Union Calendar No. 274

112TH CONGRESS  H. R. 3813  2D SESSION

[Report No. 112–394, Part I]

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

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.

FEBRUARY 9, 2012

Reported from the Committee on Oversight and Government Reform with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

FEBRUARY 9, 2012

The Committee on House Administration discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on January 24, 2012]
A BILL

To amend title 5, United States Code, to secure the annuities of Federal civilian employees, and for other purposes.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

SEC. 2. RETIREMENT CONTRIBUTIONS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

   (1) INDIVIDUAL CONTRIBUTIONS.—Section
8334(c) of title 5, United States Code, is amended—

       (A) by striking “(c) Each” and inserting

       “(c)(1) Each”; and

       (B) by adding at the end the following:

       “(2) Notwithstanding any other provision of this sub-
       section, the applicable percentage of basic pay under this
       subsection shall, for purposes of computing an amount—

       “(A) for a period in calendar year 2013, 2014,
or 2015, be equal to the applicable percentage under
this subsection for the preceding calendar year (in-
cluding as increased under this paragraph, if appli-
cable), plus an additional 0.5 percentage point; and

       “(B) for a period in any calendar year after
2015, be equal to the applicable percentage under this
subsection for calendar year 2015 (as determined
under subparagraph (A)).”.
(2) **GOVERNMENT CONTRIBUTIONS.**—Section 8334(a)(1)(B) of title 5, United States Code, is amended—

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

(B) by adding at the end the following:

“(iii) The amount to be contributed under clause (i) shall, with respect to a period in any year beginning after December 31, 2012, be equal to—

“(I) the amount which would otherwise apply under clause (i) with respect to such period, reduced by

“(II) the amount by which, with respect to such period, the withholding under subparagraph (A) exceeds the amount which would otherwise have been withheld from the basic pay of the employee or elected official involved under subparagraph (A) based on the percentage applicable under subsection (c) for calendar year 2012.”.

(b) **FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.**—

Section 8422(a)(3) of title 5, United States Code, is amended—

(1) by striking “(3) The” and inserting “(3)(A) The”; and
(2) by adding at the end the following:

“(B) Notwithstanding any other provision of this paragraph, the applicable percentage under this paragraph shall, for purposes of computing any amount—

“(i) for a period in calendar year 2013, 2014, or 2015, be equal to the applicable percentage under this paragraph for the preceding calendar year (including as increased under this subparagraph, if applicable), plus an additional 0.5 percentage point; and

“(ii) for a period in any calendar year after 2015, be equal to the applicable percentage under this paragraph for calendar year 2015 (as determined under clause (i)).”.

SEC. 3. AMENDMENTS RELATING TO SECURE ANNUITY EMPLOYEES.

(a) Definition of Secure Annuity Employee.—

Section 8401 of title 5, United States Code, is amended—

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

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

(3) by adding at the end the following:

“(37) the term ‘secure annuity employee’ means an employee or Member who—
“(A) first becomes subject to this chapter after December 31, 2012; and

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

(b) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)(3) of title 5, United States Code (as amended by section 2(b)) is further amended—

(1) in subparagraph (B) (as added by section 2(b)), in the matter before clause (i), by striking “this paragraph, the” and inserting “this paragraph and except in the case of a secure annuity employee, the”; and

(2) by adding after subparagraph (B) (as so added) the following:

“(C) Notwithstanding any other provision of this paragraph, in the case of a secure annuity employee, the applicable percentage under this paragraph shall—

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

“(ii) in the case of a secure annuity employee who is a law enforcement officer, firefighter, member
of the Capitol Police, member of the Supreme Court Police, air traffic controller, nuclear materials courier, or customs and border protection officer, be equal to 10.7 percent.”.

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

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

and

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

and

(3) by adding at the end the following:

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

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

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

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

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

“(a) Except as otherwise provided in this section, the annuity of an employee retiring under this subchapter is—
“(1) in the case of an employee other than a secure annuity employee, 1 percent of that individual’s average pay multiplied by such individual’s total service; and

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

“(b)(1) The annuity of a Member, or former Member with title to a Member annuity, retiring under this subchapter is computed under subsection (a)(1), except that if the individual has had at least 5 years of service as a Member or Congressional employee, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1.7 percent of the individual’s average pay by the years of such service.

“(2) The annuity of a Member, or former Member with title to a Member annuity, retiring under this subchapter is, if the individual is or was a secure annuity employee, computed—

“(A) under subsection (a)(2); and

“(B) disregarding paragraph (1) of this subsection.
"(c)(1) The annuity of a Congressional employee, or former Congressional employee, retiring under this subchapter is computed under subsection (a)(1), except that if the individual has had at least 5 years of service as a Congressional employee or Member, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1.7 percent of the individual’s average pay by the years of such service.

