

**[Declaration of Disaster #2938]****State of West Virginia; (AMENDMENT No. 1)**

In accordance with a notice from the Federal Emergency Management Agency, dated March 15, 1997, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on February 28, 1997 and continuing through March 15, 1997.

All other information remains the same, i.e., the termination date for filing applications for physical damage is May 6, 1997, and for loans for economic injury the deadline is December 8, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: March 20, 1997.

**Bernard Kulik,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 97-7889 Filed 3-27-97; 8:45 am]

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**SOCIAL SECURITY ADMINISTRATION**

**[Program Announcement No. SSA-ORES-97-1]**

**Federal Old-Age, Survivors, and Disability Insurance; Fiscal Year 1997 Funds for Section 1110 Research Grants Availability**

**AGENCY:** Social Security Administration

**SUMMARY:** The Social Security Administration (SSA) announces that competing applications will be accepted for new research grants authorized under Section 1110 of the Social Security Act. This announcement, consisting of three parts, describes the nature of the grant activities and gives notice of the anticipated availability of fiscal year (FY) 1997 funds in support of the proposed activities. Part I discusses the purpose of the announcement and briefly describes the application process. Part II describes the programmatic priorities under which SSA is soliciting applications for funding. Part III describes the application process and provides guidance on how to submit an application.

**DATES:** The closing date for the receipt of grant applications in response to this announcement is June 26, 1997.

**FOR FURTHER INFORMATION CONTACT:** *For information on the application or for an application kit:* Mr. E. Joe Smith, Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration; 1-E-4 Gwynn Oak

Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland 21207; telephone (410) 965-9503.

*For information on the program content of the announcement:* Ms. Eleanor Cooper, Coordinator for Extramural Research; Office of Research, Evaluation and Statistics; Social Security Administration; 4-C-15 Operations; 6401 Security Boulevard; Baltimore, Maryland 21235; telephone (410) 966-9824.

**Part I. Purpose and the Grants Process****A. Program Purpose**

This research is intended to add to existing knowledge about components of economic security and about the changing economic status of the aged or disabled, with emphasis on Social Security beneficiaries. Policy makers and social scientists are potential users of the results.

In general, SSA will fund a select number of projects in the following areas:

1. Research that makes use of the New Beneficiary Data System to examine changes in the economic security of beneficiaries over time—in particular, changes related to one or more of the following: employer-provided pensions, post-retirement employment, and changing levels of income from assets.

2. Research on “integration” provisions of private pension plans (benefit formulas that reduce pension payments to individuals by some portion of their Social Security benefits), the effect of these provisions on income inequality among the aged, and the impact of recent changes in integration provisions.

**B. FY 1997 Grant Process**

The grant application process for FY 1997 will consist of a one-stage, full application. Applications are limited to 20 single- or 40 double-spaced pages (excluding resumes, forms, etc.) and must relate to the selection criteria established for review of applications.

Priority areas in this announcement permit applicants to propose research efforts from 12 to 24 months in duration. In item 11 of the Face Sheet (page 1 of form SSA-96-BK) indicate the priority area under which the application is submitted; i.e., ORES-97-001 or ORES-97-002.

**Part II. Priority Research Areas**

In particular, the following projects will be considered for funding:

A. Analyses of the New Beneficiary Data System—ORES-97-001

This project is intended to encourage research using the New Beneficiary Data

System (NBDS), a data base developed by SSA over the past decade to study the changing circumstances of aged and disabled beneficiaries. Based initially on a survey of new beneficiaries and spouses in 1982, the data set was expanded through followup interviews in 1991 with those included in the original survey, and with information from administrative records (on benefits, covered earnings, Supplemental Security Income, and Medicare). With the exception of the Medicare records, all administrative data have been obtained both for primary respondents and for spouses.

The original survey design included representative samples of new Social Security beneficiaries who filed for benefits as retired workers, disabled workers, wives, widows, divorced wives, and surviving divorced wives. There was also a representative sample of persons aged 65 or older who were entitled to Medicare benefits but who had not yet received Social Security cash benefits. The aged sample was, for the most part, in its mid- to late-60's in 1982 and in its mid- to late-70's in 1991.

