

1988—Pub. L. 100-203, title IV, §§ 4001, 4041(b), 4061, title VIII, § 8002, Dec. 22, 1987, 101 Stat. 1330-42, 1330-84, 1330-100, 1330-281.

Pub. L. 100-202, § 1, Dec. 22, 1987, 101 Stat. 1329.

Order of the President of the United States, Nov. 20, 1987, 52 F.R. 44960.

Order of the President of the United States, Oct. 20, 1987, 52 F.R. 39205.

1986—Pub. L. 99-366, July 31, 1986, 100 Stat. 773.

Pub. L. 99-349, title II, § 202, July 2, 1986, 100 Stat. 748.

Pub. L. 99-255, Mar. 7, 1986, 100 Stat. 39, as amended by Pub. L. 99-322, § 1, May 23, 1986, 100 Stat. 494.

Order of the President of the United States, Feb. 1, 1986, 51 F.R. 4291.

## § 905. Exempt programs and activities

### (a) Social security benefits and tier I railroad retirement benefits

Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act (42 U.S.C. 401 et seq.), and benefits payable under section<sup>1</sup> 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45, shall be exempt from reduction under any order issued under this subchapter.

### (b) Veterans programs

The following programs shall be exempt from reduction under any order issued under this subchapter:

All programs administered by the Department of Veterans Affairs.

Special benefits for certain World War II veterans (28-0401-0-1-701).

### (c) Net interest

No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this subchapter.

### (d) Refundable income tax credits

Payments to individuals made pursuant to provisions of title 26 establishing refundable tax credits shall be exempt from reduction under any order issued under this subchapter.

### (e) Non-defense unobligated balances

Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense category, shall be exempt from reduction under any order issued under this subchapter.

### (f) Optional exemption of military personnel

#### (1) In general

The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

#### (2) Limitation

The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 904(a) of this title for the budget year.

### (g) Other programs and activities

(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this subchapter:

Activities resulting from private donations, bequests, or voluntary contributions to the Government.

Activities financed by voluntary payments to the Government for goods or services to be provided for such payments.

Administration of Territories, Northern Mariana Islands Covenant grants (14-0412-0-1-808).

Advances to the Unemployment Trust Fund and Other Funds (16-0327-0-1-600).

Black Lung Disability Trust Fund Refinancing (16-0329-0-1-601).

Bonneville Power Administration Fund and borrowing authority established pursuant to section 13 of Public Law 93-454 (1974), as amended [16 U.S.C. 838k] (89-4045-0-3-271).

Claims, Judgments, and Relief Acts (20-1895-0-1-808).

Compact of Free Association (14-0415-0-1-808).

Compensation of the President (11-0209-01-1-802).

Comptroller of the Currency, Assessment Funds (20-8413-0-8-373).

Continuing Fund, Southeastern Power Administration (89-5653-0-2-271).

Continuing Fund, Southwestern Power Administration (89-5649-0-2-271).

Dual Benefits Payments Account (60-0111-0-1-601).

Emergency Fund, Western Area Power Administration (89-5069-0-2-271).

Exchange Stabilization Fund (20-4444-0-3-155).

Farm Credit Administration Operating Expenses Fund (78-4131-0-3-351).

Farm Credit System Insurance Corporation, Farm Credit Insurance Fund (78-4171-0-3-351).

Federal Deposit Insurance Corporation, Deposit Insurance Fund (51-4596-0-4-373).

Federal Deposit Insurance Corporation, FSLIC Resolution Fund (51-4065-0-3-373).

Federal Deposit Insurance Corporation, Non-interest Bearing Transaction Account Guarantee (51-4458-0-3-373).

Federal Deposit Insurance Corporation, Senior Unsecured Debt Guarantee (51-4457-0-3-373).

Federal Home Loan Mortgage Corporation (Freddie Mac).

Federal Housing Finance Agency, Administrative Expenses (95-5532-0-2-371).

Federal National Mortgage Corporation (Fannie Mae).

Federal Payment to the District of Columbia Judicial Retirement and Survivors Annuity Fund (20-1713-0-1-752).

Federal Payment to the District of Columbia Pension Fund (20-1714-0-1-601).

Federal Payments to the Railroad Retirement Accounts (60-0113-0-1-601).

Federal Reserve Bank Reimbursement Fund (20-1884-0-1-803).

Financial Agent Services (20-1802-0-1-803).

Foreign Military Sales Trust Fund (11-8242-0-7-155).

Hazardous Waste Management, Conservation Reserve Program (12-4336-0-3-999).

Host Nation Support Fund for Relocation (97-8337-0-7-051).

<sup>1</sup> So in original. Probably should be "sections".

Internal Revenue Collections for Puerto Rico (20-5737-0-2-806).

Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect.

Medical Facilities Guarantee and Loan Fund (75-9931-0-3-551).

National Credit Union Administration, Central Liquidity Facility (25-4470-0-3-373).

National Credit Union Administration, Corporate Credit Union Share Guarantee Program (25-4476-0-3-376).

