and, in 1986, to employees of State and local governments who are not otherwise covered by Social Security. If you have this type of government earnings, they will help you earn credits to qualify for Medicare hospital insurance. These earnings do not help you earn credits to qualify for Social Security benefits.

ESTIMATED BENEFITS

ESTIMATED RETIREMENT BENEFITS

The estimates on this statement are based on your earnings record and any information you gave us. We used current dollar values for these estimates. We adjusted all retirement estimates to account for average wage growth in the national economy by increasing your benefit by 1 percent for each year between now and when you turn age 62.

If you qualify, you can start receiving reduced retirement benefits as early as age 62. People retiring now receive full unreduced retirement benefits at age 65. However, starting in the year 2000, this full retirement age will be increased in monthly steps until it reaches age 67 in 2027.

Social Security retirement benefits will replace part of your covered preretirement earnings. The replacement rate ranges from about 60 percent of preretirement earnings for a worker who has always earned the minimum wage to about 26 percent for a worker who has always earned the maximum covered by Social Security.

IF YOU CONTINUE TO WORK

There's a limit on how much most people receiving Social Security benefits can earn from work without losing some or all of their benefits. If you work, your earnings may affect your own benefits and those of your family. If members of your family work, their earnings affect only their own benefits.

If you plan to work after your benefits start, check with us for current earnings limits. These earnings limits change each year and apply to each person receiving Social Security benefits except people receiving disability benefits. Different earnings rules apply to people who receive disability benefits.

BENEFITS FOR YOUR FAMILY

As you work you also build up protection for your family. On the next page, we discuss the kinds of benefits for which your family members might qualify. Keep in mind that there is a maximum monthly amount that we can pay your family. This amount depends on the amount of your benefit and number of family members who qualify.

CANADA PENSION PLAN CONTRIBUTOR STATEMENT

SAMPLE

SENATOR DANIEL PATRICK MOYNIHAN
 UNITED STATES SENATE
 WASHINGTON, D.C.
 200510

SOCIAL INSURANCE NUMBER
 123 456 789

DATE OF BIRTH
 JANUARY 1955

DATE OF STATEMENT

Please turn over

RECORD OF PENSIONABLE EARNINGS AND CONTRIBUTIONS

YOU CAN ONLY CONTRIBUTE TO THE PLAN ON EARNINGS BETWEEN A MINIMUM LEVEL, THE "YEAR'S BASIC EXEMPTION", AND A MAXIMUM LEVEL, THE "YEAR'S MAXIMUM PENSIONABLE EARNINGS".

THE EMPLOYEE AND EMPLOYER CONTRIBUTE EQUALLY TO THE PLAN. THIS STATEMENT SHOWS ONLY THE EMPLOYEE AND SELF-EMPLOYED PORTIONS AND, IF ANY, YOUR CONTRIBUTIONS TO THE QUÉBEC PENSION PLAN.

THE "UNADJUSTED PENSIONABLE EARNINGS" (SHOWN IN THE LAST COLUMN ON THE RIGHT) ARE THE EARNINGS ON WHICH YOU CONTRIBUTED. BEFORE BENEFITS ARE CALCULATED THESE EARNINGS WILL BE ADJUSTED TO REFLECT THE GROWTH IN THE AVERAGE WAGE UP TO THE CURRENT YEAR.

ESTIMATED VALUE OF YOUR BENEFITS

THE ESTIMATES BELOW ARE BASED ONLY ON THE CONTRIBUTIONS SHOWN IN THE TABLE ON THE RIGHT. THE CONTRIBUTIONS HAVE BEEN ADJUSTED FOR ANY REFUNDS AND FOR ANY DIVISIONS OF UNADJUSTED PENSIONABLE EARNINGS AS A RESULT OF DIVORCE OR SEPARATION. INFORMATION ON YOUR CONTRIBUTIONS AND/OR DIVISIONS WHICH WERE MADE WITHIN THE PAST 2 YEARS MAY NOT YET BE INCLUDED.

CALENDAR YEAR	YEAR'S MAXIMUM EMPLOYEE CONTRIBUTION \$	TOTAL CPP CONTRIBUTIONS \$	TOTAL CPP CONTRIBUTIONS \$	UNADJUSTED PENSIONABLE EARNINGS \$	
1966	79.20	79.20		5,000	*
1967	79.20	79.20		5,000	*
1968	81.00	81.00		5,100	*
1969	82.80	82.80		5,200	*
1970	84.60	84.60		5,300	*
1971	86.40	86.40		5,400	*
1972	88.20	88.20		5,500	**
1973	90.00	90.00		5,600	**
1974	106.20	106.20		6,600	**
1975	120.60	120.60		7,400	**
1976	135.00	135.00		8,300	**
1977	151.20	151.20		9,300	**
1978	169.20	169.20		10,400	**
1979	190.80	190.80		11,700	**
1980	212.40	212.40		13,100	**
1981	239.40	239.40		14,700	**
1982	268.20	268.20		16,500	**
1983	300.60	300.60		18,500	**
1984	338.40	338.40		20,800	**
1985	379.80	379.80		23,400	**
1986	419.40	419.40		25,800	**
1987	444.60	444.60		25,900	**
1988	478.00	478.00		26,500	**
1989	525.00		FIGURES NOT YET AVAILABLE		**

THE BENEFIT AMOUNT YOU WILL ACTUALLY RECEIVE WILL BE BASED ON YOUR CONTRIBUTIONS DURING YOUR ENTIRE CONTRIBUTORY PERIOD UP TO THE DATE YOU APPLY FOR THAT BENEFIT.

