

# Union Calendar No. 274

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3813

**[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.

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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

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 *italie*]

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.

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.—*

8            *(1) INDIVIDUAL CONTRIBUTIONS.—Section*  
9 *8334(c) of title 5, United States Code, is amended—*

10                    *(A) by striking “(c) Each” and inserting*  
11                    *“(c)(1) Each”; and*

12                    *(B) by adding at the end the following:*

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

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

21                    *“(B) for a period in any calendar year after*  
22 *2015, be equal to the applicable percentage under this*  
23 *subsection for calendar year 2015 (as determined*  
24 *under subparagraph (A)).”.*

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

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

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

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

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

14           “(II) the amount by which, with respect to such  
15      period, the withholding under subparagraph (A) ex-  
16      ceeds the amount which would otherwise have been  
17      withheld from the basic pay of the employee or elected  
18      official involved under subparagraph (A) based on the  
19      percentage applicable under subsection (c) for cal-  
20      endar year 2012.”.

21       (b) *FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.*—  
22      Section 8422(a)(3) of title 5, United States Code, is amend-  
23      ed—

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

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

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

5           “*(i) for a period in calendar year 2013, 2014, or*  
6 *2015, be equal to the applicable percentage under this*  
7 *paragraph for the preceding calendar year (including*  
8 *as increased under this subparagraph, if applicable),*  
9 *plus an additional 0.5 percentage point; and*

10          “*(ii) for a period in any calendar year after*  
11 *2015, be equal to the applicable percentage under this*  
12 *paragraph for calendar year 2015 (as determined*  
13 *under clause (i)).”.*

14 **SEC. 3. AMENDMENTS RELATING TO SECURE ANNUITY EM-**  
15 **EMPLOYEES.**

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

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

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

22           (3) *by adding at the end the following:*

23           “(37) *the term ‘secure annuity employee’ means*  
24 *an employee or Member who—*

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

3           “(B) at the time of first becoming subject to  
4 this chapter, does not have at least 5 years of ci-  
5 vilian service creditable under the Civil Service  
6 Retirement System or any other retirement sys-  
7 tem for Government employees.”.

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

11           (1) in subparagraph (B) (as added by section  
12 2(b)), in the matter before clause (i), by striking “this  
13 paragraph, the” and inserting “this paragraph and  
14 except in the case of a secure annuity employee, the”;  
15 and

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

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

21           “(i) in the case of a secure annuity employee  
22 who is an employee, Congressional employee, or Mem-  
23 ber, be equal to 10.2 percent; and

24           “(ii) in the case of a secure annuity employee  
25 who is a law enforcement officer, firefighter, member

1       *of the Capitol Police, member of the Supreme Court*  
2       *Police, air traffic controller, nuclear materials cou-*  
3       *rier, or customs and border protection officer, be equal*  
4       *to 10.7 percent.”.*

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

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

9             *(2) by adding “except that” after the semicolon;*  
10       *and*

11            *(3) by adding at the end the following:*

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

15            *“(i) by substituting ‘5 consecutive years’ for*  
16       *‘3 consecutive years’; and*

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

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

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

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

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

5           “(2) in the case of an employee who is a secure  
6           annuity employee, 0.7 percent of that individual’s av-  
7           erage pay multiplied by such individual’s total serv-  
8           ice.

9           “(b)(1) The annuity of a Member, or former Member  
10          with title to a Member annuity, retiring under this sub-  
11          chapter is computed under subsection (a)(1), except that if  
12          the individual has had at least 5 years of service as a Mem-  
13          ber or Congressional employee, or any combination thereof,  
14          so much of the annuity as is computed with respect to either  
15          such type of service (or a combination thereof), not exceed-  
16          ing a total of 20 years, shall be computed by multiplying  
17          1.7 percent of the individual’s average pay by the years of  
18          such service.

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

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

24                  “(B) disregarding paragraph (1) of this sub-  
25          section.



1       “(c)(1) *The annuity of a Congressional employee, or*  
2 *former Congressional employee, retiring under this sub-*  
3 *chapter is computed under subsection (a)(1), except that if*  
4 *the individual has had at least 5 years of service as a Con-*  
5 *gressional employee or Member, or any combination thereof,*  
6 *so much of the annuity as is computed with respect to either*  
7 *such type of service (or a combination thereof), not exceed-*  
8 *ing a total of 20 years, shall be computed by multiplying*  
9 *1.7 percent of the individual’s average pay by the years of*  
10 *such service.*

11       “(2) *The annuity of a Congressional employee, or*  
12 *former Congressional employee, retiring under this sub-*  
13 *chapter is, if the individual is or was a secure annuity em-*  
14 *ployee, computed—*

15               “(A) *under subsection (a)(2); and*

16               “(B) *disregarding paragraph (1) of this sub-*  
17 *section.*

18       “(d) *The annuity of an employee retiring under sub-*  
19 *section (d) or (e) of section 8412 or under subsection (a),*  
20 *(b), or (c) of section 8425 is—*