National Credit Union Administration, Credit Union Homeowners Affordability Relief Program (25-4473-0-3-371).

National Credit Union Administration, Credit Union Share Insurance Fund (25-4468-0-3-373).

National Credit Union Administration, Credit Union System Investment Program (25-4474-0-3-376).

National Credit Union Administration, Operating fund (25-4056-0-3-373).

National Credit Union Administration, Share Insurance Fund Corporate Debt Guarantee Program (25-4469-0-3-376).

National Credit Union Administration, U.S. Central Federal Credit Union Capital Program (25-4475-0-3-376).

Office of Thrift Supervision (20-4108-0-3-373).

Panama Canal Commission Compensation Fund (16-5155-0-2-602).

Payment of Vietnam and USS Pueblo prisoner-of-war claims within the Salaries and Expenses, Foreign Claims Settlement account (15-0100-0-1-153).

Payment to Civil Service Retirement and Disability Fund (24-0200-0-1-805).

Payment to Department of Defense Medicare-Eligible Retiree Health Care Fund (97-0850-0-1-054).

Payment to Judiciary Trust Funds (10-0941-0-1-752).

Payment to Military Retirement Fund (97-0040-0-1-054).

Payment to the Foreign Service Retirement and Disability Fund (19-0540-0-1-153).

Payments to Copyright Owners (03-5175-0-2-376).

Payments to Health Care Trust Funds (75-0580-0-1-571).

Payment to Radiation Exposure Compensation Trust Fund (15-0333-0-1-054).

Payments to Social Security Trust Funds (28-0404-0-1-651).

Payments to the United States Territories, Fiscal Assistance (14-0418-0-1-806).

Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds.

Payments to widows and heirs of deceased Members of Congress (00-0215-0-1-801).

Postal Service Fund (18-4020-0-3-372).

Radiation Exposure Compensation Trust Fund (15-8116-0-1-054).

Reimbursement to Federal Reserve Banks (20-0562-0-1-803).

Salaries of Article III judges.

Soldiers and Airmen's Home, payment of claims (84-8930-0-7-705).

Tennessee Valley Authority Fund, except nonpower programs and activities (64-4110-0-3-999).

Tribal and Indian trust accounts within the Department of the Interior which fund prior legal obligations of the Government or which are established pursuant to Acts of Congress regarding Federal management of tribal real property or other fiduciary responsibilities, including but not limited to Tribal Special Fund (14-5265-0-2-452), Tribal Trust Fund (14-8030-0-7-452), White Earth Settlement (14-2204-0-1-452), and Indian Water Rights and Habitat Acquisition (14-5505-0-2-303).

United Mine Workers of America 1992 Benefit Plan (95-8260-0-7-551).

United Mine Workers of America 1993 Benefit Plan (95-8535-0-7-551).

United Mine Workers of America Combined Benefit Fund (95-8295-0-7-551).

United States Enrichment Corporation Fund (95-4054-0-3-271).

Universal Service Fund (27-5183-0-2-376).

Vaccine Injury Compensation (75-0320-0-1-551).

Vaccine Injury Compensation Program Trust Fund (20-8175-0-7-551).

(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this subchapter:

Black Lung Disability Trust Fund (20-8144-0-7-601).

Central Intelligence Agency Retirement and Disability System Fund (56-3400-0-1-054).

Civil Service Retirement and Disability Fund (24-8135-0-7-602).

Comptrollers general retirement system (05-0107-0-1-801).

Contributions to U.S. Park Police annuity benefits, Other Permanent Appropriations (14-9924-0-2-303).

Court of Appeals for Veterans Claims Retirement Fund (95-8290-0-7-705).

Department of Defense Medicare-Eligible Retiree Health Care Fund (97-5472-0-2-551).

District of Columbia Federal Pension Fund (20-5511-0-2-601).

District of Columbia Judicial Retirement and Survivors Annuity Fund (20-8212-0-7-602).

Energy Employees Occupational Illness Compensation Fund (16-1523-0-1-053).

Foreign National Employees Separation Pay (97-8165-0-7-051).

Foreign Service National Defined Contributions Retirement Fund (19-5497-0-2-602).

Foreign Service National Separation Liability Trust Fund (19-8340-0-7-602).

Foreign Service Retirement and Disability Fund (19-8186-0-7-602).

Government Payment for Annuitants, Employees Health Benefits (24-0206-0-1-551).

Government Payment for Annuitants, Employee Life Insurance (24-0500-0-1-602).

Judicial Officers' Retirement Fund (10-8122-0-7-602).

Judicial Survivors' Annuities Fund (10-8110-0-7-602).

Military Retirement Fund (97-8097-0-7-602).

National Railroad Retirement Investment Trust (60-8118-0-7-601).

National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306).

Pensions for former Presidents (47-0105-0-1-802).

Postal Service Retiree Health Benefits Fund (24-5391-0-2-551).

Public Safety Officer Benefits (15-0403-0-1-754).

