

105TH CONGRESS  
2D SESSION

# H. R. 4568

To make technical and clarifying amendments to the provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997 relating to the reform of certain District of Columbia retirement programs.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1998

Mr. DAVIS of Virginia introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Ways and Means, 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 make technical and clarifying amendments to the provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997 relating to the reform of certain District of Columbia retirement programs.

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 “District of Columbia  
5 Retirement Reform Technical Corrections Act of 1998”.

1 **SEC. 2. TECHNICAL AND CLARIFYING AMENDMENTS RE-**  
2 **LATING TO DISTRICT OF COLUMBIA RETIRE-**  
3 **MENT FUNDS.**

4 (a) PERMITTING OTHER FEDERAL ENTITIES TO AD-  
5 MINISTER PROGRAM.—Section 11003 of the Balanced  
6 Budget Act of 1997 (DC Code, sec. 1–761.2) is amend-  
7 ed—

8 (1) in paragraph (1), by inserting “, and in-  
9 cludes any agreement with a department, agency, or  
10 instrumentality of the United States entered into  
11 under that section” after “the Trustee”; and

12 (2) in paragraph (10), by striking “, partner-  
13 ship, joint venture, corporation, mutual company,  
14 joint-stock company, trust, estate, unincorporated  
15 organization, association, or employee organization”  
16 and inserting “; partnership; joint venture; corpora-  
17 tion; mutual company; joint-stock company; trust;  
18 estate; unincorporated organization; association; em-  
19 ployee organization; or department, agency, or in-  
20 strumentality of the United States”.

21 (b) PERMITTING WAIVER OF RECOVERY OF  
22 AMOUNTS PAID IN ERROR.—Section 11021(3) of such Act  
23 (DC Code, sec. 1–763.1(3)) is amended by inserting “,  
24 or waive recoupment or recovery of,” after “recover”.

1 (c) PERMITTING USE OF TRUST FUND TO COVER  
2 ADMINISTRATIVE EXPENSES.—Section 11032 of such Act  
3 (DC Code, sec. 1–764.2) is amended—

4 (1) by amending subsection (a) to read as fol-  
5 lows:

6 “(a) IN GENERAL.—Amounts in the Trust Fund  
7 shall be used—

8 “(1) to make Federal benefit payments under  
9 this subtitle;

10 “(2) subject to subsection (b)(1), to cover the  
11 reasonable and necessary expenses of administering  
12 the Trust Fund under the contract entered into pur-  
13 suant to section 11035(b);

14 “(3) to cover the reasonable and necessary ad-  
15 ministrative expenses incurred by the Secretary in  
16 carrying out the Secretary’s responsibilities under  
17 this subtitle; and

18 “(4) for such other purposes as are specified in  
19 this subtitle.”; and

20 (2) in subsection (b)(2), by inserting “(includ-  
21 ing expenses described in section 11041(b))” after  
22 “to administer the Trust Fund”.

23 (d) PROMOTING FLEXIBILITY IN ADMINISTRATION  
24 OF PROGRAM.—Section 11035 of such Act (DC Code, sec.  
25 1–764.5) is amended—

1           (1) by redesignating subsection (c) as sub-  
2           section (e); and

3           (2) by inserting after subsection (b) the follow-  
4           ing new subsections:

5           “(c) SUBCONTRACTS.—Notwithstanding any provi-  
6           sion of a District Retirement Program or any other law,  
7           rule, or regulation, the Trustee may, with the approval  
8           of the Secretary, enter into one or more subcontracts with  
9           the District Government or any person to provide services  
10          to the Trustee in connection with its performance of the  
11          contract. The Trustee shall monitor the performance of  
12          any such subcontract and enforce its provisions.

13          “(d) DETERMINATION BY THE SECRETARY.—Not-  
14          withstanding subsection (b) or any other provision of this  
15          subtitle, the Secretary may determine, with respect to any  
16          function otherwise to be performed by the Trustee, that  
17          in the interest of economy and efficiency such function  
18          shall be performed by the Secretary rather than the Trust-  
19          ee.”.

