

108TH CONGRESS
1ST SESSION

S. 945

To amend title 37, United States Code, to improve the process for adjusting the rates of pay for members of the uniformed services.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2003

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To amend title 37, United States Code, to improve the process for adjusting the rates of pay for members of the uniformed services.

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. REVISED ANNUAL PAY ADJUSTMENT PROCESS.**

4 (a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—

5 Subsection (a) of section 1009 of title 37, United States
6 Code, is amended to read as follows:

7 “(a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—

8 Effective on January 1 of each year, the rates of basic
9 pay for members of the uniformed services under section
10 203(a) of this title shall be increased under this section.”.

1 (b) EFFECTIVENESS OF ADJUSTMENT.—Subsection
2 (b) of such section is amended by striking “shall—” and
3 all that follows and inserting “shall have the force and
4 effect of law.”.

5 (c) PERCENTAGE OF ADJUSTMENT.—Subsection (c)
6 of such section is amended to read as follow:

7 “(c) EQUAL PERCENTAGE INCREASE FOR ALL MEM-
8 BERS.—(1) Subject to subsection (d), an adjustment made
9 under this section in a year shall provide all eligible mem-
10 bers with an increase in the monthly basic pay that is the
11 percentage (rounded to the nearest one-tenth of 1 percent)
12 by which the ECI for the base quarter of the year before
13 the preceding year exceeds the ECI for the base quarter
14 of the second year before the preceding calendar year (if
15 at all).

16 “(2) Notwithstanding paragraph (1), but subject to
17 subsection (d), the percentage of the adjustment taking
18 effect under this section during each of fiscal years 2004,
19 2005, and 2006, shall be one-half of 1 percentage point
20 higher than the percentage that would otherwise be appli-
21 cable under such paragraph.”.

22 (d) PUBLICATION OF ADJUSTED RATES.—Subsection
23 (e) of such section is amended—

1 (1) by striking “(e) NOTICE OF ALLOCA-
2 TIONS.—” and inserting “(e) NOTIFICATION AND
3 PUBLICATION REQUIREMENTS.—(1)”; and

4 (2) by adding at the end the following new
5 paragraph:

6 “(2) The rates of basic pay that take effect under
7 this section shall be printed in the Federal Register and
8 the Code of Federal Regulations.”.

9 (e) PRESIDENTIAL DETERMINATION OF NEED FOR
10 ALTERNATIVE PAY ADJUSTMENT.—Such section is fur-
11 ther amended—

12 (1) by redesignating subsection (g) as sub-
13 section (h); and

14 (2) by inserting after subsection (f) the fol-
15 lowing new subsection (g):

16 “(g) PRESIDENTIAL DETERMINATION OF NEED FOR
17 ALTERNATIVE PAY ADJUSTMENT.—(1) If, because of na-
18 tional emergency or serious economic conditions affecting
19 the general welfare, the President considers the pay ad-
20 justment which would otherwise be required by this section
21 in any year to be inappropriate, the President shall pre-
22 pare and transmit to Congress before September 1 of the
23 preceding year a plan for such alternative pay adjustments
24 as the President considers appropriate, together with the
25 reasons therefor.

1 “(2) In evaluating an economic condition affecting
2 the general welfare under this subsection, the President
3 shall consider pertinent economic measures including the
4 Indexes of Leading Economic Indicators, the Gross Na-
5 tional Product, the unemployment rate, the budget deficit,
6 the Consumer Price Index, the Producer Price Index, the
7 Employment Cost Index, and the Implicit Price Deflator
8 for Personal Consumption Expenditures.

9 “(3) The President shall include in the plan sub-
10 mitted to Congress under paragraph (1) an assessment
11 of the impact that the alternative pay adjustments pro-
12 posed in the plan would have on the Government’s ability
13 to recruit and retain well-qualified persons for the uni-
14 formed services.”.

15 (f) DEFINITIONS.—Such section, as amended by sub-
16 section (e), is further amended by adding at the end the
17 following:

18 “(i) DEFINITIONS.—In this section:

19 “(1) The term ‘ECI’ means the Employment
20 Cost Index (wages and salaries, private industry
21 workers) published quarterly by the Bureau of
22 Labor Statistics.

1 “(2) The term ‘base quarter’ for any year is the
2 3-month period ending on September 30 of such
3 year.”.

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