Rail Industry Pension Fund (60-8011-0-7-601).

Retired Pay, Coast Guard (70-0602-0-1-403).

Retirement Pay and Medical Benefits for Commissioned Officers, Public Health Service (75-0379-0-1-551).

Special Benefits for Disabled Coal Miners (16-0169-0-1-601).

Special Benefits, Federal Employees' Compensation Act (16-1521-0-1-600).

Special Workers Compensation Expenses (16-9971-0-7-601).

Tax Court Judges Survivors Annuity Fund (23-8115-0-7-602).

United States Court of Federal Claims Judges' Retirement Fund (10-8124-0-7-602).

United States Secret Service, DC Annuity (70-0400-0-1-751).

Voluntary Separation Incentive Fund (97-8335-0-7-051).

(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this subchapter:

Biomass Energy Development (20-0114-0-1-271).

Check Forgery Insurance Fund (20-4109-0-3-803).

Credit liquidating accounts.

Credit reestimates.

Employees Life Insurance Fund (24-8424-0-8-602).

Federal Aviation Insurance Revolving Fund (69-4120-0-3-402).

Federal Crop Insurance Corporation Fund (12-4085-0-3-351).

Federal Emergency Management Agency, National Flood Insurance Fund (58-4236-0-3-453).

Geothermal resources development fund (89-0206-0-1-271).

Low-Rent Public Housing—Loans and Other Expenses (86-4098-0-3-604).

Maritime Administration, War Risk Insurance Revolving Fund (69-4302-0-3-403).

Natural Resource Damage Assessment Fund (14-1618-0-1-302).

Overseas Private Investment Corporation, Noncredit Account (71-4184-0-3-151).

Pension Benefit Guaranty Corporation Fund (16-4204-0-3-601).

San Joaquin Restoration Fund (14-5537-0-2-301).

Servicemembers' Group Life Insurance Fund (36-4009-0-3-701).

Terrorism Insurance Program (20-0123-0-1-376).

**(h) Low-income programs**

The following programs shall be exempt from reduction under any order issued under this subchapter:

Academic Competitiveness/Smart Grant Program (91-0205-0-1-502).

Child Care Entitlement to States (75-1550-0-1-609).

Child Enrollment Contingency Fund (75-5551-0-2-551).

Child Nutrition Programs (with the exception of special milk programs) (12-3539-0-1-605).

Children's Health Insurance Fund (75-0515-0-1-551).

Commodity Supplemental Food Program (12-3507-0-1-605).

Contingency Fund (75-1522-0-1-609).

Family Support Programs (75-1501-0-1-609).

Federal Pell Grants under section 1070a<sup>2</sup> of title 20.

Grants to States for Medicaid (75-0512-0-1-551).

Payments for Foster Care and Permanency (75-1545-0-1-609).

Supplemental Nutrition Assistance Program (12-3505-0-1-605).

Supplemental Security Income Program (28-0406-0-1-609).

Temporary Assistance for Needy Families (75-1552-0-1-609).

**(i) Economic recovery programs**

The following programs shall be exempt from reduction under any order issued under this subchapter:

GSE Preferred Stock Purchase Agreements (20-0125-0-1-371).

Office of Financial Stability (20-0128-0-1-376).

Special Inspector General for the Troubled Asset Relief Program (20-0133-0-1-376).

**(j)<sup>3</sup> Split treatment programs**

Each of the following programs shall be exempt from any order under this subchapter to the extent that the budgetary resources of such programs are subject to obligation limitations in appropriations bills:

Federal-Aid Highways (69-8083-0-7-401).

Highway Traffic Safety Grants (69-8020-0-7-401).

Operations and Research NHTSA and National Driver Register (69-8016-0-7-401).

Motor Carrier Safety Operations and Programs (69-8159-0-7-401).

Motor Carrier Safety Grants (69-8158-0-7-401).

Formula and Bus Grants (69-8350-0-7-401).

Grants-In-Aid for Airports (69-8106-0-7-402).

**(j)<sup>3</sup> Identification of programs**

For purposes of subsections (b), (g), and (h) of this section, each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government 2010-Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.

(Pub. L. 99-177, title II, § 255, Dec. 12, 1985, 99 Stat. 1082; Pub. L. 99-509, title VII, § 7002(a), Oct. 21, 1986, 100 Stat. 1949; Pub. L. 99-514, § 2, Oct. 22,

<sup>2</sup> See References in Text note below.

<sup>3</sup> So in original. Two subsecs. (j) have been enacted.

