

SEC. 10103. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) **IN GENERAL.**—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96-265), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), is further amended—

42 USC 1310
note.

(1) in paragraph (3) of subsection (a), by striking “June 10, 1990” and inserting “June 10, 1993”;

(2) in paragraph (4) of subsection (a), by striking “in each of the years 1986, 1987, 1988, and 1989” and inserting “in 1986 and each of the succeeding years through 1992”; and

(3) in subsection (c), by striking “June 9, 1990” and inserting “June 9, 1993”.

42 USC 1310
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Technical Provisions

SEC. 10201. PROHIBITION OF TERMINATION OF COVERAGE OF U.S. CITIZENS AND RESIDENTS EMPLOYED ABROAD BY A FOREIGN AFFILIATE OF AN AMERICAN EMPLOYER.

26 USC 3121.

(a) **IN GENERAL.**—Subsection (1) of section 3121 of the Internal Revenue Code of 1986 (relating to agreements entered into by American employers with respect to foreign affiliates) is amended—

(1) in paragraph (2), by adding at the end the following: “Notwithstanding any other provision of this subsection, the period for which any such agreement is effective with respect to any foreign entity shall terminate at the end of any calendar quarter in which the foreign entity, at any time in such quarter, ceases to be a foreign affiliate as defined in paragraph (6).”;

(2) by striking paragraphs (3), (4), and (5);

(3) by inserting after paragraph (2) the following new paragraph:

“(3) **NO TERMINATION OF AGREEMENT.**—No agreement under this subsection may be terminated, either in its entirety or with respect to any foreign affiliate, on or after June 15, 1989.”; and

(4) by redesignating paragraphs (6) through (10) as paragraphs (4) through (8), respectively.

(b) **CONFORMING AMENDMENTS.**—(1) Subsection (a) of section 210 of the Social Security Act (42 U.S.C. 410(a)) and subsection (a) of section 406 of the Internal Revenue Code of 1986 (relating to treatment of employees of American employer) are each amended by striking “section 3121(l)(8)” and inserting “section 3121(l)(6)”.

(2) Paragraph (3) of section 406(c) of the Internal Revenue Code of 1986 (relating to termination of status as deemed employee not be treated as separation from service for purposes of limitation of tax) is amended by striking “section 3121(l)(8)(B)” and inserting “section 3121(l)(6)(B)”.

(3) Paragraph (1) of section 3121(l) of such Code (relating to agreements entered into by American employers with respect to foreign affiliates) is amended, in the matter preceding subparagraph (A), by striking “paragraph (8)” and inserting “paragraph (6)”.

26 USC 406 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to any agreement in effect under section 3121(l)