

105TH CONGRESS
2D SESSION

H. R. 4603

To establish a portable retirement option for political appointees and congressional employees.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 1998

Mr. SESSIONS introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on House Oversight, 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

A BILL

To establish a portable retirement option for political appointees and congressional employees.

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. PORTABLE RETIREMENT OPTION FOR POLITI-**
4 **CAL APPOINTEES AND CONGRESSIONAL EM-**
5 **PLOYEES.**

6 Subchapter III of chapter 84 of title 5, United States
7 Code, is amended by adding at the end the following new
8 section:

1 **“§ 8440e. Portable retirement option for political ap-**
2 **pointees and congressional employees**

3 “(a) There is established under this section a portable
4 retirement option for political appointees and congres-
5 sional employees. A political appointee or congressional
6 employee who elects to participate in the portable retire-
7 ment option under this section shall not be eligible to re-
8 ceive any other benefit under this chapter.

9 “(b)(1) A political appointee eligible under this sec-
10 tion is an individual who is appointed to a position—

11 “(A) by the President with the advice and con-
12 sent of the Senate;

13 “(B) by the President;

14 “(C) excepted from the competitive service be-
15 cause of its confidential, policy-determining, policy-
16 making, or policy-advocacy character; or

17 “(D) as a noncareer appointee (as defined in
18 section 3132(a)(7)).

19 “(2) A political appointee or congressional employee
20 may elect to participate in the portable retirement option
21 under subsection (a) after the 90-day period following the
22 commencement of the appointment or employment of the
23 appointee or employee, respectively. The election to par-
24 ticipate in the portable retirement option under subsection
25 (a) shall be irrevocable.

1 “(3) Benefits shall not vest under the portable retire-
2 ment option established under subsection (a) until a politi-
3 cal appointee or congressional employee has completed one
4 year of service with the employing agency.

5 “(4) The retirement option under this section shall
6 be composed of a defined contribution component, with re-
7 spect to which the following contributions shall apply:

8 “(A) A mandatory contribution by the employ-
9 ing agency of six percent of the basic pay of the po-
10 litical appointee or congressional employee.

11 “(B) A voluntary contribution by the political
12 appointee or congressional employee of up to seven
13 percent of the basic pay of the appointee or em-
14 ployee, which shall be matched in full by a contribu-
15 tion by the employing agency.

16 “(5) Contributions under paragraph (4) shall be de-
17 posited into a Defined Contribution System Account from
18 which tax-free, penalty-free distributions may be made for
19 the purpose of purchasing life insurance, disability insur-
20 ance, and long-term care insurance. Funds from the ac-
21 count shall be invested in the Thrift Savings Fund.

22 “(6) Except as otherwise provided in this section,
23 payment of benefits shall be in accordance with the provi-
24 sions in sections 8433 through 8436 of this title. The tax
25 treatment of contributions and distributions under this

1 section shall be in accordance with the provisions in sec-
 2 tion 8440 of this title.

3 “(7) Appointees and employees eligible under this
 4 subsection may transfer funds from the Thrift Savings
 5 Fund into other eligible retirement plans.”.

6 (b) CONFORMING AMENDMENTS.—(1) Chapter 84 of
 7 title 5, United States Code, is amended in section 8437
 8 by striking “section 8432” and inserting “sections 8432
 9 or 8440e”.

10 (2) The table of sections at the beginning of such
 11 chapter is amended by adding at the end the following
 12 new item:

“8440e. Portable retirement option for political appointees and congressional
 employees.”.

13 (c) APPLICABILITY.—Section 8440e of title 5, United
 14 States Code (as added by subsection (a)), shall apply with
 15 respect to—

16 (1) a political appointee whose appointment be-
 17 gins after the date of the enactment of this Act; and

18 (2) a congressional employee who begins em-
 19 ployment after the date of the enactment of this Act.

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