1986, 100 Stat. 2095; Pub. L. 100-86, title V, § 506(a), Aug. 10, 1987, 101 Stat. 634; Pub. L. 100-119, title I, § 104(a)(1), (2), (b), (c)(1), Sept. 29, 1987, 101 Stat. 775-777; Pub. L. 101-73, title VII, § 743(a), (c), Aug. 9, 1989, 103 Stat. 437; Pub. L. 101-220, § 8, Dec. 12, 1989, 103 Stat. 1881; Pub. L. 101-508, title XIII, § 13101(c), Nov. 5, 1990, 104 Stat. 1388-589; Pub. L. 102-54, § 13(a), June 13, 1991, 105 Stat. 274; Pub. L. 102-83, § 5(c)(2), Aug. 6, 1991, 105 Stat. 406; Pub. L. 102-486, title IX, § 902(d), Oct. 24, 1992, 106 Stat. 2944; Pub. L. 102-572, title VI, § 601, Oct. 29, 1992, 106 Stat. 4514; Pub. L. 104-193, title I, § 110(r)(1), Aug. 22, 1996, 110 Stat. 2175; Pub. L. 104-208, div. A, title II, § 2704(d)(10), Sept. 30, 1996, 110 Stat. 3009-489; Pub. L. 105-33, title X, § 10207, Aug. 5, 1997, 111 Stat. 704; Pub. L. 109-171, title II, § 2102(b), Feb. 8, 2006, 120 Stat. 9; Pub. L. 111-139, title I, § 11, Feb. 12, 2010, 124 Stat. 23.)

#### TERMINATION OF SECTION

*Section expired Sept. 30, 2006. See section 275(b) of Pub. L. 99-177, as amended, set out as an Effective and Termination Dates note under section 900 of this title.*

#### REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (a), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Title II of the Social Security Act is classified generally to subchapter II (§ 401 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

The Federal Employees' Compensation Act, referred to in subsec. (g)(1)(B), which is act Sept. 7, 1916, ch. 458, 39 Stat. 742, was repealed and the provisions thereof reenacted as subchapter I of chapter 81 of Title 5, Government Organization and Employees, by Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 378.

Section 1070a of title 20, referred to in subsec. (h), was in the original "section 401 Title IV of the Higher Education Act" and was translated as if it referred to section 401 of title IV of the Higher Education Act of 1965 to reflect the probable intent of Congress.

#### AMENDMENTS

2010—Subsecs. (a) to (d). Pub. L. 111-139, § 11(b), amended subsecs. (a) to (d) generally. Prior to amendment, subsecs. (a) to (d) related to exemptions for social security benefits and tier I railroad retirement benefits, veterans programs, net interest, and earned income tax credit, respectively.

Subsecs. (g), (h). Pub. L. 111-139, § 11(c), amended subsecs. (g) and (h) generally. Prior to amendment, subsecs. (g) and (h) related to exemptions for other programs and activities and low-income programs, respectively.

Subsec. (i). Pub. L. 111-139, § 11(d), added subsec. (i). Former subsec. (i) redesignated (j) relating to identification of programs.

Subsec. (j). Pub. L. 111-139, § 11(d), added subsec. (j) relating to split treatment programs.

Pub. L. 111-139, § 11(a), redesignated subsec. (i) as (j) relating to identification of programs and substituted "2010" for "1998".

2006—Subsec. (g)(1)(A). Pub. L. 109-171 repealed Pub. L. 104-208, § 2704(d)(10). See 1996 Amendment note below.

1997—Subsec. (b). Pub. L. 105-33, § 10207(a), substituted "Veterans Insurance and Indemnities" for "Veterans Insurance and Indemnity", "Canteen Service Revolving Fund" for "Veterans' Canteen Service Revolving Fund", "(36-0120-0-1-701)" for "(36-0137-0-1-702)" in item relating to benefits under chapter 21 of title 38, "Compensation" for "Veterans' compensation", and "Pensions" for "Veterans' pensions" and inserted at end items relating to benefits under chapter 35 of title 38, assistance and services under chapter 31 of title 38,

benefits under subchapters I, II, and III of chapter 37 of title 38, Loan Guaranty Program Account, and Direct Loan Program Account.

Subsec. (f). Pub. L. 105-33, § 10207(b), amended heading and text of subsec. (f) generally. Prior to amendment, text read as follows: "Outlays for programs specified in paragraph (1) of section 907 of this title shall be subject to reduction only in accordance with the procedures established in section 901(a)(3)(C) and 906(b) of this title."

Subsec. (g)(1)(A). Pub. L. 105-33, § 10207(c)(1)(KK), inserted items relating to Thrift Savings Fund, United States Enrichment Corporation (95-4054-0-3-271), Vaccine Injury Compensation, and Vaccine Injury Compensation Program Trust Fund.

Pub. L. 105-33, § 10207(c)(1)(JJ), inserted "Revolving Fund (22-4055-0-3-373)" before semicolon in item relating to the Resolution Trust Corporation.

Pub. L. 105-33, § 10207(c)(1)(II), struck out "Resolution Funding Corporation;" after item relating to postal service fund.

Pub. L. 105-33, § 10207(c)(1)(HH), substituted "806" for "852" in item relating to payments to the United States territories.

Pub. L. 105-33, § 10207(c)(1)(GG), struck out "Payments to state and local government fiscal assistance trust fund (20-2111-0-1-851);" after item relating to payments to social security trust funds.

