

106TH CONGRESS
1ST SESSION

H. R. 807

IN THE SENATE OF THE UNITED STATES

MARCH 17, 1999

Received; read twice and referred to the Committee on Governmental Affairs

AN ACT

To amend title 5, United States Code, to provide portability of service credit for persons who leave employment with the Federal Reserve Board to take positions with other Government agencies, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Reserve Board
3 Retirement Portability Act”.

4 **SEC. 2. PORTABILITY OF SERVICE CREDIT.**

5 (a) CREDITABLE SERVICE.—

6 (1) IN GENERAL.—Section 8411(b) of title 5,
7 United States Code, is amended—

8 (A) by striking “and” at the end of para-
9 graph (3);

10 (B) in paragraph (4)—

11 (i) by striking “of the preceding provi-
12 sions” and inserting “other paragraph”;
13 and

14 (ii) by striking the period at the end
15 and inserting “; and”; and

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

17 “(5) a period of service (other than any service
18 under any other paragraph of this subsection, any
19 military service, and any service performed in the
20 employ of a Federal Reserve Bank) that was cred-
21 itable under the Bank Plan (as defined in subsection
22 (i)), if the employee waives credit for such service
23 under the Bank Plan and makes a payment to the
24 Fund equal to the amount that would have been de-
25 ducted from pay under section 8422(a) had the em-
26 ployee been subject to this chapter during such pe-

1 riod of service (together with interest on such
2 amount computed under paragraphs (2) and (3) of
3 section 8334(e)).

4 Paragraph (5) shall not apply in the case of any employee
5 as to whom subsection (g) (or, to the extent subchapter
6 III of chapter 83 is involved, section 8332(n)) otherwise
7 applies.”.

8 (2) BANK PLAN DEFINED.—Section 8411 of
9 title 5, United States Code, is amended by adding
10 at the end the following:

11 “(i) For purposes of subsection (b)(5), the term
12 ‘Bank Plan’ means the benefit structure in which employ-
13 ees of the Board of Governors of the Federal Reserve Sys-
14 tem appointed on or after January 1, 1984, participate,
15 which benefit structure is a component of the Retirement
16 Plan for Employees of the Federal Reserve System, estab-
17 lished under section 10 of the Federal Reserve Act (and
18 any redesignated or successor version of such benefit
19 structure, if so identified in writing by the Board of Gov-
20 ernors of the Federal Reserve System for purposes of this
21 chapter).”.

22 (b) EXCLUSION FROM CHAPTER 84.—

23 (1) IN GENERAL.—Paragraph (2) of section
24 8402(b) of title 5, United States Code, is amended

1 by striking the matter before subparagraph (B) and
2 inserting the following:

3 “(2)(A) any employee or Member who has sepa-
4 rated from the service after—

5 “(i) having been subject to—

6 “(I) subchapter III of chapter 83
7 of this title;

8 “(II) subchapter I of chapter 8 of
9 title I of the Foreign Service Act of
10 1980; or

11 “(III) the benefit structure for
12 employees of the Board of Governors
13 of the Federal Reserve System ap-
14 pointed before January 1, 1984, that
15 is a component of the Retirement
16 Plan for Employees of the Federal
17 Reserve System, established under
18 section 10 of the Federal Reserve Act;
19 and

20 “(ii) having completed—

21 “(I) at least 5 years of civilian
22 service creditable under subchapter
23 III of chapter 83 of this title;

24 “(II) at least 5 years of civilian
25 service creditable under subchapter I

1 of chapter 8 of title I of the Foreign
2 Service Act of 1980; or

3 “(III) at least 5 years of civilian
4 service (other than any service per-
5 formed in the employ of a Federal Re-
6 serve Bank) creditable under the ben-
7 efit structure for employees of the
8 Board of Governors of the Federal
9 Reserve System appointed before Jan-
10 uary 1, 1984, that is a component of
11 the Retirement Plan for Employees of
12 the Federal Reserve System, estab-
13 lished under section 10 of the Federal
14 Reserve Act,
15 determined without regard to any deposit
16 or redeposit requirement under either such
17 subchapter or under such benefit structure,
18 or any requirement that the individual be-
19 come subject to either such subchapter or
20 to such benefit structure after performing
21 the service involved; or”.