YOUR RETIREMENT PENSION - IF YOU WERE AGE 65 THIS YEAR, YOU COULD RECEIVE \$ 556.25 PER MONTH

- IF YOU WERE AGE 60 TO 64 YOUR BENEFIT WOULD BE REDUCED. IF YOU WERE AGE 66 TO 70 IT WOULD BE INCREASED. FOR EACH MONTH BETWEEN YOUR 65th BIRTHDAY AND WHEN YOUR BENEFIT BEGINS, YOUR BENEFIT WILL BE ADJUSTED BY 0.5% WHICH IS EQUAL TO \$ 2.79 PER MONTH

- THE MAXIMUM RETIREMENT PENSION PAYABLE AT AGE 65 IN THIS CALENDAR YEAR IS \$ 556.25 PER MONTH

YOUR DISABILITY BENEFITS - **DISABILITY PENSION** - IF YOU WERE DISABLED (UNDER THE TERMS OF CPP LEGISLATION) YOU COULD RECEIVE \$ 681.23 PER MONTH

- **DISABLED CONTRIBUTOR'S CHILD'S BENEFIT** - EACH OF YOUR CHILDREN WHO IS UNDER AGE 18, OR 18 TO 25 AND ATTENDING SCHOOL OR UNIVERSITY FULL TIME COULD RECEIVE \$ 103.02 PER MONTH

SURVIVOR BENEFITS - **DEATH BENEFIT** - IN THE EVENT OF YOUR DEATH YOUR ESTATE COULD RECEIVE A LUMP-SUM BENEFIT OF \$ 2770.00

- **SURVIVOR'S PENSION IF AT THE TIME OF YOUR DEATH YOUR SPOUSE:**

a) IS 65 YEARS OF AGE OR OLDER THE BENEFIT AMOUNT COULD BE \$ 333.75 PER MONTH

b) IS 45 TO 65; OR IS NOT YET AGE 45 BUT IS EITHER DISABLED OR HAS DEPENDENT CHILDREN, THE BENEFIT AMOUNT COULD BE \$ 311.61 PER MONTH

c) IS NOT YET AGE 45, IS NOT DISABLED AND HAS NO DEPENDENT CHILDREN, THE BENEFIT AMOUNT IN (b) WOULD BE REDUCED. FOR EACH MONTH YOUR SPOUSE IS UNDER AGE 45 IT WILL BE ADJUSTED BY \$ 2.60 PER MONTH

d) IS NOT YET AGE 35, IS NOT DISABLED AND HAS NO DEPENDENT CHILDREN, A BENEFIT WILL ONLY BE PAYABLE WHEN HE/SHE REACHES AGE 65

- **ORPHAN'S BENEFIT** - EACH OF YOUR CHILDREN WHO IS UNDER AGE 18, OR 18 TO 25 AND ATTENDING SCHOOL OR UNIVERSITY FULL TIME COULD RECEIVE \$ 103.02 PER MONTH

Income Security Programs Programmes de la sécurité du revenu

Dear Contributor,

The Canada Pension Plan (CPP) became effective on January 1, 1966. With few exceptions, all those paid or self-employment in Canada contribute to the Plan. Earners in Quebec contribute to a similar pension plan, the Quebec Pension Plan.

A record is kept of your pensionable earnings and the contributions you have made to the Plan. Your "Record of Earnings" is shown in this statement. The information on your record will be used to determine if you and/or your family are eligible to receive a benefit and to calculate the amount of that benefit.

CHECK THE INFORMATION ON THIS STATEMENT. Your contributions can only be credited to your Record of Earnings if there is a correct match of your name and Social Insurance Number. If you change your surname after receiving a Social Insurance Number, inform Employment and Immigration, Canada. If it is necessary to correct the information on your last 5 years' contributions, contact Revenue Canada, Taxation. To correct any other information contact an Income Security Programs Client Service Centre. The sooner errors are identified, the easier they are to investigate. Please use your Social Insurance Number (S.I.N.) for any enquiries regarding your Record of Earnings.

To estimate the benefit amounts on this statement it was assumed that your benefit application was approved and that the benefit would be effective from the date of this statement. For the retirement benefit it was assumed that this date was your 65th birthday; for the disability benefit you were assumed to have become disabled on this date; and for the death and survivor benefits it was assumed that this was the date of your death.

The formula for calculating benefits allows you to exclude some periods when you had low or no earnings. In calculating the estimates in this statement all the adjustments to your contributory period have been taken into consideration with one exception: any months when you received Family Allowances for a child under age 7. If you received Family Allowances on behalf of a child under age 7 during your contributory period your benefits may be higher than indicated on this statement. Final adjustments can and will only be made when you apply for a benefit.

Your earnings and contributions between now and when you apply for a benefit may change the benefit amount. When you apply, your benefits will be calculated on your earnings and contributions during your entire contributory period.

The "Canada Pension Plan, Terms and Conditions" document has more detailed information on the Plan provisions, benefits and terms. If you have not received a copy, or if you would prefer to receive this statement and the Terms and Conditions document in French, contact an Income Security Programs Client Service Centre. The staff will also be pleased to answer any questions you may have about this statement or the benefits available under the Canada Pension Plan. You will find the telephone number and address in the government listing of your telephone book under "Health and Welfare Canada, Income Security Programs".

Minister
National Health and Welfare

THIS STATEMENT IS NOT AN APPLICATION FOR A BENEFIT.

The benefit estimates are provided for your information only. They are only an indication of potential benefits for you and your family. Please remember that benefits are not paid automatically. You, your dependents or a representative must apply for all benefits.

Également disponible en français sous le titre "ÉTAT DE COMPTE DU COTISANT AU RÉGIME DE PENSÉE DU CANADA". Veuillez communiquer avec le centre de services aux clients des Programmes de la sécurité du revenu le plus près de chez vous. Le numéro de téléphone et l'adresse se trouvent aux pages des gouvernements de l'annuaire téléphonique sous la rubrique "Santé et Bien-être social Canada".

SPECIAL MESSAGE ENCLOSED

FROM
Martha A. McSteen, N.C.P.S.S.M.
STREET ADDRESS (PO BOX NUMBER IF APPLICABLE)
2000 K St., NW, P.O. Box 37247
CITY STATE ZIP
Washington, D.C. 20077-4534

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2	#01605245 32690#
3	TO ADDRESSEE'S NAME Elizabeth Moynihan
4	DELIVERY ADDRESS (PO BOX NUMBER IF APPLICABLE)
5	
6	P6/b(6)

STATEMENT NUMBER
3269-01

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Social Security and Medicare

National Committee to
Preserve Social Security
and Medicare

Elizabeth Moynihan

01605245

MEMBER NUMBER

9/01/94

EXPIRATION DATE

MEMBERSHIP CARD

RECIPIENT PLEASE NOTE: IMPORTANT INFORMATION ON
ATTACHED REPLY COPY BENEATH THIS FORM.

