

relating to the imposition of benefit sanctions on account of a beneficiary's refusal of rehabilitation services. We are making these changes to reflect the repeal of sections 222(b) and 1615(c) of the Social Security Act (the Act). Prior to their repeal, these sections of the Act authorized the Commissioner of Social Security to impose sanctions against the benefits of a disabled or blind beneficiary who refused, without good cause, to accept rehabilitation services made available by a State vocational rehabilitation (VR) agency. The Ticket to Work and Work Incentives Improvement Act of 1999 repealed these sections of the Act, effective January 1, 2001. We are amending our regulations by removing rules and related provisions that are obsolete as a result of the repeal of these sections of the Act to conform our regulations to the changes in the statute.

**EFFECTIVE DATE:** These rules are effective July 7, 2003.

**Electronic Version:** The electronic file of this document is available on the date of publication in the **Federal Register** at [http://www.access.gpo.gov/su\\_docs/aces/aces140.html](http://www.access.gpo.gov/su_docs/aces/aces140.html). It is also available on the Internet site for SSA (*i.e.*, Social Security Online): at [ssa.gov](http://ssa.gov).

**FOR FURTHER INFORMATION CONTACT:**

Melvin Winer, Social Insurance Specialist, Office of Employment Support Programs, 107 Altmeyer Building, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, e-mail to [regulations@ssa.gov](mailto:regulations@ssa.gov), or telephone (410) 965-9175 or TTY (410) 966-5609 for information about these rules. For information on eligibility or filing for benefits, call our national toll-free numbers, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet Web site, Social Security Online, at [ssa.gov](http://ssa.gov).

**SUPPLEMENTARY INFORMATION:** These regulations reflect amendments to the Act which affect the payment of Social Security benefits under title II of the Act and Supplemental Security Income (SSI) benefits based on disability or blindness under title XVI of the Act, as well as payments to State VR agencies and alternate participants under the VR reimbursement programs under titles II and XVI of the Act.

**Background**

*Sections 222 and 1615 of the Social Security Act*

In general, sections 222(a) and 1615(a) of the Act require us to refer Social Security disability beneficiaries, as well as disabled or blind SSI beneficiaries

ages 16-64, to the State VR agency (*i.e.*, a State agency operating under a State plan for VR services approved under title I of the Rehabilitation Act of 1973, as amended) for necessary VR services. Sections 222(d) and 1615(d) and (e) of the Act authorize us to reimburse a State VR agency for the reasonable and necessary costs of VR services furnished to beneficiaries in certain categories of cases. Based on authority provided under sections 222(d)(2), 1615 and 1633 of the Act, our regulations on the VR reimbursement programs provide that if a State VR agency is unwilling to participate with respect to a beneficiary whom we referred to that agency (or if the State does not have an approved State plan for VR services), we may refer the beneficiary to an alternate participant for appropriate VR services, and may pay the alternate participant for the costs of services under the same conditions that would apply to a State VR agency.

Prior to January 1, 2001, sections 222(b) and 1615(c) of the Act required that certain sanctions be imposed against benefits (*i.e.*, deductions against Social Security benefits or a suspension of SSI benefits) if a beneficiary refused VR services without good cause. Section 222(b) of the Act required us to make deductions from the Social Security benefits of a disability beneficiary (as well as deductions from the benefits of family members in certain circumstances) for any month in which such beneficiary refuses without good cause to accept rehabilitation services available to him or her from a State VR agency. In general, section 1615(c) of the Act provided that an individual shall not be eligible for SSI benefits if the individual refuses without good cause to accept VR services for which he or she is referred under section 1615(a) of the Act. Sections 222(b) and 1615(c) of the Act were repealed, effective January 1, 2001, by amendments to the Act made by the Ticket to Work and Work Incentives Improvement Act of 1999.

*The Ticket To Work and Work Incentives Improvement Act of 1999 (Public Law 106-170)*

On December 17, 1999, Public Law 106-170, the Ticket to Work and Work Incentives Improvement Act of 1999, became law. Section 101(a) of Public Law 106-170 added section 1148 of the Act to establish the Ticket to Work and Self-Sufficiency Program (Ticket to Work program). The purpose of the Ticket to Work program is to expand the universe of service providers available to beneficiaries with disabilities who are seeking employment services, VR services, and other support services to

assist them in obtaining, regaining, and maintaining self-supporting employment.

Under the Ticket to Work program, the Commissioner of Social Security may issue a ticket to Social Security disability beneficiaries and disabled or blind SSI beneficiaries for participation in the program. A beneficiary's participation in the program is voluntary. Each beneficiary has the option of using his or her ticket to obtain services from a provider known as an employment network or from a State VR agency. The beneficiary will choose the employment network or State VR agency, and the employment network or State VR agency will provide services. Employment networks will also be able to choose whom they serve. Our regulations implementing the Ticket to Work program are contained in 20 CFR part 411.

Section 101(b) of Public Law 106-170 made certain conforming amendments to the provisions of sections 222 and 1615 of the Act. Sections 101(b)(1)(C) and (b)(2)(B) of this law eliminated the sanctions for refusal of VR services by repealing sections 222(b) and 1615(c) of the Act, respectively. The repeal of these sections of the Act was effective January 1, 2001.

Section 101(b)(1)(B) of Public Law 106-170 eliminated the requirement for referral of Social Security disability beneficiaries to State VR agencies by repealing section 222(a) of the Act. Section 101(b)(2)(A) of this law amended section 1615(a) of the Act to eliminate the similar requirement that disabled or blind SSI beneficiaries ages 16-64 be referred to State VR agencies. These amendments to the Act take effect in a State when the Ticket to Work program is implemented in that State.

We will publish at a later date in the **Federal Register** rules to reflect the amendments eliminating the requirements for the referral of beneficiaries to State VR agencies in those States in which the Ticket to Work program is implemented, as provided in sections 101(b), (c) and (d) of Public Law 106-170. Additionally, the use of alternate participants under the title II and title XVI VR reimbursement programs will be phased out in the States as the Ticket to Work program is implemented, as authorized under section 101(d)(5) of Public Law 106-170. Under section 1148(d)(4)(B) of the Act and our regulations at 20 CFR part 411, subpart J, alternate participants in the VR reimbursement programs may qualify to serve as employment networks under the Ticket to Work program when that program is implemented in their State.