Pub. L. 105-33, § 10207(c)(1)(FF), substituted "651" for "571" in item relating to payments to social security trust funds.

Pub. L. 105-33, § 10207(c)(1)(EE), struck out "Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);" after item relating to payments to military retirement fund.

Pub. L. 105-33, § 10207(c)(1)(DD), substituted "571" for "572" in item relating to payments to health care trust funds.

Pub. L. 105-33, § 10207(c)(1)(CC), inserted item relating to Office of Thrift Supervision.

Pub. L. 105-33, § 10207(c)(1)(BB), substituted "Credit union share" for "credit union share" and inserted before semicolon "(25-4468-0-3-373)" in third item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(AA), substituted "Central" for "central" and inserted before semicolon "(25-4470-0-3-373)" in second item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(Z), inserted "operating fund (25-4056-0-3-373)" before semicolon in first item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(Y), substituted "(75-9931-0-3-550)" for "(75-4430-0-3-551)" in item relating to medical facilities guarantee and loan fund.

Pub. L. 105-33, § 10207(c)(1)(X), substituted "Panama Canal Commission, Panama Canal Revolving Fund (95-4061-0-3-403);" for "Panama Canal Commission, operating expenses (95-5190-0-2-403), and Panama Canal Commission, capital outlay (95-5190-0-2-403);".

Pub. L. 105-33, § 10207(c)(1)(W), substituted "806" for "852" in item relating to internal revenue collections for Puerto Rico.

Pub. L. 105-33, § 10207(c)(1)(V), struck out "and insurance" after "Higher education facilities loans".

Pub. L. 105-33, § 10207(c)(1)(U), inserted "program account" after "fund" and substituted "(75-0340-0-1-552)" for "(Health Education Assistance Loan Program) (75-4305-0-3-553)" in item relating to health professions graduate student loan insurance fund.

Pub. L. 105-33, § 10207(c)(1)(T), substituted "accounts" for "account" after "Federal payment to the railroad retirement".

Pub. L. 105-33, § 10207(c)(1)(S), inserted "(95-4039-0-3-371)" before semicolon in item relating to Federal Housing Finance Board.

Pub. L. 105-33, § 10207(c)(1)(R), inserted "(51-4066-0-3-373)" before semicolon in third item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, § 10207(c)(1)(Q), inserted "(51-4065-0-3-373)" before semicolon in second item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, §10207(c)(1)(P), inserted “(51-4064-0-3-373)” before semicolon in first item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, §10207(c)(1)(O), struck out “Federal Deposit Insurance Corporation;” after item relating to Farm Credit System Financial Assistance Corporation, interest payments (20-1850-0-1-351).

Pub. L. 105-33, §10207(c)(1)(N), inserted items relating to Farm Credit Administration and Farm Credit System Financial Assistance Corporation, interest payment (20-1850-0-1-908).

Pub. L. 105-33, §10207(c)(1)(M), struck out “Eastern Indian land claims settlement fund (14-2202-0-1-806);” after item relating to dual benefits payments account.

Pub. L. 105-33, §10207(c)(1)(L), struck out “Director of the Office of Thrift Supervision;” after item relating to Comptroller of the Currency.

Pub. L. 105-33, §10207(c)(1)(K), inserted “, Assessment funds (20-8413-0-8-373)” before semicolon in item relating to the Comptroller of the Currency.

Pub. L. 105-33, §10207(c)(1)(J), substituted “806” for “852” in item relating to the Customs Service.

Pub. L. 105-33, §10207(c)(1)(I), inserted item relating to Conservation Reserve Program.

Pub. L. 105-33, §10207(c)(1)(H), inserted item relating to Compact of Free Association.

Pub. L. 105-33, §10207(c)(1)(G), struck out “Coinage profit fund (20-5811-0-2-803);” after item relating to claims, judgments, and relief acts.

Pub. L. 105-33, §10207(c)(1)(F), substituted “808” for “806” in item relating to claims, judgments, and relief acts.

Pub. L. 105-33, §10207(c)(1)(E), struck out “Claims, defense (97-0102-0-1-051);” after second item relating to Bureau of Indian Affairs.

Pub. L. 105-33, §10207(c)(1)(D), substituted “Miscellaneous trust funds” for “miscellaneous trust funds, tribal trust funds” in second item relating to Bureau of Indian Affairs.

Pub. L. 105-33, §10207(c)(1)(C), inserted “Indian land and water claims settlements and” after comma in first item relating to Bureau of Indian Affairs.

Pub. L. 105-33, §10207(c)(1)(B), struck out “Thrift Savings Fund (26-8141-0-7-602);” after item relating to administration of Territories, Northern Mariana Islands Covenant grants.

Pub. L. 105-33, §10207(c)(1)(A), inserted item relating to activities financed by voluntary payments to Government.

Subsec. (g)(1)(B). Pub. L. 105-33, §10207(c)(2)(E), substituted “Railroad Industry Pension Fund” for “Railroad retirement tier II”.