PLEASE COMPLETE ALL DELIVERY INFO NEEDED IN BOXES 1-6
ADDRESSEE COPY

URGENT — OPEN IMMEDIATELY

Prepared and mailed by the National Committee to Preserve Social Security and Medicare, a nonprofit, tax-exempt organization, 2000 K St., N.W., Washington, D.C. 20006. The National Committee is independent of Congress, every government agency, and all political parties.

Daniel Patrick Moynihan
New York

United States Senate
Washington, D. C.

December 28, 1993

Dear George:

Last September, Secretary Shalala appeared before the Finance Committee and in a prepared statement said, "We are committed to making the tough decisions necessary to restore the public's waning confidence in Social Security." May I cite two further exhibits which suggest why this confidence might be waning?

Exhibit F. Every four years since 1969 a Social Security Advisory Council has been appointed in accordance with the Social Security Act. The reports of these commissions have frequently been of the first importance, with a pattern of concentrating on one or another aspect of the Social Security system. A council was to have been appointed in 1993. None was. (See attached statute and testimony.)

Exhibit G. Of all the issues which has contributed to the public's "waning confidence" in Social Security, none has been as virulent as the "Notch" issue. Some seven million Social Security retirees are in this notch and millions of them are convinced they are being defrauded by the government. In 1992, we accordingly established a Commission on the Social Security Notch Issue to help lay out the facts and, with luck, defuse the issue. The commission calls for 12 members divided among the branches. The Senate has appointed its members, the House has appointed its members, the President has not. This despite repeated inquiries.

Have I made my point? We are walking into a disaster here.

Best,



The Honorable George Stephanopoulos
The White House
Washington, D.C. 20500

Enclosures

in Florence, Arizona without the prior approval of the House and Senate Committees on Appropriations.

SEC. 633. Upon the date of enactment of this Act, the Bureau of Alcohol, Tobacco and Firearms (ATF) shall deny any application for a certificate of label approval, including a certificate of label approval already issued, which authorizes the use of the name Crazy Horse on any distilled spirit, wine, or malt beverage product: *Provided*, That no funds appropriated under this Act or any other Act shall be expended by ATF for enforcement of this section and regulations thereunder, as it relates to malt beverage glass bottles to which labels have been permanently affixed by means of painting and heat treatment, which were ordered on or before September 15, 1992, or which are owned for resale by wholesalers or retailers.

Alcohol and
alcohol abuse.
Labeling.

SEC. 634. Notwithstanding the provisions of this or any other Act, the Administrator of General Services is authorized to enter into a contract with the Greater Orlando Aviation Authority, a subdivision of the State of Florida, for an operating lease under section 210(h) of the Federal Property and Administrative Services Act of 1949: *Provided*, That the lease described herein is determined to be an "operating lease" in accordance with the Budget Enforcement Act of 1990, Public Law 101-508, and the accompanying Conference Report 101-964, for a term not to exceed 27 years: *Provided further*, That the Administrator is not authorized to enter into any lease for the property described herein that is not an "operating lease" as so determined. Such lease should look to consolidating Federal agencies in the Orlando, Florida area, with any general government purpose excluding specialized research. Specifically, said lease should accommodate those agencies presently located at the Orlando Airport: *Provided further*, That this section shall not take effect without the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works.

Contracts.
Florida.

SEC. 635. COMMISSION ON THE SOCIAL SECURITY "NOTCH" ISSUE.—(a) ESTABLISHMENT.—There is established a Commission on the Social Security "Notch" Issue (in this section referred to as the "Commission").

42 USC 415 note.

(b) MEMBERSHIP.—The Commission shall be composed of 12 members as follows:

(1) 4 members appointed by the President from among officers or employees of the executive branch, private citizens of the United States, or both. Not more than 2 of the members appointed by the President shall be members of the same political party.

President.

(2) 2 members appointed by the Majority Leader of the United States Senate, in consultation with the Chairman of the Committee on Finance of the United States Senate, from among members of the Senate, private citizens of the United States, or both.

(3) 2 members appointed by the Minority Leader of the United States Senate, in consultation with the Ranking Member of the Committee on Finance of the United States Senate, from among members of the Senate, private citizens of the United States, or both.

(4) 2 members appointed by the Speaker of the House of Representatives, in consultation with the Chairman of the Committee on Ways and Means of the House of Representa-

tives, from among members of the House of Representatives, private citizens of the United States, or both.

(5) 2 members appointed by the Minority Leader of the House of Representatives, in consultation with the Ranking Member of the Committee on Ways and Means of the House of Representatives, from among members of the House of Representatives, private citizens of the United States, or both.

(c) FUNCTIONS OF THE COMMISSION.—

(1) STUDY.—The Commission shall conduct a comprehensive study of what has come to be known as the “notch” issue. The study shall examine the causes of the controversy, whether there are inequities in the treatment of social security beneficiaries born in different years, whether legislative action should be taken, and the effect on social security trust funds of such legislative action.

Reports.

(2) FINDINGS AND CONCLUSIONS.—The Commission shall transmit a report to the Congress not later than December 31, 1993. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with any recommendations the Commission considers appropriate. Any recommendations which would increase social security expenditures would have to be accompanied by cost estimates and options for financing such recommendations.

President.

(d) CHAIRPERSON; MEETINGS.—The President shall designate a Chairperson from among the membership. The Commission shall meet at the call of the Chairperson or a majority of its members.

(e) PAY.—Members of the Commission shall serve without compensation, except that members of the Commission who are private citizens of the United States shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

(f) STAFF.—

(1) STAFF.—Subject to rules prescribed by the Commission, the Chairperson may appoint and fix the pay of such personnel as the Chairperson considers appropriate.

