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You may also request a paper copy of the final rule or the additional data from the Office of Rulemaking, Federal Aviation Administration, 800 Independence Ave., SW., Washington, DC 20591, or by calling (202) 267-9685.

**FOR FURTHER INFORMATION CONTACT:** Gary Davis, Flight Standards Service, (AFS-200) Federal Aviation Administration, Seventh and Maryland Streets, SW., Washington, DC, 20591. Telephone: (202) 267-3747, or by e-mail at [Gary.Davis@faa.gov](mailto:Gary.Davis@faa.gov).

Issued in Washington, DC, on March 26, 2003.

**Louis C. Cusimano,**

*Acting Director, Flight Standards Service.*

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## SOCIAL SECURITY ADMINISTRATION

### 20 CFR Part 404

[Reg. No. 4]

**RIN 0960-AE02**

#### **Federal Old-Age, Survivors and Disability Insurance; Repeal of the Facility-of-Payment Provision**

**AGENCY:** Social Security Administration (SSA).

**ACTION:** Final rules.

**SUMMARY:** We are revising our rules on benefit reduction for the family maximum to reflect enactment of two self-implementing provisions in the Social Security Independence and Program Improvements Act of 1994. The provisions repealed the facility-of-payment provision of the Social Security Act (the Act) and provided that reduction for the family maximum will be made prior to a temporary suspension for work when a non-working auxiliary or survivor beneficiary resides in a separate household from a working auxiliary or survivor beneficiary. These revisions are necessary to conform our regulations to current law. We have been paying benefits under these self-implementing provisions since January 1996.

**EFFECTIVE DATE:** The rule is effective April 1, 2003.

**FOR FURTHER INFORMATION CONTACT:** Jerry Strauss, Social Insurance Specialist,

Office of Payment Policy, Office of Income Security Programs, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, 410-965-7930, TTY 410-966-5609, or [regulations@ssa.gov](mailto:regulations@ssa.gov) for information about these rules. For information on eligibility or filing for benefits, contact our national toll free number at 1-800-772-1213 or TTY at 1-800-325-0778, or visit our Internet Web site, Social Security Online, at <http://www.ssa.gov>.

**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 <http://www.ssa.gov/regulations/>.

#### **SUPPLEMENTARY INFORMATION:**

The facility-of-payment provision established a simplified method to use in paying benefits when all of the following conditions applied:

- An individual receiving benefits as an auxiliary or survivor of an insured individual incurred a deduction in his or her benefits (for example, his or her earnings exceeded the earnings test exempt amount); and
- The maximum family benefit applied (the maximum family benefit is a limit on the total amount of monthly benefits which may be paid for any month to an insured individual and his or her auxiliaries or survivors); and
- All of the auxiliaries or survivors lived in the same household.

The facility-of-payment provision permitted us to continue paying the same amount to the household instead of withholding the amount of the deduction from the beneficiary who incurred the deduction and recalculating and redistributing the same amount of total family benefits to the other auxiliaries or survivors. The provision was enacted to relieve SSA of the need to engage in costly, time-consuming manual recalculations of benefits when the family would continue to receive the same amount of benefits.

However, because these recalculations are now automated, the withholding of benefits and redistribution to other family members is no longer a burdensome procedure and the simplified method is no longer needed.

Section 309(a) of the Social Security Independence and Program Improvements Act of 1994, Public Law 103-296, repealed the facility-of-payment provision effective with benefits payable for months after December 1995. Deductions are now made from the monthly benefit of the

beneficiary who is affected by the deductions, and the benefits are recalculated and redistributed to the other beneficiaries living in the same household. We are, therefore revising § 408.458 of our regulations to reflect that repeal.

In addition, we are revising our regulations at § 404.402 to reflect section 309(b) of Public Law 103-296 which provides that benefits will be reduced to meet the family maximum before benefits are suspended to a working auxiliary or survivor beneficiary who lives in a separate household from a non-working auxiliary or survivor beneficiary. This prevents potential overpayments to those in separate households and the need to recover them in the event that the working auxiliary stops working.

#### **Regulatory Procedure**

Pursuant to section 702(a)(5) of the Act, 42 U.S.C. 902(a)(5), we follow the Administrative Procedure Act (APA) rulemaking procedures specified in 5 U.S.C. 553 when developing our regulations. The APA provides exceptions to its notice and comment procedures when an agency finds there is good cause for dispensing with such procedures on the basis that they are impracticable, unnecessary, or contrary to the public interest. We have determined that under 5 U.S.C. 553(b)(B), good cause exists for dispensing with the notice and public comment procedures for these rules. Good cause exists because these regulations simply reflect self-implementing statutory changes and do not involve the making of any discretionary policy. Therefore, we have determined that opportunity for prior comment is unnecessary and we are issuing these changes to our regulations as final rules.

In addition, we find good cause for dispensing with the 30-day delay in the effective date of a substantive rule, provided by 5 U.S.C. 553(d). As explained above, these regulations merely reflect self-implementing statutory changes that were effective for all benefits payable after 1995.

#### **Executive Order 12866**

We have consulted with the Office of Management and Budget (OMB) and determined that these final rules do not meet the criteria for a significant regulatory action under Executive Order 12866, as amended by Executive Order 13258. Thus, they were not subject to OMB review.

*Paperwork Reduction Act*

These final regulations impose no additional reporting or recordkeeping requirements requiring OMB clearance.

