

104TH CONGRESS  
2D SESSION

# H. R. 3279

To provide for early deferred annuities under chapter 83 of title 5, United States Code, for certain former Department of Defense employees who are separated from service by reason of certain defense base closures, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 1996

Mr. WARD (for himself, Mr. HAMILTON, Mr. FAZIO of California, Mr. MATSUI, Mr. JACOBS, Mr. MYERS of Indiana, Mr. TEJEDA, Mr. LEWIS of Kentucky, and Mr. SHUSTER) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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## A BILL

To provide for early deferred annuities under chapter 83 of title 5, United States Code, for certain former Department of Defense employees who are separated from service by reason of certain defense base closures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EARLY DEFERRED ANNUITIES OF CERTAIN**  
4 **FORMER EMPLOYEES OF THE DEPARTMENT**  
5 **OF DEFENSE.**

6 (a) DEFINITIONS.—For purposes of this section—

1           (1) the term “Civil Service Retirement System”  
2 means the retirement system under subchapter III  
3 of chapter 83 of title 5, United States Code;

4           (2) the term “defense contractor” means any  
5 entity that—

6                 (A) contracts with the Department of De-  
7 fense to perform a function previously per-  
8 formed by Department of Defense employees;  
9 and

10                (B) performs that function at the installa-  
11 tion at which such function was previously per-  
12 formed by Department of Defense employees or  
13 in the vicinity of such installation;

14           (3) the term “early deferred retirement age”, as  
15 used with respect to a transferred employee, means  
16 the earliest age at which such transferred employee  
17 would have been eligible for immediate retirement  
18 under subsection (a) or (b) of section 8336 of title  
19 5, United States Code, if such transferred employee  
20 had remained continuously employed, until attaining  
21 such age, in the position held by such employee  
22 when separated from Federal service as described in  
23 paragraph (6)(A);

1           (4) the term “severance pay” means severance  
2 pay under section 5595 of title 5, United States  
3 Code;

4           (5) the term “separation pay” means separa-  
5 tion pay under section 5597 of title 5, United States  
6 Code; and

7           (6) the term “transferred employee” means a  
8 former employee of the Department of Defense  
9 (other than a former temporary employee) who—

10                   (A) while employed by the Department of  
11 Defense at a military installation to be closed or  
12 realigned pursuant to recommendations of the  
13 Defense Base Closure and Realignment Com-  
14 mission that were approved by the President in  
15 1995 under section 2903(e) of the Defense  
16 Base Closure and Realignment Act of 1990  
17 (Public Law 101–510; 10 U.S.C. 2687 note)  
18 and while covered under the Civil Service Re-  
19 tirement System, was separated from Federal  
20 service in a reduction-in-force resulting from  
21 conversion from performance of a function by  
22 Department of Defense employees at such mili-  
23 tary installation to performance of such func-  
24 tion by a defense contractor at such installation  
25 or in the vicinity of such installation;

1 (B) has completed 5 years of civilian serv-  
2 ice creditable under section 8332 of title 5,  
3 United States Code, by the date of separation  
4 from Federal service as described in subpara-  
5 graph (A);

6 (C) is employed by the defense contractor  
7 within 60 days following such separation to per-  
8 form substantially the same function performed  
9 before the separation;

10 (D)(i) remains employed by the defense  
11 contractor or a successor defense contractor, or  
12 a subcontractor of either, until attaining early  
13 deferred retirement age; or

14 (ii) is involuntarily separated from employ-  
15 ment referred to in clause (i) before attaining  
16 early deferred retirement age for reasons other  
17 than misconduct; and

18 (E) at the time separated from Federal  
19 service as described in subparagraph (A), was  
20 not eligible for an immediate annuity under the  
21 Civil Service Retirement System.

22 (b) RETIREMENT BENEFITS OF TRANSFERRED EM-  
23 PLOYEES.—For purposes of determining eligibility for a  
24 deferred annuity under section 8338(a) of title 5, United  
25 States Code, a transferred employee shall be deemed to

1 have satisfied the age requirement under such section  
2 8338(a) upon attaining early deferred retirement age.