(2) STAFF OF DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Upon request of the Commission, the Secretary of Health and Human Services may detail, on a reimbursable basis, any of the personnel of the Department of Health and Human Services to the Commission to assist it in carrying out its duties under this section.

(g) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States such information as is necessary and appropriate to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of that department or agency shall, to the extent permitted by law, furnish that information to the Commission.

(h) TERMINATION.—The Commission shall terminate 30 days after transmittal of its report to the Congress.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$2,000,000 for purposes of this section, to remain available until expended, but in no event beyond the date of termination provided in subsection (h).

Maryland.

SEC. 636. Notwithstanding any other provision of law, the Secretary of Agriculture may enter into an agreement with the Washington Metropolitan Area Transit Authority to provide a total of 30 acres of land on which the Beltsville Agricultural Research

to education, meet some of our most pressing social needs, and reinforce a proud tradition that goes back to the days of barn-raising and settlement houses. In a fundamental sense, it is not a new experiment but a tried-and-true American spirit of citizenship in action.

And lastly, an Army Air Corps corporal would now like to quote Gen. Norman Schwarzkopf's statement to our Senate Labor and Human Resources Committee on June 8. The general, incidentally, would not completely agree with our program because he thinks it is too small. He prefers everyone should be asked and enabled to serve. But this is what he said:

I strongly believe that universal national service would provide a source of inexpensive, highly trained manpower to apply against many sectors of our country that desperately need help, would give a sense of self-worth to many young men and women who are lost today because they do not feel they will ever have a chance to make a contribution and, finally, would instill great patriotism in the youth of America who, because they earned the right to be called Americans, would be proud to be Americans.

I am proud to be an American today.

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, after consultation with the chairman of the Finance Committee, pursuant to Public Law 102-393, appoints the following individuals as members of the Commission on the Social Security notch issue: Patricia M. Owens, of New York and Robert J. Myers, of Maryland.

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, pursuant to Public Law 102-393, announces his appointment of the Senator from Oregon [Mr. HATFIELD] to the Commission on the Bicentennial of the United States Capitol.

The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, as if in executive session, I ask unanimous consent that it be in order for the majority leader, after consultation with the minority leader, to proceed to the consideration of the following nominations on Monday, August 2:

Thomas Payzant to be Assistant Secretary for Elementary and Secondary Education (Executive Calendar No. 273), with 2 hours for debate to be divided and controlled in the usual form between the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Kansas [Mrs. KASSEBAUM], or their designees;

Sheldon Hackney to be chairperson of the National Endowment for the Humanities (Executive Calendar No. 274)

with 5 hours for debate to be divided and controlled in the usual form between the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Kansas [Mrs. KASSEBAUM], or their designees;

Eleanor Acheson to be an Assistant Attorney General (Executive Calendar No. 275) with 3 hours for debate to be divided and controlled in the usual form between the Senator from Delaware [Mr. BIDEN] and the Senator from Utah [Mr. HATCH], or their designees; and

Ruth Bader Ginsburg to be an Associate Justice of the Supreme Court (Executive Calendar No. 308).

I further ask unanimous consent that if a rollcall vote is requested on any of these nominations that the vote occur, without any intervening action, immediately following the rollcall vote on the passage of H.R. 2010, the National Service Act, on Tuesday, August 3, with the order of votes to be determined by the majority leader after consultation with the minority leader.

I further ask unanimous consent that the majority leader, after consultation with the minority leader, may proceed at any time to the nomination of Walter Dellinger to be an Assistant Attorney General (Executive Calendar No. 288).

I further ask unanimous consent that upon confirmation of any of these nominees, the motion to reconsider be tabled and the President be notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, for the information of Senators, pursuant to this order, debate on all of these nominations will take place on Monday, August 2. There may not be a need for a rollcall vote on each nomination.

However, there will be a rollcall vote on the nomination of Ruth Bader Ginsburg to be an Associate Justice of the Supreme Court. That vote will take place on Tuesday, August 3, following the vote on H.R. 2010, the National Service Act.

At the time of this vote, I will ask—I now request and will repeat my request at that time—that Senators cast their votes from their desks; that they remain at their desks during the vote and cast their votes when called upon.

Any Senator who wishes to speak on any of these nominations, including the nomination of Judge Ginsburg, should be prepared to speak on Monday, August 2. There will be no time for debate on these nominations on Tuesday, August 3.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed in executive session to consider the following nominations: Calendar Order Nos. 296, 297, 298, 299, 300,

301, 302, 303, 304, 305, 306, 307, and all nominations placed on the Secretary's desk in the Foreign Service.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD as if read; that upon confirmation, the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative action.

The nominations considered and confirmed, en bloc, are as follows:

DEPARTMENT OF STATE

John Francis Maisto, of Pennsylvania, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nicaragua.

David Laurence Aaron, of New York, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador.

Robin Lynn Raphael, of Washington, a career member of the Senior Foreign Service, class of Counselor, to be Assistant Secretary of State for South Asian Affairs.

Alan H. Flanigan, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of El Salvador.

James J. Blanchard, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Jeffrey Davidow, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Venezuela.

Thomas J. Dodd, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Oriental Republic of Uruguay.

Stuart B. Eisenstat, of Maryland, to be Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Donald C. Johnson, of Texas, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mongolia.

Richard Meniffee Moese, of Virginia, to be Under Secretary of State for Management.

Mary M. Raiser, of the District of Columbia, for the rank of Ambassador during her tenure of service as Chief of Protocol for the White House.

Walter F. Mondale, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning Alan R. Hurdus, and ending Darcy Fyock Zotter, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 13, 1993.

STATEMENT ON THE NOMINATION OF WALTER F. MONDALE

Mr. MITCHELL. Mr. President, I am sure my colleagues will join me in extending best wishes to former Vice President Mondale on this moment of

The second incident is a 1992 court decision following an auto accident in which a Moslem driver killed one Bahai and injured another. The court dismissed charges of manslaughter and involuntary injury, convicting the driver only for "neglecting driving rules and regulations." The explanation for this outrageous ruling was that Bahais are "unprotected nationalists" and, therefore, deserve less protection under the law. For the crime of killing a human being the only penalty was a small fine.

