

112TH CONGRESS  
2D SESSION

# H. R. 3813

To amend title 5, United States Code, to secure the annuities of Federal civilian employees, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2012

Mr. ROSS of Florida introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 5, United States Code, to secure the annuities of Federal civilian employees, 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. SHORT TITLE.**

4 This Act may be cited as the “Securing Annuities for  
5 Federal Employees Act of 2012”.

6 **SEC. 2. RETIREMENT CONTRIBUTIONS.**

7 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

1           (1) INDIVIDUAL CONTRIBUTIONS.—Section  
2 8334(a)(1)(A) of title 5, United States Code, is  
3 amended—

4           (A) by striking “(a)(1)(A) The” and in-  
5 sserting “(a)(1)(A)(i) Except as provided in  
6 clause (ii), the”; and

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

8           “(ii) The percentage of basic pay to be deducted and  
9 withheld under clause (i) shall—

10           “(I) for each of calendar years 2013, 2014, and  
11 2015, be equal to the percentage that applied in the  
12 preceding calendar year (as increased under this  
13 subclause, if applicable), plus an additional 0.5 per-  
14 centage point; and

15           “(II) for each calendar year after 2015, be  
16 equal to the applicable percentage for calendar year  
17 2015 (as determined under subclause (I)).”.

18           (2) GOVERNMENT CONTRIBUTIONS.—Section  
19 8334(a)(1)(B) of title 5, United States Code, is  
20 amended—

21           (A) in clause (i), by striking “Except as  
22 provided in clause (ii),” and inserting “Except  
23 as provided in clause (ii) or (iii),”; and

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

1       “(iii) The amount to be contributed under clause (i)  
2 shall, with respect to a period in any calendar year speci-  
3 fied in subparagraph (A)(ii), be equal to—

4               “(I) the amount that would otherwise apply  
5 under clause (i), reduced by

6               “(II) the amount by which the withholding  
7 under subparagraph (A) exceeds the amount which  
8 would (but for clause (ii) of such subparagraph) oth-  
9 erwise have been withheld under such subparagraph  
10 from the basic pay of the employee or elected official  
11 involved with respect to such period.”.

12               (3) OFFSET RULE.—Section 8334(k) of title 5,  
13 United States Code, is amended by adding at the  
14 end the following:

15               “(5) This subsection shall be applied in a manner  
16 consistent with subsections (a)(1)(A)(ii) and (a)(1)(B)(iii)  
17 of section 8334.”.

18               (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—  
19 Section 8422(a) of title 5, United States Code, is amend-  
20 ed—

21               (1) in paragraph (1), by striking “paragraph  
22 (2).” and inserting “this subsection.”; and

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

1 “(4) Notwithstanding any other provision of this sub-  
2 section, the percentage to be deducted and withheld under  
3 this subsection shall—

4 “(A) for each of calendar years 2013, 2014,  
5 and 2015, be equal to the percentage that applied in  
6 the preceding calendar year under this subsection  
7 (including this subparagraph, if applicable), plus an  
8 additional 0.5 percentage point; and

9 “(B) for each calendar year after 2015, be  
10 equal to the applicable percentage for calendar year  
11 2015 (as determined under subparagraph (A)).”.

12 (c) FOREIGN SERVICE.—For provisions of law requir-  
13 ing maintenance of existing conformity—

14 (1) between the Civil Service Retirement Sys-  
15 tem and the Foreign Service Retirement System,  
16 and

17 (2) between the Federal Employees’ Retirement  
18 System and the Foreign Service Pension System,  
19 see section 827 of the Foreign Service Act of 1980 (22  
20 U.S.C. 4067).

21 (d) CIARDS.—

22 (1) COMPATIBILITY WITH CSRS.—In order to  
23 carry out the purposes of this section with respect  
24 to the Central Intelligence Agency Retirement and  
25 Disability System, the authority under section 292

1 of the Central Intelligence Agency Retirement Act  
2 (50 U.S.C. 2141) shall be applied.

3 (2) APPLICABILITY OF FERS.—For provisions  
4 of law providing for the application of the Federal  
5 Employees’ Retirement System with respect to em-  
6 ployees of the Central Intelligence Agency, see title  
7 III of the Central Intelligence Agency Retirement  
8 Act (50 U.S.C. 2151 and following).