The original interview covered a wide range of topics, including demographic characteristics, marital and childbearing history, employment history, current income and assets, and health. The followup interview updated the comprehensive profile of economic circumstances obtained in the original survey, and added or expanded sections on health, family contacts, and post-retirement employment. The interviews also explored major changes in life circumstances that might underlie changes in economic status (such as widowhood or divorce, work cessation, migration, and the sale of a home).

As with other survey-based sources, many data elements, especially those relating to income and assets, initially had significant numbers of refusals, “don't knows,” and other forms of nonresponse; and missing data were imputed for both the 1982 and 1991 waves. While these cross-sectional imputations reflected the current state of the art, they did not take advantage of the fact that in many cases valid data were available in one wave when missing in the other. Utilizing these partial responses, a new set of expressly longitudinal imputations has been prepared and incorporated in the NBDS.

Background material and a compilation of studies based on the original survey are available. Additional reports on the NBDS have been published in recent years in the *Social Security Bulletin*. Much of the NBDS data and documentation are available on the Internet at [www.ssa.gov/statistics/](http://www.ssa.gov/statistics/)

ores—home.html. Further information about the data can be obtained from Howard Iams, telephone (202) 282-7092.

Proposals for research utilizing the longitudinal data of the NBDS will be considered for funding. As many as two grants may be awarded. Each grant will support research that deals with one or more of the following subjects:

1. *Changes in the Role of Employer-Provided Pensions*—The NBDS contains a wealth of information on employer-provided pensions among aged and disabled beneficiaries over time. Research will illuminate the changing role of employer-provided pensions in the economic status of these beneficiaries (aged, disabled, or both)—in general, changes in the number and characteristics of pension recipients, and changes in the amounts and importance of their benefits. Of particular concern is the impact of inflation on the value of pension benefits over time. Another important issue concerns survivor benefits from employer pensions—both the incidence and level of such benefits among women who had become widowed between the two surveys, and the economic impact on widows who were receiving or not receiving benefits from their late husbands' pensions.

The importance of Social Security to aged and disabled beneficiaries over time can best be evaluated in the context of the other three primary sources of economic security: pensions, employment, and assets. Increased knowledge in these areas is imperative for analysts and policy makers as they continue to explore the implications of various Social Security reform proposals.

2. *Analysis of Earnings and Work Among the Aged*—Research has established that retirement is not necessarily an all or nothing process but frequently occurs in stages. While it has been suggested that work among the aged is "the poor man's pension," we know little about the nature of such work and its importance to economic well-being. The income and asset data in the NBDS should make it possible to examine the role of earnings in economic well-being at the time of the two interview waves. Appropriate questions to address include: To what extent do retirees continue working and why? What type of work is done by partial retirees? When persons returned to work, did their work differ in some systematic manner from their previous work? Did program rules limit their hours of work (for example, did earnings tend to be limited to the annual exempt amount or did work effort

increase when the Earnings Test no longer applied at age 70)? Of particular interest are differing patterns of post-retirement employment between lower and higher income beneficiaries.

Employer-provided pensions are an important source of retirement income. The provisions of these plans are not static, but change in response to socioeconomic developments. In order to forecast the incomes of future retirees—and the role to be played by Social Security and other government income maintenance programs targeted at the elderly—it is important to understand the evolution of private pension arrangements, especially integration rules that directly link pension benefits to Social Security benefits.

3. *Changes in Assets Over Time*—Assets, and the income generated from assets, are an important determinant of differing levels of economic security among retirees (and, in cases of earlier withdrawal from the labor force, among the disabled as well). Furthermore, changes in assets may be linked to changes in economic well-being—for example, when beneficiaries find it necessary to spend down their assets during episodes of poor health or other adverse circumstances. The nature and importance of these changes, however, is not well understood. Some economic life-cycle models assume that assets are accumulated during the working years and systematically spent down subsequently. On the other hand, anecdotal evidence suggests that assets may be "hoarded" by many of the elderly as a precaution against possible future needs or that assets may be unexpectedly depleted due to changing life circumstances. The NBDS makes it possible to conduct more empirically grounded analyses of the causes and magnitude of the changing role of assets among aged or disabled beneficiaries.

Grant proposals must be based on well-developed rigorous analysis, including at a minimum the elements specified as evaluation criteria later in this announcement.