It is apparent from these events and many others concerned Americans have noted over the years that the Iranian Government has a deliberate plan to suppress the Bahais and destroy their cultural roots. Indeed, just such a plan has been made available to U.N. officials. Since 1979, more than 200 Iranian Bahais have been executed, and thousands more have been imprisoned on account of their religion. President Clinton cited Iran's abusive treatment of the Bahais as one of today's critical human rights issues.

Once again it is incumbent on the Congress to recognize and condemn the inhumane actions of the Iranian Government. I would urge the United Nations to renew its examination of the persecution of the Bahais in Iran and to take steps to prevent further violations of human rights. If we do not act, thousands more Bahais could be murdered and the entire Bahai population in Iran, the birthplace of the religion, could disintegrate. •

NATIONAL SCLERODERMA AWARENESS MONTH

• Mr. D'AMATO. Mr. President, I rise today to cosponsor Senate Joint Resolution 103, declaring August 1993 and August 1994 as National Scleroderma Awareness Month.

Scleroderma is a chronic autoimmune vascular disease affecting the connective tissues which provide the structural framework of the skin and vital organs.

Even with treatment, those who suffer from scleroderma have a varied prognosis. Some can experience relatively few symptoms and maintain a normal lifestyle while others suffer severe health effects. Such effects of this disease can include respiratory weakness, heart spasms, digestive problems, and kidney malfunction ending in a fatality.

Because I believe that the enactment of a nationally recognized Scleroderma Awareness Month can do much to increase the widespread knowledge of scleroderma, and to pave the way for further research and support, I am pleased to join Senator FEINSTEIN as a cosponsor of this bill, and I again would urge each of my colleagues to join me in urging swift passage of this important legislation. •

EXTENDING CHAPTER 12 OF TITLE 11 OF THE UNITED STATES CODE

Mr. FORD. Madam President, on behalf of the majority leader, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 41, H.R. 416, a bill relating to the Family Farmer Bankruptcy Act; that the bill be deemed read three times, passed, the motion to reconsider be laid upon the table; that any statements relative to this measure appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. (Mrs. FEINSTEIN). Without objection, it is so ordered.

So the bill (H.R. 416) was deemed read the third time and was passed.

Mr. GRASSLEY. Madam President, the Senate today takes an important step for rural America and for the flood-devastated Midwest today by extending for 5 years the operation of chapter 12 of the Bankruptcy Code. Passage of H.R. 416 will ensure that family farmers continue to have access to chapter 12—provisions enacted to take their special situation into account—without interruption.

Chapter 12 fulfills an important need. Before its creation family farmers could file for bankruptcy only under chapters 11 or 13. Most farmers could not file under chapter 13, either because their secured debts were too large to qualify, or because they were partnerships or incorporated entities. Chapter 11 presented different difficulties, making that chapter all but unworkable for farmers. When the farm crisis of the 1980's hit, farmers risked losing their farms for reasons beyond their control. Had these lands been sold off, the consequences for farmers, the lenders facing a free fall in land values, and for the communities would have been devastating.

Current conditions underscore the unique nature of farming and the necessity of our Bankruptcy Code's recognition of those differences. Today, the unprecedented flooding, or farm lands poses risks of harm similar to those feared in the 1980's. Many farmers will have no choice but to file for bankruptcy. It is vital that as many as can file viable reorganization plan be given an opportunity to do so. Otherwise, thousands of family farmers, including some whose families have farmed for generations, will be driven off the land, never to return.

Under chapter 12, the farmer files a plan within 90 days of filing the bankruptcy petition. The court then completes action within 45 days. The debtor must make available the discretionary income for the next 3 to 5 years to pay unsecured creditors. After the 3- to 5-year period, the unsecured debt is discharged. The debtor must also pay the secured debts up to the market value of the collateral. If the farmer owes more than the property is worth, the difference is treated as an unsecured debt and must be paid out of disposable income for 3 to 5 years.

Because chapter 12 is based on chapter 13, the farmer can remain in control of the farming operation. A trustee is appointed to see that payments are timely made, to investigate fraud if the court so requires, and to operate the farm if the court finds gross mismanagement.

H.R. 416 makes the substantive change in chapter 12. The standard for granting an extension is altered from circumstances in which "an extension is substantially justified" to cases in which "the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable." This new standard for extensions in filing plans will provide adequate protection for agricultural lenders, while preserving the ability of debtors to obtain extensions whenever circumstances outside their control warrant such extensions. This new standard applies only to new chapter 12 petitions filed after the date of enactment of H.R. 416, and has no application to cases that were pending on that date.

Madam President, thanks to bipartisan cooperation, we will extend this important provision of the Bankruptcy Code. I have worked with Representative SYNAR over the years to ensure that chapter 12 was created and extended. His support has been effective and gratifying to me, and this bill represents another milestone step in the history of this provision. Due to his cooperation in the other body, and also the efforts of Senator HEPLIN, we will be able to avoid any gap in the application of chapter 12. Such a gap would have been ruinous to farmers facing devastation from flooding. The continuing, unhindered operation of chapter 12 should enable some farmers facing the catastrophe of a lifetime to continue to operate their family farms. That result will be a benefit to all Americans.

STAR PRINT—REPORT NO. 103-109

Mr. FORD. Madam President, on behalf of the majority leader, I ask unanimous consent that Report No. 103-109, the report accompanying S. 422, the Government Securities Act Amendments of 1993, be star printed to reflect the changes I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, after consultation with ranking member of the Finance Committee, pursuant to Public Law 102-393, appoints the following individuals as members of the Commission on the Social Security notch issue: John F. Cogan of California, and Carolyn L. Weaver of Virginia.

and its fancy graphics, the National Performance Review pamphlet is a slick production.

But the first 14,000 copies of this report cost \$60,000. If AL GORE had followed Government regulations by not including the top-grade paper, the multicolored layout or the slick graphics, the report would have cost \$15,000.