*Regulatory Flexibility Act*

We certify that these final regulations will not have a significant economic impact on a substantial number of small entities because they affect only individuals. Therefore, a regulatory flexibility analysis as provided in the Regulatory Flexibility Act, as amended, is not required.

(Catalog of Federal Domestic Assistance Program Nos. 96.001, Social Security—Disability Insurance; 96.002, Social Security—Retirement Insurance; and 96.004, Social Security—Survivors Insurance)

**List of Subjects in 20 CFR Part 404**

Administrative practice and procedure, Blind, Disability benefits, Old-age, Survivors and disability insurance, Reporting and recordkeeping requirements, Social Security.

Dated: March 24, 2003.

**Jo Anne B. Barnhart,**  
*Commissioner of Social Security.*

■ For the reasons set out in the preamble, we are amending subpart E of part 404 of chapter III of title 20 of the Code of Federal Regulations as set forth below:

**PART 404—FEDERAL OLD-AGE,  
SURVIVORS AND DISABILITY  
INSURANCE (1950—)**

**Subpart E—[Amended]**

■ 1. The authority citation for subpart E of part 404 continues to read as follows:

**Authority:** Secs. 202, 203, 204(a) and (e), 205(a) and (c), 222(b), 223(e), 224, 225, 702(a)(5) and 1129A of the Social Security Act (42 U.S.C. 402, 403, 404(a) and (e), 405(a) and (c), 422(b), 423(e), 424a, 425, 902(a)(5) and 1320a–8a).

■ 2. Section 404.402 is amended by removing the word “and” after paragraph (b)(1)(v), by removing the period after paragraph (b)(1)(vi) and adding in its place a semi-colon and the word “and”, and by adding a new paragraph (b)(1)(vii) to read as follows:

**§ 404.402 Interrelationship of deductions, reductions, adjustments, and nonpayment of benefits.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(vii) Before suspension of benefits due to earnings (see § 404.456), for benefits payable or paid for months after December 1995 to a non-working auxiliary or survivor who resides in a different household than the working

auxiliary or survivor whose benefits are suspended.

\* \* \* \* \*

■ 3. Section 404.458 is amended by adding a new first sentence to read as follows:

**§ 404.458 Limiting deductions where total family benefits payable would not be affected or would be only partly affected.**

The provisions of this section apply only to benefits payable or paid for months before January 1996. \* \* \*

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**DEPARTMENT OF VETERANS  
AFFAIRS**

**38 CFR Part I**

**RIN 2900–AI95**

**Eligibility for Burial of Adult Children;  
Eligibility for Burial of Minor Children;  
Eligibility for Burial of Certain Filipino  
Veterans**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the Department of Veterans Affairs (VA) regulations to provide a list of those individuals who are eligible for burial in a national cemetery. The final rule specifies that the burial of adult children of eligible persons in national cemeteries with available space is limited to those unmarried adult children of any age who became permanently incapable of self-support because of a physical or mental disability incurred before their reaching the age of 21 years, or before reaching 23 years of age if pursuing a full-time course of instruction at an approved educational institution. The final rule also specifies that the burial of minor children of eligible persons is limited to unmarried children under 21 years of age, or under 23 years of age if pursuing a full-time course of instruction at an approved educational institution. Lastly, this final rule recognizes the eligibility for burial of certain Philippine Commonwealth Army veterans in national cemeteries. This final rule is necessary to conform the regulations to statutory provisions.

**DATES:** *Effective Date:* May 1, 2003.

*Applicability Date.* The provisions of this regulation shall apply to all applications for interment or memorialization of an adult child or minor child received by VA on or after the effective date of this regulation. Pursuant to Public Law 106–419, the

provisions of this regulation shall apply to requests for interment or memorialization of certain Filipino veterans whose deaths occurred on or after November 1, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Karen Barber, Program Analyst, Communications and Regulatory Division (402B1), National Cemetery Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420; Telephone: (202) 273–5183 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** On May 16, 2002, the National Cemetery Administration (NCA) published in the *Federal Register* (67 FR 34884) a proposed rule to implement the provisions of 38 U.S.C. 2402. The provisions of 38 U.S.C. 2402 set forth eligibility requirements for burying the remains of persons in national cemeteries with available space under VA's jurisdiction. The final rule, at 38 CFR 1.620, states a list of those individuals who are eligible for burial in a national cemetery pursuant to VA's statutory authority.

VA has discretion under 38 U.S.C. 2402(5) to determine which unmarried adult children of persons listed in paragraphs (1) through (4) and (7) are eligible to be buried in such cemeteries. The provisions of 38 CFR 1.620(c) currently specify only that an unmarried adult child of an eligible person must have been physically or mentally disabled and incapable of self-support to be eligible for burial. The final rule amends § 1.620 to specify that, to be eligible, an unmarried adult child of any age must have become permanently incapable of self-support because of a physical or mental disability that the child incurred before reaching the age of 21 years, or before reaching 23 years of age if pursuing a full-time course of instruction at an approved educational institution. We believe that eligibility for burial of unmarried adult children under 38 U.S.C. 2402(5) should be limited to persons who have been continuously dependent on the person upon whom their eligibility is based.

The final rule amends § 1.620 to clarify that, to be eligible, a minor child of an eligible person must be unmarried and under 21 years of age, or under 23 years of age if pursuing a full-time course of instruction at an approved educational institution.

Additionally, the final rule amends § 1.620 by adding a new paragraph to recognize the eligibility for burial of certain Philippine Commonwealth Army veterans in national cemeteries.