

(1) In § 416.1500, paragraph (c) does not apply.

(2) The last sentence of § 416.1503 is deemed to read: “You refers to any person claiming or receiving SVB.”

(3) In § 416.1507(c), the words “one of our offices” are deemed to read “any of the offices listed in § 408.1009(b).”

(4) In § 416.1510(b), the reference to “title XVI of the Act” is deemed to read “title VIII of the Act,” and the reference to “§ 416.315” is deemed to read “§ 408.315.”

(5) In § 416.1540, the parenthetical clause in paragraph (b), the second sentences in paragraphs (b)(1) and (b)(2), and paragraph (c)(2) do not apply, and the references to “§ 416.1411(b)” in paragraphs (c)(4) and (c)(7)(i) are deemed to read “§ 408.1011(b).”

(6) In § 416.1545, paragraph (c) does not apply.

(7) In § 416.1599, paragraph (d) is deemed to read: “The Appeals Council will not grant the request unless it is reasonably satisfied that the person will in the future act according to the provisions of our regulations.”

**Subpart L—Federal Administration of State Recognition Payments**

AUTHORITY: Secs. 702(a)(5) and 810A of the Social Security Act (42 U.S.C. 902(a)(5) and 1010a).

SOURCE: 69 FR 25955, May 10, 2004, unless otherwise noted.

**§ 408.1201 What are State recognition payments?**

(a) *State recognition payments; defined.* State recognition payments are any payments made by a State or one of its political subdivisions to an individual who is entitled to SVB, if the payments are made:

(1) As a supplement to monthly SVB payments; and

(2) Regularly, on a periodic recurring, or routine basis of at least once a quarter; and

(3) In cash, which may be actual currency, or any negotiable instrument convertible into cash upon demand.

(b) *State; defined.* For purposes of this subpart, State means a State of the United States or the District of Columbia.

**§ 408.1205 How can a State have SSA administer its State recognition payment program?**

A State (or political subdivision) may enter into a written agreement with SSA, under which SSA will make recognition payments on behalf of the State (or political subdivision). The regulations in effect for the SVB program also apply in the Federal administration of State recognition payments except as necessary for the effective and efficient administration of both the SVB program and the State’s recognition payment program.

**§ 408.1210 What are the essential elements of an administration agreement?**

(a) *Payments.* The agreement must provide that recognition payments can only be made to individuals who are receiving SVB payments.

(b) *Administrative costs—(1) General rule.* SSA will assess each State that elects Federal administration of its recognition payments an administration fee for administering those payments.

(2) *Determining the administration fee.* The administration fee is assessed and paid monthly and is derived by multiplying the number of State recognition payments we make on behalf of a State for any month in a fiscal year by the applicable dollar rate for the fiscal year. The number of recognition payments we make in a month is the total number of checks we issue, and direct deposits we make, to recipients in that month, that are composed in whole or in part of State recognition funds. The dollar amounts are as follows:

- (i) For fiscal year 2001, \$8.10;
- (ii) For fiscal year 2002, \$8.50; and
- (iii) For fiscal year 2003 and each succeeding fiscal year—

(A) The applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

(B) A different rate if the Commissioner determines the different rate is