That may not seem like a lot of money, but it is symbolic of this Presidency. Once again, the administration takes two steps back to take one step forward.

First, they tried to cut the deficit by spending more money. Next, they tried to stimulate the economy by raising taxes.

And now, their Government reduction plan costs four times more to produce than it should have.

If this is any indication of how the President plans to reinvent the Government, we should deny him a patent. Wasting the taxpayer's money is not a new invention.

TOBACCO TAXES MEAN LOST JOBS

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, the Sixth District of North Carolina is home to tobacco farmers, workers, and manufacturers. There are people who live in our district who work in every cigarette plant in our State. Tobacco is the No. 1 cash crop in our district. The golden leaf has been mighty good economically to the people of our district and State.

Of course, tobacco is under attack these days from all different sides. The latest discussion is over a monster-size increase in cigarette excise taxes to fund health care reform. There has been talk about a \$2 a pack increase in cigarette taxes. The speaker was recently quoted as saying he anticipates a very impressive increase in cigarette taxes. Mr. Speaker, the only thing that will be impressive as a result of a huge increase in taxes will be the number of jobs lost—74,000 in North Carolina alone.

We have heard talk lately about tobacco taxes and the recent budget vote. I hope back room deals have not already been struck on increased tobacco taxes. The future of too many hard working North Carolinians is at stake to be playing let's make a deal with tobacco taxes.

THE KENTUCKY DERBY OF HEALTH CARE

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, they're off and running, the Kentucky Derby of health care reform is underway. Today I joined more than 100 of my colleagues in offering our best entry, the Afford-

able Health Care Now Act. Our Republican House bill is a market-based approach to health care reform—kind to small business, consumer friendly—especially toward seniors—and, best of all, doable right now this legislative session. Our bill will control costs, increase access to care, and maintain quality—all while preserving people's flexibility to choose the right health care for themselves and their families. Republicans offer this plan as a positive addition to the debate—and we will continue to work with the administration to ensure the best possible outcome. We know there are more entries out there to join our strong runner in the field of choices. We are doing nothing less than asking the American people to place their bets on Government's ability to do health care reform properly. If we succeed, everyone can be a winner.

□ 1410

A TRIBUTE TO ROBERT J. STURM

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, in this eventful week in history we heard repeated from the chapter of the Bible Ecclesiastes, "to every thing there is a season—a time to live, a time to die." And so it is with all of us as mortal human beings.

I rise today to pay tribute to the memory of Robert J. Sturm. Bob Sturm was a great community leader and a respected public servant in central Florida. His death yesterday will leave a void in Florida's Seventh Congressional District. His presence, his wisdom, and his leadership will be missed by people of Seminole County, FL. I extend my condolences to Bob's wife, Trudy, to his family and many friends.

I was pleased to have the privilege of calling Bob Sturm my friend. Robert J. Sturm: September 3, 1925 to September 14, 1993.

APPOINTMENT AS MEMBERS OF COMMISSION ON THE SOCIAL SECURITY "NOTCH" ISSUE

The SPEAKER pro tempore (Mr. MONTGOMERY). Without objection, and pursuant to the provisions of section 635(b) of Public Law 102-393, the Chair, on behalf of the Speaker, appoints to the Commission on the Social Security "Notch" Issue the following Members on the part of the House:

Mr. James C. Corman of McLean, VA; and
Ms. Carroll L. Estes of San Francisco, CA.

There was no objection.

COMMUNICATION FROM THE REPUBLICAN LEADER—APPOINTMENT AS MEMBERS OF COMMISSION ON THE SOCIAL SECURITY "NOTCH" ISSUE

The SPEAKER pro tempore laid before the House the following communication from the Honorable BOB MICHEL, Republican leader:

U.S. HOUSE OF REPRESENTATIVES,

Washington, DC, September 8, 1993.

HON. THOMAS S. POLEY,

Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Section 635(b)(5) of Public Law 102-393, I hereby appoint the following two individuals to serve as members of the Commission on the Social Security "Notch" Issue:

The Honorable Barber Conable of Alexandria, New York and Mr. Arthur L. Singleton of Dunnsville, Virginia.

Sincerely,

BOB MICHEL,
Republican Leader.

The SPEAKER pro tempore (Mr. FARR of California). Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

[Mrs. COLLINS of Illinois addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

[Mr. DORNAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. SABO] is recognized for 5 minutes.

[Mr. SABO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware [Mr. CASTLE] is recognized for 5 minutes.

Mr. CASTLE. Mr. Speaker, the problems of unaffordable health care and skyrocketing insurance costs are the greatest financial and social concerns facing American adults, children, small and large businesses, hospitals, and State and local governments.

Too many people live in fear of becoming ill because they have no insurance to cover their bills, too many businesses and governments are struggling to balance their books due to soaring health care costs, and Americans with insurance are growing increasingly frustrated with cost shifting expenses tacked onto their premiums.

Yet the dynamics of finding a solution are conflicting and complex. A recent study found that while 75 percent



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 21 1993

The Honorable Daniel Patrick Moynihan
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you know, Public Law 102-393 enacted last October authorized the establishment of the Commission on the Social Security "Notch" Issue, but did not provide funding for the Commission to fulfill its responsibilities. Now that funding for the Commission will become available with Senate passage of the fiscal year 1994 Labor, Health and Human Services, and Education Appropriations bill (H.R. 2518) earlier this week, I want to assure you that the Department is finalizing a list of nominees to be submitted to the President soon.

Further, it is important to note that transmission of the Commission's report to Congress has been delayed from December 31, 1993 until December 31, 1994 as part of the fiscal year 1994 Treasury, Postal Service and General Government Appropriations bill. With the funding for the Commission now assured, we see no reason that the report cannot be submitted by the new statutory deadline.

I appreciate your strong interest in the Commission, and hope this information is helpful to you.

