

104TH CONGRESS
2D SESSION

S. 1820

To amend title 5 of the United States Code to provide for retirement savings and security.

IN THE SENATE OF THE UNITED STATES

MAY 23, 1996

Mr. DASCHLE (by request) (for himself, Mr. BRYAN, Mr. DODD, Mr. KENNEDY, Mr. LEAHY, Ms. MIKULSKI, Ms. MOSELY-BRAUN, Mr. ROCKEFELLER, and Mr. SIMON) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To amend title 5 of the United States Code to provide for retirement savings and security.

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

3 **TITLE I—SHORT TITLE; TABLE**
4 **OF CONTENTS**

5 **SEC. 1000. SHORT TITLE; TABLE OF CONTENTS.**

6 (a) SHORT TITLE.—This Act may be cited as the
7 “Retirement Savings and Security Act”.

8 (b) TABLE OF CONTENTS.—

TITLE I—SHORT TITLE; TABLE OF CONTENTS

Sec. 1000. Short title; table of contents.

TITLE II—ADDITIONAL RETIREMENT PARTICIPATION AND
PAYMENT OPTIONS FOR FEDERAL EMPLOYEES

Sec. 2001. Immediate participation in the Thrift Savings Plan for Federal employees.

Sec. 2002. Deferred annuities for surviving spouses of Federal employees.

Sec. 2003. Payment of lump-sum credit for former spouses of Federal employees.

1 **TITLE II—ADDITIONAL RETIRE-**
2 **MENT PARTICIPATION AND**
3 **PAYMENT OPTIONS FOR FED-**
4 **ERAL EMPLOYEES**

5 **SEC. 2001. IMMEDIATE PARTICIPATION IN THE THRIFT SAV-**
6 **INGS PLAN FOR FEDERAL EMPLOYEES.**

7 (a) ELIMINATION OF CERTAIN WAITING PERIODS
8 FOR PURPOSES OF EMPLOYEE CONTRIBUTIONS.—Para-
9 graph (4) of section 8432(b) of title 5, United States
10 Code, is amended to read as follows:

11 “(4) The Executive Director shall prescribe such reg-
12 ulations as may be necessary to carry out the following:

13 “(A) Notwithstanding subparagraph (A) of
14 paragraph (2), an employee or Member described in
15 such subparagraph shall be afforded a reasonable
16 opportunity to first make an election under this sub-
17 section beginning on the date of commencing service
18 or, if that is not administratively feasible, beginning
19 on the earliest date thereafter that such an election
20 becomes administratively feasible, as determined by
21 the Executive Director.

1 “(B) An employee or Member described in sub-
2 paragraph (B) of paragraph (2) shall be afforded a
3 reasonable opportunity to first make an election
4 under this subsection (based on the appointment or
5 election described in such subparagraph) beginning
6 on the date of commencing service pursuant to such
7 appointment or election or, if that is not administra-
8 tively feasible, beginning on the earliest date there-
9 after that such an election becomes administratively
10 feasible, as determined by the Executive Director.

11 “(C) Notwithstanding the preceding provisions
12 of this paragraph, contributions under paragraphs
13 (1) and (2) of subsection (c) shall not be payable
14 with respect to any pay period before the earliest
15 pay period for which such contributions would other-
16 wise be allowable under this subsection if this para-
17 graph had not been enacted.

18 “(D) Sections 8351(a)(2), 8440a(a)(2),
19 8440b(a)(2), 8440c(a)(2), and 8440d(a)(2) shall be
20 applied in a manner consistent with the purposes of
21 subparagraphs (A) and (B), to the extent those sub-
22 paragraphs can be applied with respect thereto.

23 “(E) Nothing in this paragraph shall affect
24 paragraph (3).”.

1 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
2 (1) Section 8432(a) of title 5, United States Code, is
3 amended—

4 (A) in the first sentence by striking “(b)(1)”
5 and inserting “(b)”; and

6 (B) by amending the second sentence to read as
7 follows: “Contributions under this subsection pursu-
8 ant to such an election shall, with respect to each
9 pay period for which such election remains in effect,
10 be made in accordance with a program of regular
11 contributions provided in regulations prescribed by
12 the Executive Director.”.

13 (2) Section 8432(b)(1)(B) of such title is amended
14 by inserting “(or any election allowable by virtue of para-
15 graph (4))” after “subparagraph (A)”.

16 (3) Section 8432(b)(3) of such title is amended by
17 striking “Notwithstanding paragraph (2)(A), an” and in-
18 serting “An”.