“(2) The annuity of a Congressional employee, or former Congressional employee, retiring under this subchapter is, if the individual is or was a secure annuity employee, computed—

“(A) under subsection (a)(2); and

“(B) disregarding paragraph (1) of this subsection.

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

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

“(A) 1.7 percent of that individual’s average pay multiplied by so much of such individ-
uar’s total service as does not exceed 20 years; plus

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

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

“(A) 1.4 percent of that individual’s average pay multiplied by so much of such individual’s total service as does not exceed 20 years; plus

“(B) 0.7 percent of that individual’s average pay multiplied by so much of such individual’s total service as exceeds 20 years.

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

“(1) in the case of an individual other than a secure annuity employee, by multiplying 1.7 percent of the individual’s average pay by the years of such service; and
“(2) in the case of an individual who is a secure annuity employee, by multiplying 1.4 percent of the individual’s average pay by the years of such service.”; and

(2) in subsection (h)—

(A) in paragraph (1), by striking “subsection (a)” and inserting “subsection (a)(1)”;

and

(B) in paragraph (2), in the matter following subparagraph (B), by striking “or customs and border protection officer” and inserting “customs and border protection officer, or secure annuity employee.”.

SEC. 4. ANNUITY SUPPLEMENT.

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

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

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

(3) by adding at the end the following:

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

3 "(B) Nothing in this paragraph applies in the case of an individual separating under subsection (d) or (e) of section 8412.”.

4 SEC. 5. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF PAYMENTS FOR ACCRUED OR ACCUMULATED LEAVE.

5 (a) AMENDMENTS RELATING TO CSRS.—Section 8351(b) of title 5, United States Code, is amended—

8 (1) by striking paragraph (2)(A) and inserting the following:

10 "(2)(A) An employee or Member may contribute to the Thrift Savings Fund in any pay period any amount of such employee’s or Member’s basic pay for such pay period, and may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552. Notwithstanding section 2105(e), in this paragraph the term ‘employee’ includes an employee of the United States Postal Service or of the Postal Regulatory Commission.”;

13 (2) by striking subparagraph (B) of paragraph (2); and
(3) by redesignating subparagraph (C) of paragraph (2) as subparagraph (B).

(b) Amendments Relating to FERS.—Section 8432(a) of title 5, United States Code, is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) An employee or Member—

“(A) may contribute to the Thrift Savings Fund in any pay period, pursuant to an election under subsection (b), any amount of such employee’s or Member’s basic pay for such pay period; and

“(B) may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552.

“(2) Contributions made under paragraph (1)(A) pursuant to an election under subsection (b) shall, with respect to each pay period for which such election remains in effect, be made in accordance with a program of regular contributions provided in regulations prescribed by the Executive Director.”; and

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

“(4) Notwithstanding section 2105(e), in this subsection the term ‘employee’ includes an employee of the
United States Postal Service or of the Postal Regulatory
Commission.”.

(c) REGULATIONS.—The Executive Director of the Fed-
eral Retirement Thrift Investment Board shall promulgate
regulations to carry out the amendments made by this sec-
tion.

(d) EFFECTIVE DATE.—The amendments made by
subsections (a) and (b) shall take effect one year after the
date of the enactment of this section, or upon such earlier
date as may be established by the Executive Director of the
Federal Retirement Thrift Investment Board under the reg-
ulations promulgated pursuant to subsection (c).

SEC. 6. COORDINATION WITH OTHER RETIREMENT SYS-
TEMS.

(a) FOREIGN SERVICE.—For provisions of lawrequir-
ing maintenance of existing conformity—

(1) between the Civil Service Retirement System
and the Foreign Service Retirement System, and

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

(b) CIARDS.—

(1) COMPATIBILITY WITH CSRS.—For provisions
of law relating to maintenance of existing conformity
between the Civil Service Retirement System and the Central Intelligence Agency Retirement and Disability System, see section 292 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2141).

(2) Applicability of FERS.—For provisions of law providing for the application of the Federal Employees’ Retirement System with respect to employees of the Central Intelligence Agency, see title III of the Central Intelligence Agency Retirement Act (50 U.S.C. 2151 and following).

(c) TVA.—Section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b) is amended by adding at the end the following:

“(c) The chief executive officer shall prescribe any regulations which may be necessary in order to carry out the purposes of the Securing Annuities for Federal Employees Act of 2012 with respect to any defined benefit plan covering employees of the Tennessee Valley Authority.”.
A BILL

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