Applications may be submitted for multi-year funding not to exceed 24 months in duration. Applications for multi-year funding should include a budget for the first budget period (not to exceed 12 months). If the application is approved, a grant will be awarded for the initial 12-month budget period. Funding will subsequently be provided for up to an additional 12-month budget period dependent on satisfactory performance of the initial budget period, continued relevance of the project, and the availability of FY funds.

It is anticipated that up to \$300,000 will be allocated to fund one or more projects under this priority area for the initial 12-month budget period.

#### *B. Integration of Social Security and Private Pension Benefits—ORES-97-002*

The Tax Reform Act of 1986 instituted a number of new requirements for integration rules for Social Security and private pension benefits. One change limits the maximum Social Security offset to 50 percent of the pension amount specified by defined benefit plans. This change should have increased retirement benefits for lower paid workers covered by these kinds of plans.

Proposals are sought for research that will evaluate the effect of the new integration rules on the distribution of retirement income. That is, we seek to learn how retirees at different income levels might have been differentially affected by these changes. Specifically, how much have retirement incomes changed as a result of this legislation, and which family income deciles have benefited from the changes? The project should explore the economics of and rationale for the existence of private pension plan integration provisions.

It should further identify any trends and their causes (e.g., to what extent has the shift from defined benefit plans to defined contribution plans had an impact on the numbers of workers with integrated plans?). What factors are associated with the occurrence of integration provisions in private pension plans? For example, is plan integration associated with employer characteristics, the level of workers' total compensation, with the mix of employer-employee contributions, or with the generosity of the pension plan? How do plan integration rules affect other types of pension plan provisions (e.g., maximum excess allowances)? How does plan integration affect the post-retirement distribution of income and what have been the distributional consequences of recent changes in integration rules?

Grant proposals must be based on well-developed rigorous analysis. Applicants may submit applications for funding not to exceed 12 months in duration.

We anticipate that up to \$100,000 will be allocated to fund one or more projects for up to 12 months under this priority area.

**Note:** To foster the sharing of research, principal investigators for each grant awarded will be required to (1) include in the final report an executive summary which SSA could publish in the quarterly Social Security Bulletin and (2) discuss the results

of their research with SSA staff. Funds should be included in the grant budget for a meeting at the SSA office of research, evaluation and statistics, Washington, D.C.

### Part III. Application Process

#### A. Eligible Applicants

Any State or local government, public or private organization, nonprofit or for-profit organization, hospital, or educational institution may apply for a grant under this announcement. Applications will not be accepted from applicants which do not meet the above eligibility criteria at the time of submission of applications.

Individuals are not eligible to apply. For-profit organizations may apply with the understanding that no grant funds may be paid as profit to any grant recipient. Profit is considered as any amount in excess of the allowable costs of the grant recipient. A for-profit organization is a corporation or other legal entity which is organized or operated for the profit or benefit of its shareholders or other owners and must be distinguishable or legally separable from that of an individual acting on his/her own behalf.

Organizations described in section 501(c)4 of the Internal Revenue Code of 1968 that engage in lobbying are not eligible to receive grant awards.

#### B. Availability and Duration of Funding

SSA anticipates allocating up to \$300,000 to fund the initial 12-month budget period of a 24-month grant for one or more projects in priority area ORES-97-001, "Analyses of the New Beneficiary Data System." SSA anticipates allocating up to \$100,000 to fund the 12-month budget period for one or more projects in priority area ORES-97-002, "Integration of Social Security and Private Pension Benefits."

#### C. Grantee Share of the Project Costs

Grant recipients receiving assistance to conduct these research projects are expected to contribute towards the project costs. Generally, 5 percent of the total costs is considered acceptable. No grant will be awarded that covers 100 percent of the project's costs.

#### D. The Application Process for Proposals Requesting Grant Funds

Organizations wishing to compete for grants under this announcement must submit an application by June 26, 1997. Applications received in response to this announcement will be reviewed by Federal and non-Federal personnel.

Successful applicants may expect funding during the fourth quarter of FY 1997 (prior to September 30, 1997).

#### 1. Availability of Application Forms

Application kits which contain the prescribed application forms for grant funds are available from the Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration; 1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland 21207; Mr. E. Joe Smith, Grants Management Officer; telephone (410) 965-9503.