20          (e) PROCESS FOR REIMBURSEMENT OF DISTRICT  
21          GOVERNMENT FOR EXPENSES OF INTERIM ADMINISTRA-  
22          TION.—Section 11041 of such Act (DC Code, sec. 1–  
23          765.1) is amended—

24                 (1) in subsection (b), by striking “The Trustee  
25                 shall” and inserting “The Secretary or the Trustee

1 shall, at such times during or after the period of in-  
2 terim administration described in subsection (a) as  
3 are deemed appropriate by the Secretary or the  
4 Trustee”;

5 (2) in subsection (b)(1), by inserting “the Sec-  
6 retary or” after “if”; and

7 (3) in subsection (c), by striking “the replace-  
8 ment plan adoption date” and inserting “such time  
9 as the Secretary notifies the District Government  
10 that the Secretary has directed the Trustee to carry  
11 out the duties and responsibilities required under the  
12 contract”.

13 (f) ANNUAL FEDERAL PAYMENT INTO FEDERAL  
14 SUPPLEMENTAL FUND.—Section 11053 of such Act (DC  
15 Code, sec. 1–766.3) is amended—

16 (1) by amending subsection (a) to read as fol-  
17 lows:

18 “(a) ANNUAL AMORTIZATION AMOUNT.—At the end  
19 of each applicable fiscal year the Secretary shall promptly  
20 pay into the Federal Supplemental Fund from the General  
21 Fund of the Treasury an amount equal to the annual am-  
22 ortization amount for the year (which may not be less than  
23 zero).”;

24 (2) in subsection (b), by striking “freeze date”  
25 and inserting “effective date of this Act”;

1           (3) by redesignating subsections (b) and (c) as  
2           subsections (c) and (d); and

3           (4) by inserting after subsection (a) the follow-  
4           ing new subsection:

5           “(b) ADMINISTRATIVE EXPENSES.—During each ap-  
6           plicable fiscal year, the Secretary shall pay into the Fed-  
7           eral Supplemental Fund from the General Fund of the  
8           Treasury amounts not to exceed the covered administra-  
9           tive expenses for the year.”.

10          (g) TECHNICAL CORRECTIONS.—(1) Section  
11           11012(c) of such Act (DC Code, sec. 1–752.2(c)) is  
12           amended by striking “District of Columbia Retirement  
13           Board” and inserting “District Government”.

14          (2) Section 11033(c)(1) of such Act (DC Code, sec.  
15           1–764.3(c)(1)) is amended by striking “consisting” in the  
16           first place that it appears.

17          (3) Section 11052 of such Act (DC Code, sec. 1–  
18           766.2) is amended by inserting “to” after “may be made  
19           only”.

20       **SEC. 3. CLARIFYING TREATMENT OF DISTRICT OF COLUM-**  
21                               **BIA EMPLOYEES TRANSFERRED TO FEDERAL**  
22                               **RETIREMENT SYSTEMS.**

23          (a) ELIGIBILITY OF NONJUDICIAL EMPLOYEES OF  
24           DISTRICT OF COLUMBIA COURTS FOR MEDICARE AND SO-  
25           CIAL SECURITY BENEFITS.—Section 11246(b) of the Bal-

1 anced Budget Act of 1997 (Public Law 105–33; 111 Stat.  
2 755) is amended—

3 (1) by redesignating paragraphs (2) and (3) as  
4 paragraphs (3) and (4); and

5 (2) by inserting after paragraph (1) the follow-  
6 ing new paragraph:

7 “(2) CONFORMING AMENDMENTS TO INTERNAL  
8 REVENUE CODE AND SOCIAL SECURITY.—(A) Sec-  
9 tion 3121(b)(7)(C) of the Internal Revenue Code of  
10 1986 (relating to the definition of employment for  
11 service performed in the employ of the District of  
12 Columbia) is amended by inserting ‘(other than the  
13 Federal Employees Retirement System provided in  
14 chapter 84 of title 5, United States Code)’ after ‘law  
15 of the United States’.