3 (c) COMPUTATION OF AVERAGE PAY.—(1)(A) This  
4 paragraph applies to the computation of the annuity of  
5 a transferred employee who retires under this section who  
6 immediately before separation from Federal service as de-  
7 scribed in subsection (a)(6)(A) was employed in a position  
8 classified under the General Schedule.

9 (B) In the computation of an annuity referred to in  
10 subparagraph (A) for a transferred employee, the average  
11 pay of the transferred employee under section 8331(4) of  
12 title 5, United States Code, shall be adjusted at the same  
13 time and by the same percentage that rates of basic pay  
14 are increased under section 5303 of title 5, United States  
15 Code, during the period beginning on the date on which  
16 the transferred employee separates from Federal service  
17 as described in subsection (a)(6)(A) and ending on the  
18 date on which the transferred employee attains early de-  
19 ferred retirement age.

20 (2)(A) This paragraph applies to the computation of  
21 the annuity of a transferred employee who retires under  
22 this section who immediately before separation from Fed-  
23 eral service as described in subsection (a)(6)(A) was a pre-  
24 vailing rate employee as defined under section 5342(a)(2)  
25 of title 5, United States Code.

1 (B) In the computation of an annuity referred to in  
2 subparagraph (A) for a transferred employee, average pay  
3 under section 8331(4) of title 5, United States Code, shall  
4 be adjusted at the same time and by the same percentage  
5 that rates of basic pay for positions that are in the same  
6 area as, and are comparable to, the last position the trans-  
7 ferred employee held as a prevailing rate employee, are  
8 increased under section 5343(a) of such title during the  
9 period beginning on the date on which the transferred em-  
10 ployee separates from Federal service as described in sub-  
11 section (a)(6)(A) and ending on the date on which the  
12 transferred employee attains early deferred retirement  
13 age.

14 (d) SERVICE FOR A DEFENSE CONTRACTOR NOT  
15 CREDITABLE SERVICE.—Service performed by a trans-  
16 ferred employee for a defense contractor (or a successor  
17 or subcontractor referred to in subsection (a)(6)(D)) after  
18 separation from Federal service as described in subsection  
19 (a)(6)(A) shall not be treated as creditable service for pur-  
20 poses of computing the amount of an early deferred annu-  
21 ity under this section.

22 (e) SEPARATION AND SEVERANCE PAY.—A trans-  
23 ferred employee who receives separation pay or severance  
24 pay upon separation from Federal service as described in  
25 subsection (a)(6)(A) is not eligible to receive an early de-

1 ferred annuity under this section unless the employee re-  
2 pays the full amount of such pay (with interest as deter-  
3 mined by the Office of Personnel Management) to the De-  
4 partment of Defense before attaining early deferred retire-  
5 ment age.

6 (f) RECEIPT OF BENEFITS WHILE EMPLOYED BY A  
7 DEFENSE CONTRACTOR.—A transferred employee may  
8 commence receipt of an early deferred annuity in accord-  
9 ance with this section while continuing to work for a de-  
10 fense contractor.

11 (g) LUMP-SUM CREDIT PAYMENT.—If a transferred  
12 employee dies before attaining early deferred retirement  
13 age, such employee shall, for purposes of section 8342 of  
14 title 5, United States Code, be treated as a former em-  
15 ployee not retired who dies, as described in subsection (d)  
16 of such section. For purposes of the preceding sentence,  
17 the term “transferred employee” shall have the meaning  
18 such term would have under subsection (a)(6) if subpara-  
19 graph (D) thereof were disregarded.

20 (h) IMPLEMENTING REGULATIONS.—The Office of  
21 Personnel Management shall promulgate regulations to  
22 carry out the provisions of this section.

23 (i) EFFECTIVE DATE.—This section shall take effect  
24 on August 1, 1996, and shall apply to any transferred em-  
25 ployee whose date of separation from Federal service, as

1 described in subsection (a)(6)(A), occurs on or after that  
2 date.

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