Sincerely,


Donna E. Shalala



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 21 1993

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Chairman, Committee on Finance
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Sincerely,



Donna E. Shalala

ADVISORY COUNCIL ON SOCIAL SECURITY*

SEC. 706. [42 U.S.C. 907] (a) During 1969 (but not before February 1, 1969) and every fourth year thereafter (but not before February 1 of such fourth year), except as provided in subsection (e), the Secretary shall appoint an Advisory Council on Social Security for the purpose of reviewing the status of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program and the programs under parts A and B of title XVIII, and of reviewing the scope of coverage and the adequacy of benefits under, and all other aspects of, these programs, including their impact on the public assistance programs under this Act.

(b) Each such Council shall consist of a Chairman and 12 other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

(c)(1) Any Council appointed hereunder is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to such Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as it may require to carry out such functions.

(2) Appointed members of any such Council, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day and, while so serving away from their homes or regular places of business, they may be allowed 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.

(d) Each such Council shall submit reports (including any interim reports such Council may have issued) of its findings and recommendations to the Secretary not later than January 1 of the second year after the year in which it is appointed, and such reports and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of each of the Trust Funds. The reports required by this subsection shall include—

(1) a separate report with respect to the old-age, survivors, and disability insurance program under title II and of the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954¹,

(2) a separate report with respect to the hospital insurance program under part A of title XVIII and of the taxes imposed by sections 1401(b), 3101(b), and 3111(b) of the Internal Revenue Code of 1954, and

*See Vol. II, P.L. 92-463, §§2-15, with respect to provisions governing the operation of advisory committees.

¹See P.L. 83-591, §1401 (this volume).

EXHIBIT G

(3) a separate report with respect to the supplementary medical insurance program established by part B of title XVIII and of the financing thereof.

After the date of the transmittal to the Congress of the reports required by this subsection, the Council shall cease to exist.

(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).

GRANTS FOR EXPANSION AND DEVELOPMENT OF UNDERGRADUATE AND GRADUATE PROGRAMS

SEC. 707. [42 U.S.C. 908] (a) There is authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1969, and \$5,000,000 for each of the three succeeding fiscal years, for grants by the Secretary to public or nonprofit private colleges and universities and to accredited graduate schools of social work or an association of such schools to meet part of the costs of development, expansion, or improvement of (respectively) undergraduate programs in social work and programs for the graduate training of professional social work personnel, including the costs of compensation of additional faculty and administrative personnel and minor improvements of existing facilities. Not less than one-half of the sums appropriated for any fiscal year under the authority of this subsection shall be used by the Secretary for grants with respect to undergraduate programs.

(b) In considering applications for grants under this section, the Secretary shall take into account the relative need in the States for personnel trained in social work and the effect of the grants thereon.

(c) Payment of grants under this section may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and on such terms and conditions and in such installments, as the Secretary may determine.

(d) For purposes of this section—

(1) the term "graduate school of social work" means a department, school, division, or other administrative unit, in a public or nonprofit private college or university, which provides, primarily or exclusively, a program of education in social work and allied subjects leading to a graduate degree in social work;

(2) the term "accredited" as applied to a graduate school of social work refers to a school which is accredited by a body or bodies approved for the purpose by the Commissioner of Education or with respect to which there is evidence satisfactory to the Secretary that it will be so accredited within a reasonable time; and

(3) the term "nonprofit" as applied to any college or university refers to a college or university which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

DELIVERY OF BENEFIT CHECKS

SEC. 708. [42 U.S.C. 909] (a) If the day regularly designated for the delivery of benefit checks under title II or title XVI falls on a

1 promise that Franklin Roosevelt established so many years
2 ago.

3 Thank you very much.

4 (The prepared statement of Secretary Shalala appears
5 in the appendix.)

6 The Chairman. Thank you, Dr. Shalala. I simply
7 speak to you from your own words. You say, "we are
8 committed to making the tough decisions necessary to
9 restore the public's waning confidence in Social
10 Security." That is a handsome statement of you and I
11 appreciate it because it is true.

12 You say, "again, we have to rebuild confidence."
13 And then in conclusion you say, "we share a common vision
14 to restore the American people's faith and confidence in
15 the Social Security Administration."

16 Well, were did that confidence go? Why is it waning?
17 What has happened? I can just speak to you from 17 years
18 on this committee. I can see how it has failed. I spoke
19 to it earlier on. It is an organizational system in which
20 there is very little understanding of the need to reach
21 out.

22 You are having a hell's own time with the problem of
23 domestic help and the payment of Social Security. Only
24 about a quarter of such person's contributions are paid
25 and credited.

1 The Social Security Administration never came to this
2 committee with that subject. We had something in the bill
3 last year. But they never said, "we have a problem."
4 No, these people are not getting their benefits. It is
5 just not there. It is fine people who have missed it.

6 I quote you, "the public's waning confidence," "to
7 restore the American people's faith and confidence." How
8 do you think we are going to have health care health
9 insurance if we cannot run a 50-year-old retirement system
10 or a disability system which is hung up the way it is.

11 The statute provides that the quadrennial Social
12 Security Advisory Council is to be appointed following a
13 presidential election. Well, here it is September and
14 there is no commission, no council. Does the statute not
15 provide that there be a commissioner? There is no
16 council. I mean, Larry will tell you about it.

17 At a time when half your problems -- we lost an
18 Attorney General. The President lost an Attorney General.
19 He lost two. God knows what else over the issue of
20 payments to domestic workers. There is no council. There
21 is no commissioner. No commissioner, I have to tell you,
22 Senators, no commissioner has been nominated. The day the
23 commissioner is nominated, the next day we will have a
24 hearing.

25 I think Mr. Pryor would like to do that, would you



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 21 1993

The Honorable Daniel Patrick Moynihan
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you know, Public Law 102-393 enacted last October authorized the establishment of the Commission on the Social Security "Notch" Issue, but did not provide funding for the Commission to fulfill its responsibilities. Now that funding for the Commission will become available with Senate passage of the fiscal year 1994 Labor, Health and Human Services, and Education Appropriations bill (H.R. 2518) earlier this week, I want to assure you that the Department is finalizing a list of nominees to be submitted to the President soon.