When requesting an application kit, the applicant should refer to program announcement number SSA-ORES-97-1 and the date of this announcement to ensure receipt of the proper application kit.

#### 2. Additional Information

For additional information concerning project development, please contact Ms. Eleanor Cooper, Coordinator for Extramural Research; Office of Research, Evaluation and Statistics; Social Security Administration; 4-C-15 Operations; 6401 Security Boulevard, Baltimore, Maryland 21235; telephone (410) 966-9824.

#### 3. Application Submission

All applications requesting Federal grant funds must be submitted on the standard forms provided by the Grants Management Team. The application shall be executed by an individual authorized to act for the applicant organization and to assume for the applicant organization the obligations imposed by the terms and conditions of the grant award.

As part of the project title (page 1 of the application form SSA-96-BK, item 11), the applicant must clearly indicate that the application submitted is in response to this announcement (SSA-ORES-97-1) and must show the appropriate priority area project identifier (i.e., ORES-97-001 or ORES-97-002).

Applications must be submitted to: Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration; 1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland 21207.

#### 4. Application Consideration

Applications are initially screened for relevance to this announcement. If judged irrelevant, the applications are returned to the applicants. Applications that conform to the requirements of this program announcement will be reviewed and evaluated against the criteria specified in No. 6(b) of this announcement and evaluated by Federal and non-Federal personnel. The results

of this evaluation will assist SSA in selecting the applications to be funded.

#### 5. Application Approval

Grant awards will be issued within the limits of Federal funds available following the approval of the applications selected for funding. The official award document is the "Notice of Grant Award." It will provide the amount of funds awarded, the purpose of the award, the budget period for which support is given, the total project period for which support is contemplated, the amount of grantee financial participation, and any special terms and conditions of the grant award.

#### 6. Criteria for Screening and Reviewing of Applications

##### (a) Screening Requirements

In order for an application to be in conformance, it must meet all of the following requirements:

(1) *Number of Copies*: An original signed application and two copies must be submitted. Five additional copies are optional and will expedite processing of the grant application.

(2) *Length*: The narrative portion of the application (Part III of form SSA-96-BK) must not exceed 20 single- or 40 double-spaced pages, exclusive of resumes, forms, etc., typewritten on one side only using standard size (8½" × 11") paper. Applications should neither be unduly elaborative nor contain voluminous documentation.

(3) *Non-Federal Contribution (Match)*: Grant recipients must contribute towards the project costs (cash or in-kind). Generally, 5 percent of the total costs is acceptable. SSA will not provide 100 percent or total funding for any project grant.

##### (b) Evaluation Criteria

Applications which pass the screening process will be reviewed by at least three individuals. Reviewers will score the applications, basing their scoring decisions on the criteria shown below. An unacceptable rating on any individual criterion may render the application unacceptable. Consequently, applicants should take care to ensure that all criteria are fully addressed in the application. Relative weights for the criteria are shown in parentheses.

##### (1) Project Objective: (25 Points)

How closely do the project objectives fit those of the announcement? Is the need for the project discussed in terms of the importance of the issues to be addressed? Does it describe how the project builds upon previous research? What is the potential usefulness of the anticipated result and expected benefits to the target groups? What is the

potential usefulness of the proposed project for the advancement of scientific knowledge?

(2) Project Design: (30 Points)

Is the design of the project adequate and feasible as indicated by the appropriateness of the work statement and the technical approach, including: (a) a concise and clear statement of goals and objectives; (b) theoretical analysis of the problem and, if appropriate, hypotheses to be tested and/or parameters to be estimated; (c) specification of data sources; (d) plan for data analysis, including appropriateness of statistical methods to be used; and (e) scheduling of tasks and milestones in the progress of the project? Does the proposal describe specific plans for conducting the project in terms of the tasks to be performed, and how the approach proposed will accomplish the project objectives?

(3) Qualifications: (30 Points)

Do the qualifications of the project personnel, as evidenced by training, experience, and publications, demonstrate that they have the knowledge of subject matter and skills required to competently carry out the research and to produce a final report that is comprehensible and usable? Is the staffing pattern appropriate for the proposed research, linking responsibilities clearly to project tasks?