9 (e) TVA.—Section 3 of the Tennessee Valley Author-  
10 ity Act of 1933 (16 U.S.C. 831b) is amended by adding  
11 at the end the following:

12 “(c) The chief executive officer shall prescribe any  
13 regulations which may be necessary in order to carry out  
14 the purposes of the Securing Annuities for Federal Em-  
15 ployees Act of 2012 with respect to any defined benefit  
16 plan covering employees of the Tennessee Valley Author-  
17 ity.”.

18 **SEC. 3. AMENDMENTS RELATING TO SECURE ANNUITY EM-**  
19 **PLOYEES.**

20 (a) DEFINITION OF SECURE ANNUITY EMPLOYEE.—  
21 Section 8401 of title 5, United States Code, is amended—

22 (1) in paragraph (35), by striking “and” at the  
23 end;

24 (2) in paragraph (36), by striking the period  
25 and inserting “; and”; and

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

2 “(37) the term ‘secure annuity employee’ means  
3 an employee or Member who—

4 “(A) first becomes subject to this chapter  
5 after December 31, 2012; and

6 “(B) at the time of first becoming subject  
7 to this chapter, does not have at least 5 years  
8 of civilian service creditable under the Civil  
9 Service Retirement System or any other retire-  
10 ment system for Government employees.”.

11 (b) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)  
12 of title 5, United States Code (as amended by section  
13 2(b)) is further amended—

14 (1) in paragraph (4) (as added by section 2(b)),  
15 in the matter before subparagraph (A), by inserting  
16 “and except in the case of a secure annuity em-  
17 ployee,” after “this subsection”; and

18 (2) by adding after paragraph (4) (as so added)  
19 the following:

20 “(5) Notwithstanding any other provision of this sub-  
21 section, in the case of a secure annuity employee, the per-  
22 centage to be deducted and withheld shall be computed  
23 under paragraphs (1) through (3), except that the applica-  
24 ble percentage under paragraph (3) for civilian service  
25 shall—

1           “(A) in the case of a secure annuity employee  
2 who is an employee, Congressional employee, or  
3 Member, be equal to 10.2 percent; and

4           “(B) in the case of a secure annuity employee  
5 who is a law enforcement officer, firefighter, member  
6 of the Capitol Police, member of the Supreme Court  
7 Police, air traffic controller, nuclear materials cou-  
8 rier, or customs and border protection officer, be  
9 equal to 10.7 percent.”.

10       (c) AVERAGE PAY.—Section 8401(3) of title 5,  
11 United States Code, is amended—

12           (1) by striking “(3)” and inserting “(3)(A)”;

13       and

14           (2) by adding “except that” after the semicolon;

15       and

16           (3) by adding at the end the following:

17           “(B) in the case of a secure annuity employee,  
18 the term ‘average pay’ has the meaning determined  
19 applying subparagraph (A)—

20                   “(i) by substituting ‘5 consecutive years’  
21 for ‘3 consecutive years’; and

22                   “(ii) by substituting ‘5 years’ for ‘3  
23 years’.”.

24       (d) COMPUTATION OF BASIC ANNUITY.—Section  
25 8415 of title 5, United States Code, is amended—

1           (1) by striking subsections (a) through (e) and  
2           inserting the following:

3           “(a) Except as otherwise provided in this section, the  
4           annuity of an employee retiring under this subchapter is—

5                   “(1) in the case of an employee other than a se-  
6           cure annuity employee, 1 percent of that individual’s  
7           average pay multiplied by such individual’s total  
8           service; and

9                   “(2) in the case of an employee who is a secure  
10          annuity employee, 0.7 percent of that individual’s  
11          average pay multiplied by such individual’s total  
12          service.

13          “(b)(1) The annuity of a Member, or former Member  
14          with title to a Member annuity, retiring under this sub-  
15          chapter is computed under subsection (a)(1), except that  
16          if the individual has had at least 5 years of service as a  
17          Member or Congressional employee, or any combination  
18          thereof, so much of the annuity as is computed with re-  
19          spect to either such type of service (or a combination  
20          thereof), not exceeding a total of 20 years, shall be com-  
21          puted by multiplying 1.7 percent of the individual’s aver-  
22          age pay by the years of such service.