Pub. L. 105-33, §10207(c)(2)(D), inserted “Special workers compensation expenses,” before “Longshoremen’s and harborworkers’ compensation benefits”.

Pub. L. 105-33, §10207(c)(2)(C), substituted “Claims Judges’ Retirement Fund” for “Court of Federal Claims Judges’ Retirement Fund”.

Pub. L. 105-33, §10207(c)(2)(B), substituted “Black Lung Disability Trust Fund” for “Black lung benefits”.

Pub. L. 105-33, §10207(c)(2)(A), substituted “The following Federal retirement and disability accounts” for “The following budget accounts” in introductory provisions.

Subsec. (g)(2). Pub. L. 105-33, §10207(c)(3)(E), struck out items “Credit union share insurance fund (25-4468-0-3-371);” and “Economic development revolving fund (13-4406-0-3-452);” after item relating to credit liquidating accounts, item “Export-Import Bank of the United States, Limitation of program activity (83-4027-0-3-155);” after item relating to energy security reserve (Synthetic Fuels Corporation), item “Federal Deposit Insurance Corporation (51-8419-0-8-371);” after item relating to Federal Crop Insurance Corporation fund, items “Federal Housing Administration fund (86-4070-0-3-371);”, “Federal ship financing fund (69-4301-0-3-403);”, and “Federal ship financing fund, fishing vessels (13-4417-0-3-376);” after item relating to Federal Emergency Management Agency National insurance development fund, items “Government Na-

tional Mortgage Association, Guarantees of mortgage-backed securities (86-4238-0-3-371);” and “Health education loans (75-4307-0-3-553);” after item relating to geothermal resources development fund, item “Indian loan guarantee and insurance fund (14-4410-0-3-452);” after item relating to homeowners assistance fund, defense, and items “Railroad rehabilitation and improvement financing fund (69-4411-0-3-401);”, “Rural development insurance fund (12-4155-0-3-452);”, “Rural electric and telephone revolving fund (12-4230-8-3-271);”, “Rural housing insurance fund (12-4141-0-3-371);”, “Small Business Administration, Business loan and investment fund (73-4154-0-3-376);”, “Small Business Administration, Lease guarantees revolving fund (73-4157-0-3-376);”, “Small Business Administration, Pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);”, “Small Business Administration, Surety bond guarantees revolving fund (73-4156-0-3-376);”, and “Department of Veterans Affairs, Loan guaranty revolving fund (36-4025-0-3-704);” after item relating to rail service assistance.

Pub. L. 105-33, §10207(c)(3)(D), inserted item relating to credit liquidating accounts.

Pub. L. 105-33, §10207(c)(3)(C), struck out “Community development grant loan guarantees (86-0162-0-1-451);” after item relating to United States Treasury check forgery insurance fund.

Pub. L. 105-33, §10207(c)(3)(B), substituted “United States Treasury check forgery insurance fund” for “Check forgery insurance fund”.

Pub. L. 105-33, §10207(c)(3)(A), struck out items “Agency for International Development, Housing, and other credit guarantee programs (72-4340-0-3-151);” and “Agricultural credit insurance fund (12-4140-0-3-351);” after “order issued under this subchapter:”.

Subsec. (h). Pub. L. 105-33, §10207(f), struck out heading and text of subsec. (h) relating to optional exemption of military personnel. Text read as follows:

“(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

“(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the initial snapshot date for the budget year.”

Pub. L. 105-33, §10207(d)(4), inserted item relating to family support payments to States.

Pub. L. 105-33, §10207(d)(3), substituted item relating to special supplemental nutrition program for women, infants, and children (WIC) for “Women, infants, and children program (12-3510-0-1-605).”

Pub. L. 105-33, §10207(d)(2), inserted items relating to temporary assistance for needy families, contingency fund, and child care entitlement to States.

Pub. L. 105-33, §10207(d)(1), substituted item relating to child nutrition programs for “Child nutrition (12-3539-0-1-605);”.

Subsec. (i). Pub. L. 105-33, §10207(e), amended heading and text of subsec. (i) generally. Prior to amendment, text read as follows: “For purposes of subsections (g) and (h) of this section, programs are identified by the designated budget account identification code numbers set forth in the Budget of the United States Government, 1986—Appendix.”

1996—Subsec. (g)(1)(A). Pub. L. 104-208, §2704(d)(10), which directed the amendment of subpar. (A) by substituting “Deposit Insurance Fund” for “Bank Insurance Fund” and by striking “Federal Deposit Insurance Corporation, Savings Association Insurance fund;”, was not executed and was repealed by Pub. L. 109-171. See Effective Date of 1996 Amendments note below.

Subsec. (h). Pub. L. 104-193 substituted “Block grants to States for temporary assistance for needy families;” for “Aid to families with dependent children (75-0412-0-1-609);”.

1992—Subsec. (g)(1)(A). Pub. L. 102-572, §601(b), inserted item relating to payment to Judiciary Trust Funds.

Pub. L. 102-486 inserted item relating to United States Enrichment Corporation.