Further, it is important to note that transmission of the Commission's report to Congress has been delayed from December 31, 1993 until December 31, 1994 as part of the fiscal year 1994 Treasury, Postal Service and General Government Appropriations bill. With the funding for the Commission now assured, we see no reason that the report cannot be submitted by the new statutory deadline.

I appreciate your strong interest in the Commission, and hope this information is helpful to you.

Sincerely,


Donna E. Shalala



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 21 1993

The Honorable Daniel Patrick Moynihan
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

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ADVISORY COUNCIL ON SOCIAL SECURITY*

SEC. 706. [42 U.S.C. 907] (a) During 1969 (but not before February 1, 1969) and every fourth year thereafter (but not before February 1 of such fourth year), except as provided in subsection (e), the Secretary shall appoint an Advisory Council on Social Security for the purpose of reviewing the status of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program and the programs under parts A and B of title XVIII, and of reviewing the scope of coverage and the adequacy of benefits under, and all other aspects of, these programs, including their impact on the public assistance programs under this Act.

(b) Each such Council shall consist of a Chairman and 12 other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

(c)(1) Any Council appointed hereunder is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to such Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as it may require to carry out such functions.

(2) Appointed members of any such Council, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day and, while so serving away from their homes or regular places of business, they may be allowed 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.

(d) Each such Council shall submit reports (including any interim reports such Council may have issued) of its findings and recommendations to the Secretary not later than January 1 of the second year after the year in which it is appointed, and such reports and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of each of the Trust Funds. The reports required by this subsection shall include—

(1) a separate report with respect to the old-age, survivors, and disability insurance program under title II and of the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954¹,

(2) a separate report with respect to the hospital insurance program under part A of title XVIII and of the taxes imposed by sections 1401(b), 3101(b), and 3111(b) of the Internal Revenue Code of 1954, and

*See Vol. II, P.L. 92-463, §§2-15, with respect to provisions governing the operation of advisory committees.

¹See P.L. 83-591, §1401 (this volume).

EXHIBIT G

(3) a separate report with respect to the supplementary medical insurance program established by part B of title XVIII and of the financing thereof.

After the date of the transmittal to the Congress of the reports required by this subsection, the Council shall cease to exist.

(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).

GRANTS FOR EXPANSION AND DEVELOPMENT OF UNDERGRADUATE AND GRADUATE PROGRAMS

SEC. 707. [42 U.S.C. 908] (a) There is authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1969, and \$5,000,000 for each of the three succeeding fiscal years, for grants by the Secretary to public or nonprofit private colleges and universities and to accredited graduate schools of social work or an association of such schools to meet part of the costs of development, expansion, or improvement of (respectively) undergraduate programs in social work and programs for the graduate training of professional social work personnel, including the costs of compensation of additional faculty and administrative personnel and minor improvements of existing facilities. Not less than one-half of the sums appropriated for any fiscal year under the authority of this subsection shall be used by the Secretary for grants with respect to undergraduate programs.

(b) In considering applications for grants under this section, the Secretary shall take into account the relative need in the States for personnel trained in social work and the effect of the grants thereon.

(c) Payment of grants under this section may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and on such terms and conditions and in such installments, as the Secretary may determine.

(d) For purposes of this section—

(1) the term "graduate school of social work" means a department, school, division, or other administrative unit, in a public or nonprofit private college or university, which provides, primarily or exclusively, a program of education in social work and allied subjects leading to a graduate degree in social work;

(2) the term "accredited" as applied to a graduate school of social work refers to a school which is accredited by a body or bodies approved for the purpose by the Commissioner of Education or with respect to which there is evidence satisfactory to the Secretary that it will be so accredited within a reasonable time; and

(3) the term "nonprofit" as applied to any college or university refers to a college or university which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

DELIVERY OF BENEFIT CHECKS

SEC. 708. [42 U.S.C. 909] (a) If the day regularly designated for the delivery of benefit checks under title II or title XVI falls on a

1 promise that Franklin Roosevelt established so many years
2 ago.

3 Thank you very much.

4 (The prepared statement of Secretary Shalala appears
5 in the appendix.)

6 The Chairman. Thank you, Dr. Shalala. I simply
7 speak to you from your own words. You say, "we are
8 committed to making the tough decisions necessary to
9 restore the public's waning confidence in Social
10 Security." That is a handsome statement of you and I
11 appreciate it because it is true.

12 You say, "again, we have to rebuild confidence."
13 And then in conclusion you say, "we share a common vision
14 to restore the American people's faith and confidence in
15 the Social Security Administration."

16 Well, were did that confidence go? Why is it waning?
17 What has happened? I can just speak to you from 17 years
18 on this committee. I can see how it has failed. I spoke
19 to it earlier on. It is an organizational system in which
20 there is very little understanding of the need to reach
21 out.

22 You are having a hell's own time with the problem of
23 domestic help and the payment of Social Security. Only
24 about a quarter of such person's contributions are paid
25 and credited.

1 The Social Security Administration never came to this
2 committee with that subject. We had something in the bill
3 last year. But they never said, "we have a problem."
4 No, these people are not getting their benefits. It is
5 just not there. It is fine people who have missed it.

6 I quote you, "the public's waning confidence," "to
7 restore the American people's faith and confidence." How
8 do you think we are going to have health care health
9 insurance if we cannot run a 50-year-old retirement system
10 or a disability system which is hung up the way it is.

11 The statute provides that the quadrennial Social
12 Security Advisory Council is to be appointed following a
13 presidential election. Well, here it is September and
14 there is no commission, no council. Does the statute not
15 provide that there be a commissioner? There is no
16 council. I mean, Larry will tell you about it.

17 At a time when half your problems -- we lost an
18 Attorney General. The President lost an Attorney General.
19 He lost two. God knows what else over the issue of
20 payments to domestic workers. There is no council. There
21 is no commissioner. No commissioner, I have to tell you,
22 Senators, no commissioner has been nominated. The day the
23 commissioner is nominated, the next day we will have a
24 hearing.

25 I think Mr. Pryor would like to do that, would you