(4) Organization and Budget: (15 Points)

Are the resources needed to conduct the project specified, including personnel, time, funds, and facilities? Are any collaborative efforts with other organizations clearly identified and written assurances referenced? Is all budget information provided including a description by category (personnel, travel, etc.) of the total of the Federal funds required, and written assurances referenced? Where appropriate, are justifications and explanations of costs provided? Are the project's costs reasonable in view of the level of effort and anticipated outcome? Does the applicant's organization have adequate facilities and resources to plan, conduct, and complete the project?

7. Closing Date for Receipt of Applications

The closing date for receipt of grant applications for Federal funds in response to this announcement is June 26, 1997.

Applications may be mailed or sent by commercial carrier or personally delivered to: Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and

Grants; Social Security Administration; 1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland 21207.

Hand-delivered applications are accepted during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. An application will be considered as meeting the deadline if it is either:

(a) Received on or before the deadline date at the above address; or

(b) Mailed through the U.S. Postal Service or sent by commercial carrier on or before the deadline date and received in time to be considered during the competitive review and evaluation process. Applicants are cautioned to request a legibly dated U.S. Postal Service postmark or to obtain a legibly dated receipt from a commercial carrier as evidence of timely mailing. Private metered postmarks are not acceptable as proof of timely mailing.

Applications which do not meet the above criteria are considered late applications. SSA will notify each late applicant that its application will not be considered.

**Note:** Facsimile Copies Will Not be Accepted.

**Notice Procedures**

*Paperwork Reduction Act*

This notice contains reporting requirements in the "Application Process" section. However, the information is collected using form SSA-96-BK, *Federal Assistance*, which has Office of Management and Budget clearance No. 0960-0184.

*Executive Orders 12372 and 12416—Intergovernmental Review of Federal Programs*

This program is not covered by the requirements of Executive Order 12372, as amended by Executive Order 12416, relating to Federal agencies providing opportunities for consultation with State and local elected officials on proposed Federal financial assistance or direct Federal development.

(Catalog of Federal Domestic Assistance: Program No. 96.007, Social Security-Research and Demonstration.)

Dated: March 20, 1997.

**John J. Callahan,**

*Acting Commissioner of Social Security.*

[FR Doc. 97-7914 Filed 3-27-97; 8:45 am]

BILLING CODE 4190-29-P

**Social Security Ruling SSR 97-1p. Title XVI: Supplemental Security Income—Income—When Inheritances Become Income**

**AGENCY:** Social Security Administration.

**ACTION:** Notice of Social Security ruling.

**SUMMARY:** In accordance with 20 CFR 422.406(b)(1), the Acting Commissioner of Social Security gives notice of Social Security Ruling SSR 97-1p. This Policy Interpretation Ruling clarifies the Social Security Administration's longstanding policy that State law must be taken into account in determining the point at which an inheritance becomes income under Title XVI, Supplemental Security Income for the Aged, Blind, and Disabled, of the Social Security Act. That is, the earliest point at which an inheritance can become income under Title XVI is the point at which the individual is free, under applicable State inheritance laws, to spend his or her inheritance (if it is cash) or to convert his or her inheritance to cash (if it is not cash).

**EFFECTIVE DATE:** March 28, 1997.

**FOR FURTHER INFORMATION CONTACT:**

Joanne K. Castello, Division of Regulations and Rulings, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965-1711.

**SUPPLEMENTARY INFORMATION:** Although we are not required to do so pursuant to 5 U.S.C. 552(a)(1) and (a)(2), we are publishing this Social Security Ruling in accordance with 20 CFR 422.406(b)(1).

Social Security Rulings make available to the public precedential decisions relating to the Federal old-age, survivors, disability, supplemental security income, and black lung benefits programs. Social Security Rulings may be based on case decisions made at all administrative levels of adjudication, Federal court decisions, Commissioner's decisions, opinions of the Office of the General Counsel, and other policy interpretations of the law and regulations.

Although Social Security Rulings do not have the force and effect of the law or regulations, they are binding on all components of the Social Security Administration, in accordance with 20 CFR 422.406(b)(1), and are to be relied upon as precedents in adjudicating cases.

If this Social Security Ruling is later superseded, modified, or rescinded, we will publish a notice in the **Federal Register** to that effect.

(Catalog of Federal Domestic Assistance, Program 96.006 Supplemental Security Income.)