Subsec. (g)(1)(B). Pub. L. 102-572, §601(a), inserted items relating to Judicial Officers' Retirement Fund and Court of Federal Claims Judges' Retirement Fund.

1991—Subsec. (b). Pub. L. 102-83 substituted "section 2307 of title 38" for "section 907 of title 38" in item relating to burial benefits for veterans.

Subsec. (g)(2). Pub. L. 102-54 substituted last two items relating to Department of Veterans Affairs for items relating to Veterans Administration, Loan guaranty revolving fund, and Veterans Administration, Servicemen's group life insurance fund.

1990—Subsec. (a). Pub. L. 101-508, §13101(c)(1), amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: "Increases in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, or in benefits payable under section 231b(a), 231b(f)(3), 231c(a), or 231c(f) of title 45, shall not be considered 'automatic spending increases' for purposes of this title; and no reduction in any such increase or in any of the benefits involved shall be made under any order issued under this subchapter."

Subsec. (e). Pub. L. 101-508, §13101(c)(2), amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: "Offsetting receipts and collections shall not be reduced under any order issued under this subchapter."

Subsec. (g)(1)(B). Pub. L. 101-508, §13101(c)(3), inserted item relating to railroad supplemental annuity pension fund.

Subsec. (h). Pub. L. 101-508, §13101(c)(4), added subsec. (h) relating to optional exemption of military personnel.

1989—Subsec. (g)(1)(A). Pub. L. 101-220 inserted item relating to Farm Credit System Financial Assistance Corporation, interest payments, after item relating to Exchange stabilization fund.

Pub. L. 101-73, §743(a)(1), inserted item relating to Director of the Office of Thrift Supervision after item relating to Comptroller of the Currency.

Pub. L. 101-73, §743(a)(2), substituted items relating to Federal Deposit Insurance Corporation, Bank Insurance Fund; Federal Deposit Insurance Corporation, FSLIC Resolution Fund; and Federal Deposit Insurance Corporation, Savings Association Insurance Fund; for item relating to Federal Home Loan Bank Board.

Pub. L. 101-73, §743(a)(3), substituted item relating to Federal Housing Finance Board for item relating to Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation.

Pub. L. 101-73, §743(a)(4), inserted items relating to Resolution Funding Corporation and Resolution Trust Corporation after item relating to Postal service fund.

Subsec. (g)(2). Pub. L. 101-73, §743(c), struck out item relating to Federal Savings and Loan Insurance Corporation fund (82-4037-0-3-371).

1987—Subsec. (b). Pub. L. 100-119, §104(b)(1), inserted items relating to National Service Life Insurance Fund, Service-Disabled Veterans Insurance Fund, Veterans Special Life Insurance Fund, Veterans Reopened Insurance Fund, United States Government Life Insurance Fund, Veterans Insurance and Indemnity, Special Therapeutic and Rehabilitation Activities Fund, Veterans' Canteen Service Revolving Fund, benefits under chapter 21 of title 38 relating to specially adapted and mortgage-protection life insurance for certain veterans and service-connected disabilities, benefits under section 907 of title 38 relating to burial benefits for veterans who die as a result of service-connected disability, and benefits under chapter 39 of title 38 relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces.

Subsec. (g)(1). Pub. L. 100-119, §104(a)(2), (b)(2), (3), designated existing provisions of par. (1) as subpar. (A); inserted items relating to Administration of Territories, Northern Mariana Islands Covenant grants, Thrift Savings Fund, Bureau of Indian Affairs, miscellaneous payments to Indians, Customs Service, mis-

cellaneous permanent appropriations, higher education facilities loans and insurance, Internal Revenue Collections for Puerto Rico, Panama Canal Commission operating expenses and Panama Canal Commission capital outlay, to medical facilities guarantee and loan fund, Federal interest subsidies for medical facilities, Compact of Free Association, economic assistance pursuant to Public Law 99-658, payments to United States territories, fiscal assistance, payments to widows and heirs of deceased Members of Congress, and Washington Metropolitan Area Transit Authority, interest payments; and added subpar. (B).

Pub. L. 100-86 inserted items relating to Comptroller of the Currency; Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation; National Credit Union Administration; National Credit Union Administration, central liquidity facility; and National Credit Union Administration, credit union share insurance fund.

Subsec. (g)(2). Pub. L. 100-119, §104(c)(1), struck out following items relating to Veterans Administration: national service life insurance fund, service-disabled veterans insurance fund, United States Government life insurance fund, veterans insurance and indemnities, veterans reopened insurance fund, and veterans special life insurance fund.

Subsec. (h). Pub. L. 100-119, §104(a)(1), inserted item relating to commodity supplemental food program.

1986—Subsec. (d). Pub. L. 99-514 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954", which for purposes of codification was translated as "title 26" thus requiring no change in text.

Subsec. (g)(1). Pub. L. 99-509 inserted item relating to dual benefits payments account.

#### EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-171 effective no later than the first day of the first calendar quarter that begins after the end of the 90-day period beginning Feb. 8, 2006, see section 2102(c) of Pub. L. 109-171, set out as a Merger of BIF and SAIF note under section 1821 of Title 12, Banks and Banking.

#### EFFECTIVE DATE OF 1996 AMENDMENTS

Amendment by Pub. L. 104-208 effective Jan. 1, 1999, if no insured depository institution is a savings association on that date, see section 2704(c) of Pub. L. 104-208, formerly set out as a note under section 1821 of Title 12, Banks and Banking.

Amendment by Pub. L. 104-193 effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, as amended, set out as an Effective Date note under section 601 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Section 1101(a) of Pub. L. 102-572 provided that: "Except as otherwise provided in this Act, the provisions of this Act and the amendments made by this Act [see Tables for classification] shall take effect on January 1, 1993."

#### EFFECTIVE DATE OF 1986 AMENDMENT

Section 7002(b) of Pub. L. 99-509 provided that: "The amendment made by subsection (a) [amending this section] shall apply to fiscal years beginning after September 30, 1986."

#### SOLDIERS' AND AIRMEN'S HOME

The Soldiers' and Airmen's Home, referred to in subsec. (g)(1)(A), was incorporated into the Armed Forces Retirement Home by section 411 of Title 24, Hospitals and Asylums.

**§ 906. General and special sequestration rules**

**(a) Repealed. Pub. L. 111-139, title I, § 10(a), Feb. 12, 2010, 124 Stat. 21**

**(b) Student loans**

For all student loans under part B or D of title IV of the Higher Education Act of 1965 [20 U.S.C. 1071 et seq., 1087a et seq.] made during the period when a sequestration order under section 904 of this title is in effect as required by section 902 or 903 of this title, origination fees under sections 438(c)(2) and (6) and 455(c) [20 U.S.C. 1087-1(c)(2), (6), 1087e(c)] and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act [20 U.S.C. 1078(f)(1)(A)(ii)] shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration, special allowance payments under section 438(b) of that Act [20 U.S.C. 1087-1(b)] accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.

**(c) Repealed. Pub. L. 111-139, title I, § 10(c), Feb. 12, 2010, 124 Stat. 22**

**(d) Special rules for Medicare program**

**(1) Calculation of reduction in payment amounts**

To achieve the total percentage reduction in those programs required by section 902 or 903 of this title, subject to paragraph (2), and notwithstanding section 710 of the Social Security Act [42 U.S.C. 911], OMB shall determine, and the applicable Presidential order under section 904 of this title shall implement, the percentage reduction that shall apply, with respect to the health insurance programs under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.]—

(A) in the case of parts A and B of such title [42 U.S.C. 1395c et seq., 1395j et seq.], to individual payments for services furnished during the one-year period beginning on the first day of the first month beginning after the date the order is issued (or, if later, the date specified in paragraph (4)); and

(B) in the case of parts C and D [42 U.S.C. 1395w-21 et seq., 1395w-101 et seq.], to monthly payments under contracts under such parts for the same one-year period;

such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that period.

**(2) Uniform reduction rate; maximum permissible reduction**

Reductions in payments for programs and activities under such title XVIII [42 U.S.C. 1395 et seq.] pursuant to a sequestration order under section 904 of this title shall be at a uniform rate, which shall not exceed 4 percent, across all such programs and activities subject to such order.

**(3) Timing of application of reductions**

**(A) In general**

Except as provided in subparagraph (B), if a reduction is made under paragraph (1) in

payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished during the effective period of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

**(B) Payment on the basis of cost reporting periods**

In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs during the effective period of the order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs during the effective period of the order.

**(4) Timing of subsequent sequestration order**

A sequestration order required by section 902 or 903 of this title with respect to programs under such title XVIII [42 U.S.C. 1395 et seq.] shall not take effect until the first month beginning after the end of the effective period of any prior sequestration order with respect to such programs, as determined in accordance with paragraph (1).

**(5) No increase in beneficiary charges in assignment-related cases**

If a reduction in payment amounts is made under paragraph (1) for services for which payment under part B of title XVIII of the Social Security Act [42 U.S.C. 1395j et seq.] is made on the basis of an assignment described in section 1842(b)(3)(B)(ii) [42 U.S.C. 1395u(b)(3)(B)(ii)], in accordance with section 1842(b)(6)(B) [42 U.S.C. 1395u(b)(6)(B)], or under the procedure described in section 1870(f)(1) [42 U.S.C. 1395gg(f)(1)], of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

**(6) Sequestration disregarded in computing payment amounts**

The Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this subchapter, for purposes of computing any adjustments to payment rates under such title XVIII [42 U.S.C. 1395 et seq.], specifically including—

(A) the part C growth percentage under section 1853(c)(6) [42 U.S.C. 1395w-23(c)(6)];

(B) the part D annual growth rate under section 1860D-2(b)(6) [42 U.S.C. 1395w-102(b)(6)]; and