16 “(B) Section 210(a)(7)(D) of the Social Secu-  
17 rity Act (42 U.S.C. 410(a)(7)(D)) (relating to the  
18 definition of employment for service performed in  
19 the employ of the District of Columbia), is amended  
20 by inserting ‘(other than the Federal Employees Re-  
21 tirement System provided in chapter 84 of title 5,  
22 United States Code)’ after ‘law of the United  
23 States’.”.

24 (b) VESTING UNDER PREVIOUS DISTRICT OF CO-  
25 LUMBIA RETIREMENT PROGRAM.—For purposes of vest-

1 ing pursuant to section 2610(b) of the District of Colum-  
 2 bia Government Comprehensive Merit Personnel Act of  
 3 1978 (DC Code, sec. 1–627.10(b)), creditable service with  
 4 the District for employees whose participation in the Dis-  
 5 trict Defined Contribution Plan ceases as a result of the  
 6 implementation of the Balanced Budget Act of 1997 shall  
 7 include—

8 (1) continuous service performed by nonjudicial  
 9 employees of the District of Columbia courts after  
 10 September 30, 1997; and

11 (2) service performed for a successor employer,  
 12 including the Department of Justice or the District  
 13 of Columbia Offender Supervision, Defender, and  
 14 Courts Services Agency established under section  
 15 11233 of the Balanced Budget Act of 1997, that  
 16 provides services previously performed by the Dis-  
 17 trict government.

18 **SEC. 4. METHODOLOGY FOR DESIGNATING ASSETS OF RE-**  
 19 **TIREMENT FUND.**

20 Section 11033 of the Balanced Budget Act of 1997  
 21 (DC Code, sec. 1–764.3) is amended by adding at the end  
 22 the following new subsection:

23 “(e) METHODOLOGY FOR DESIGNATING ASSETS.—

24 “(1) IN GENERAL.—In carrying out subsection

25 (b), the Secretary may develop and implement a



1 methodology for designating assets after the replace-  
2 ment plan adoption date that takes into account the  
3 value of the District Retirement Fund as of the re-  
4 placement plan adoption date and the proportion of  
5 such value represented by \$1.275 billion, together  
6 with the income (including returns on investments)  
7 earned on the assets of and withdrawals from and  
8 deposits to the Fund during the period between such  
9 date and the date on which the Secretary designates  
10 assets under subsection (b). In implementing a  
11 methodology under the previous sentence, the Sec-  
12 retary shall not be required to determine the value  
13 of designated assets as of the replacement plan  
14 adoption date. Nothing in this paragraph may be  
15 deemed to effect the entitlement of the District Re-  
16 tirement Fund to income (including returns on in-  
17 vestments) earned after the replacement plan adop-  
18 tion date on assets designated for retention by the  
19 Fund.

20 “(2) EMPLOYEE CONTRIBUTIONS; JUDICIAL RE-  
21 TIREMENT AND SURVIVORS ANNUITY FUND.—The  
22 Secretary may develop and implement a methodology  
23 comparable to the methodology described in para-  
24 graph (1) in carrying out the requirements of sub-  
25 section (c) and in designating assets to be trans-

1       ferred to the District of Columbia Judicial Retire-  
2       ment and Survivors Annuity Fund pursuant to sec-  
3       tion 124(c)(1) of the District of Columbia Retire-  
4       ment Reform Act (as amended by section 11252).

5               “(3) DISCRETION OF THE SECRETARY.—The  
6       Secretary’s development and implementation of  
7       methodologies for designating assets under this sub-  
8       section shall be final and binding.”.

9       **SEC. 5. EFFECTIVE DATE.**

10       This Act and the amendments made by this Act shall  
11       take effect as if included in the enactment of title XI of  
12       the Balanced Budget Act of 1997.

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