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

23                       “(A) *1.7 percent of that individual’s aver-*  
24 *age pay multiplied by so much of such individ-*

1           *ual's total service as does not exceed 20 years;*  
2           *plus*

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

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

8                   *“(A) 1.4 percent of that individual's aver-*  
9                   *age pay multiplied by so much of such individ-*  
10                   *ual's total service as does not exceed 20 years;*  
11           *plus*

12                   *“(B) 0.7 percent of that individual's aver-*  
13                   *age pay multiplied by so much of such individ-*  
14                   *ual's total service as exceeds 20 years.*

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

22                   *“(1) in the case of an individual other than a*  
23                   *secure annuity employee, by multiplying 1.7 percent*  
24                   *of the individual's average pay by the years of such*  
25                   *service; and*

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

5           (2) in subsection (h)—

6           (A) in paragraph (1), by striking “sub-  
7 section (a)” and inserting “subsection (a)(1)”;  
8 and

9           (B) in paragraph (2), in the matter fol-  
10 lowing subparagraph (B), by striking “or cus-  
11 toms and border protection officer” and inserting  
12 “customs and border protection officer, or secure  
13 annuity employee.”.

14 **SEC. 4. ANNUITY SUPPLEMENT.**

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

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

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

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

22       “(4)(A) Except as provided in subparagraph (B), no  
23 annuity supplement under this section shall be payable in  
24 the case of an individual whose entitlement to annuity is

1 *based on such individual's separation from service after De-*  
2 *cember 31, 2012.*

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

6 **SEC. 5. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF PAY-**  
7 **MENTS FOR ACCRUED OR ACCUMULATED**  
8 **LEAVE.**

9       (a) *AMENDMENTS RELATING TO CSRS.*—Section  
10 *8351(b) of title 5, United States Code, is amended—*

11               (1) *by striking paragraph (2)(A) and inserting*  
12 *the following:*

13               “(2)(A) *An employee or Member may contribute to the*  
14 *Thrift Savings Fund in any pay period any amount of such*  
15 *employee's or Member's basic pay for such pay period, and*  
16 *may contribute (by direct transfer to the Fund) any part*  
17 *of any payment that the employee or Member receives for*  
18 *accumulated and accrued annual or vacation leave under*  
19 *section 5551 or 5552. Notwithstanding section 2105(e), in*  
20 *this paragraph the term ‘employee’ includes an employee*  
21 *of the United States Postal Service or of the Postal Regu-*  
22 *latory Commission.*”;

23               (2) *by striking subparagraph (B) of paragraph*  
24 *(2); and*

1           (3) by redesignating subparagraph (C) of para-  
2           graph (2) as subparagraph (B).

3           (b) *AMENDMENTS RELATING TO FERS.*—Section  
4 8432(a) of title 5, United States Code, is amended—

5           (1) by striking paragraphs (1) and (2) and in-  
6           serting the following:

7           “(1) An employee or Member—

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

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

16           “(2) Contributions made under paragraph (1)(A) pur-  
17           suant to an election under subsection (b) shall, with respect  
18           to each pay period for which such election remains in effect,  
19           be made in accordance with a program of regular contribu-  
20           tions provided in regulations prescribed by the Executive  
21           Director.”; and

22           (2) by adding at the end the following new para-  
23           graph:

24           “(4) Notwithstanding section 2105(e), in this sub-  
25           section the term ‘employee’ includes an employee of the

1 *United States Postal Service or of the Postal Regulatory*  
2 *Commission.”.*

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

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

13 **SEC. 6. COORDINATION WITH OTHER RETIREMENT SYS-**  
14 **TEMS.**

15 (a) *FOREIGN SERVICE.*—*For provisions of law requir-*  
16 *ing maintenance of existing conformity—*

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

19 (2) *between the Federal Employees’ Retirement*  
20 *System and the Foreign Service Pension System,*

21 *see section 827 of the Foreign Service Act of 1980 (22 U.S.C.*  
22 *4067).*

23 (b) *CIARDS.*—

24 (1) *COMPATIBILITY WITH CSRS.*—*For provisions*  
25 *of law relating to maintenance of existing conformity*

1       *between the Civil Service Retirement System and the*  
2       *Central Intelligence Agency Retirement and Dis-*  
3       *ability System, see section 292 of the Central Intel-*  
4       *ligence Agency Retirement Act (50 U.S.C. 2141).*

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

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

14               “(c) *The chief executive officer shall prescribe any reg-*  
15       *ulations which may be necessary in order to carry out the*  
16       *purposes of the Securing Annuities for Federal Employees*  
17       *Act of 2012 with respect to any defined benefit plan cov-*  
18       *ering employees of the Tennessee Valley Authority.*”.

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112<sup>TH</sup> CONGRESS  
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**H. R. 3813**

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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.

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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