23          “(2) The annuity of a Member, or former Member  
24          with title to a Member annuity, retiring under this sub-

1 chapter is, if the individual is or was a secure annuity em-  
2 ployee, computed—

3           “(A) under subsection (a)(2); and

4           “(B) disregarding paragraph (1) of this sub-  
5 section.

6           “(c)(1) The annuity of a Congressional employee, or  
7 former Congressional employee, retiring under this sub-  
8 chapter is computed under subsection (a)(1), except that  
9 if the individual has had at least 5 years of service as a  
10 Congressional employee or Member, or any combination  
11 thereof, so much of the annuity as is computed with re-  
12 spect to either such type of service (or a combination  
13 thereof), not exceeding a total of 20 years, shall be com-  
14 puted by multiplying 1.7 percent of the individual’s aver-  
15 age pay by the years of such service.

16           “(2) The annuity of a Congressional employee, or  
17 former Congressional employee, retiring under this sub-  
18 chapter is, if the individual is or was a secure annuity em-  
19 ployee, computed—

20           “(A) under subsection (a)(2); and

21           “(B) disregarding paragraph (1) of this sub-  
22 section.

23           “(d) The annuity of an employee retiring under sub-  
24 section (d) or (e) of section 8412 or under subsection (a),  
25 (b), or (c) of section 8425 is—

1           “(1) in the case of an individual other than a  
2 secure annuity employee—

3           “(A) 1.7 percent of that individual’s aver-  
4 age pay multiplied by so much of such individ-  
5 ual’s total service as does not exceed 20 years;  
6 plus

7           “(B) 1 percent of that individual’s average  
8 pay multiplied by so much of such individual’s  
9 total service as exceeds 20 years; and

10          “(2) in the case of an individual who is a secure  
11 annuity employee—

12          “(A) 1.4 percent of that individual’s aver-  
13 age pay multiplied by so much of such individ-  
14 ual’s total service as does not exceed 20 years;  
15 plus

16          “(B) 0.7 percent of that individual’s aver-  
17 age pay multiplied by so much of such individ-  
18 ual’s total service as exceeds 20 years.

19          “(e) The annuity of an air traffic controller or former  
20 air traffic controller retiring under section 8412(a) is com-  
21 puted under subsection (a)(1), except that if the individual  
22 has had at least 5 years of service as an air traffic con-  
23 troller as defined by section 2109(1)(A)(i), so much of the  
24 annuity as is computed with respect to such type of service  
25 shall be computed—

1           “(1) in the case of an individual other than a  
2           secure annuity employee, by multiplying 1.7 percent  
3           of the individual’s average pay by the years of such  
4           service; and

5           “(2) in the case of an individual who is a secure  
6           annuity employee, by multiplying 1.4 percent of the  
7           individual’s average pay by the years of such serv-  
8           ice.”; and

9           (2) in subsection (h)—

10           (A) in paragraph (1), by striking “sub-  
11           section (a)” and inserting “subsection (a)(1)”;  
12           and

13           (B) in paragraph (2), in the matter fol-  
14           lowing subparagraph (B), by striking “or cus-  
15           toms and border protection officer” and insert-  
16           ing “customs and border protection officer, or  
17           secure annuity employee.”.

18 **SEC. 4. ANNUITY SUPPLEMENT.**

19           Section 8421(a) of title 5, United States Code, is  
20           amended—

21           (1) in paragraph (1), by striking “paragraph  
22           (3)” and inserting “paragraphs (3) and (4)”;

23           (2) in paragraph (2), by striking “paragraph  
24           (3)” and inserting “paragraphs (3) and (4)”;

25           (3) by adding at the end the following:

1       “(4)(A) Except as provided in subparagraph (B), no  
2 annuity supplement under this section shall be payable in  
3 the case of an individual whose entitlement to annuity is  
4 based on such individual’s separation from service after  
5 December 31, 2012.

6       “(B) Nothing in this paragraph applies in the case  
7 of an individual separating under subsection (d) or (e) of  
8 section 8412.”.

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