19 (4) Section 8432(i)(1)(B)(ii) of such title is amended
20 by striking “either elected to terminate individual con-
21 tributions to the Thrift Savings Fund within 2 months
22 before commencing military service or”.

23 (5) Section 8439(a)(1) of such title is amended by
24 inserting “who makes contributions or” after “for each

1 individual” and by striking “section 8432(c)(1)” and in-
2 serting “section 8432”.

3 (6) Section 8439(c)(2) of such title is amended by
4 adding at the end the following: “Nothing in this para-
5 graph shall be considered to limit the dissemination of in-
6 formation only to the times required under the preceding
7 sentence.”.

8 (7) Sections 8440a(a)(2) and 8440d(a)(2) of such
9 title are amended by striking all after “subject to” and
10 inserting “subject to this chapter.”.

11 (c) EFFECTIVE DATE.—This section shall take effect
12 6 months after the date of the enactment of this Act or
13 such earlier date as the Executive Director may by regula-
14 tion prescribe.

15 **SEC. 2002. DEFERRED ANNUITIES FOR SURVIVING SPOUSES**
16 **OF FEDERAL EMPLOYEES.**

17 (a) IN GENERAL.—Section 8341 of title 5, United
18 States Code, is amended—

19 (1) in subsection (h)(1) by striking “section
20 8338(b) of this title” and inserting “section
21 8338(b), and a former spouse of a deceased former
22 employee who separated from the service with title
23 to a deferred annuity under section 8338 (if they
24 were married to one another prior to the date of sep-
25 aration),”; and

1 (2) by adding at the end the following:

2 “(j)(1) If a former employee dies after having sepa-
3 rated from the service with title to a deferred annuity
4 under section 8338 but before having established a valid
5 claim for annuity, and is survived by a spouse to whom
6 married on the date of separation, the surviving spouse
7 may elect to receive—

8 “(A) an annuity, commencing on what would
9 have been the former employee’s 62d birthday, equal
10 to 55 percent of the former employee’s deferred an-
11 nuity;

12 “(B) an annuity, commencing on the day after
13 the date of death of the former employee, such that,
14 to the extent practicable, the present value of the fu-
15 ture payments of the annuity would be actuarially
16 equivalent to the present value of the future pay-
17 ments under subparagraph (A) as of the day after
18 the former employee’s death; or

19 “(C) the lump-sum credit, if the surviving
20 spouse is the individual who would be entitled to the
21 lump-sum credit and if such surviving spouse files
22 application therefor.

23 “(2) An annuity under this subsection and the right
24 thereto terminate on the last day of the month before the

1 surviving spouse remarries before becoming 55 years of
2 age, or dies.”.

3 (b) CORRESPONDING AMENDMENT FOR FERS.—

4 Section 8445(a) of title 5, United States Code, is amend-
5 ed—

6 (1) by striking “(or of a former employee or”
7 and inserting “(or of a former”; and

8 (2) by striking “annuity)” and inserting “annu-
9 ity, or of a former employee who dies after having
10 separated from the service with title to a deferred
11 annuity under section 8413 but before having estab-
12 lished a valid claim for annuity (if such former
13 spouse was married to such former employee prior
14 to the date of separation))”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply with respect to surviving spouses
17 and former spouses (whose marriage, in the case of the
18 amendments made by subsection (a), terminated after
19 May 6, 1985) of former employees who die after the date
20 of the enactment of this Act.

21 **SEC. 2003. PAYMENT OF LUMP-SUM CREDIT FOR FORMER**
22 **SPOUSES OF FEDERAL EMPLOYEES.**

23 (a) IN GENERAL.—Title 5, United States Code, is
24 amended—

1 (1) in section 8342(c) by striking “Lump-sum”
2 and inserting “Except as provided in section
3 8345(j), lump-sum”;

4 (2) in section 8345(j)—

5 (A) in paragraph (1) by inserting after
6 “that individual” the following: “, or be made
7 under section 8342(d) through (f) to an individ-
8 ual entitled under section 8342(e),”; and

9 (B) by adding at the end the following:

10 “(4) Any payment under this subsection to a person
11 bars recovery by any other person.”;

12 (3) in section 8424(d) by striking “Lump-sum”
13 and inserting “Except as provided in section
14 8467(a), lump-sum”; and

15 (4) in section 8467—

16 (A) in subsection (a) by inserting after
17 “that individual” the following: “, or be made
18 under section 8424(e) through (g) to an indi-
19 vidual entitled under section 8424(d),”; and

20 (B) by adding at the end the following:

21 “(d) Any payment under this section to a person bars
22 recovery by any other person.”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall apply with respect to any death occurring

1 after the 90th day after the date of the enactment of this
2 Act.

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