22 (2) EXCEPTION.—Subsection (d) of section
23 8402 of title 5, United States Code, is amended to
24 read as follows:

1 “(d) Paragraph (2) of subsection (b) shall not apply
2 to an individual who—

3 “(1) becomes subject to—

4 “(A) subchapter II of chapter 8 of title I
5 of the Foreign Service Act of 1980 (relating to
6 the Foreign Service Pension System) pursuant
7 to an election; or

8 “(B) the benefit structure in which em-
9 ployees of the Board of Governors of the Fed-
10 eral Reserve System appointed on or after Jan-
11 uary 1, 1984, participate, which benefit struc-
12 ture is a component of the Retirement Plan for
13 Employees of the Federal Reserve System, es-
14 tablished under section 10 of the Federal Re-
15 serve Act (and any redesignated or successor
16 version of such benefit structure, if so identified
17 in writing by the Board of Governors of the
18 Federal Reserve System for purposes of this
19 chapter); and

20 “(2) subsequently enters a position in which,
21 but for paragraph (2) of subsection (b), such indi-
22 vidual would be subject to this chapter.”.

23 (c) PROVISIONS RELATING TO CERTAIN FORMER
24 EMPLOYEES.—A former employee of the Board of Gov-
25 ernors of the Federal Reserve System who—

1 (1) has at least 5 years of civilian service (other
2 than any service performed in the employ of a Fed-
3 eral Reserve Bank) creditable under the benefit
4 structure for employees of the Board of Governors
5 of the Federal Reserve System appointed before
6 January 1, 1984, that is a component of the Retire-
7 ment Plan for Employees of the Federal Reserve
8 System, established under section 10 of the Federal
9 Reserve Act;

10 (2) was subsequently employed subject to the
11 benefit structure in which employees of the Board of
12 Governors of the Federal Reserve System appointed
13 on or after January 1, 1984, participate, which ben-
14 efit structure is a component of the Retirement Plan
15 for Employees of the Federal Reserve System, estab-
16 lished under section 10 of the Federal Reserve Act
17 (and any redesignated or successor version of such
18 benefit structure, if so identified in writing by the
19 Board of Governors of the Federal Reserve System
20 for purposes of chapter 84 of title 5, United States
21 Code); and

22 (3) after service described in paragraph (2), be-
23 comes subject to and thereafter entitled to benefits
24 under chapter 84 of title 5, United States Code,

1 shall, for purposes of section 302 of the Federal Employ-
2 ees' Retirement System Act of 1986 (100 Stat. 601; 5
3 U.S.C. 8331 note) be considered to have become subject
4 to chapter 84 of title 5, United States Code, pursuant to
5 an election under section 301 of such Act.

6 (d) EFFECTIVE DATE.—

7 (1) IN GENERAL.—Subject to succeeding provi-
8 sions of this subsection, this section and the amend-
9 ments made by this section shall take effect on the
10 date of enactment of this Act.

11 (2) PROVISIONS RELATING TO CREDITABILITY
12 AND CERTAIN FORMER EMPLOYEES.—The amend-
13 ments made by subsection (a) and the provisions of
14 subsection (c) shall apply only to individuals who
15 separate from service subject to chapter 84 of title
16 5, United States Code, on or after the date of enact-
17 ment of this Act.

18 (3) PROVISIONS RELATING TO EXCLUSION
19 FROM CHAPTER.—The amendments made by sub-
20 section (b) shall not apply to any former employee
21 of the Board of Governors of the Federal Reserve
22 System who, subsequent to his or her last period of
23 service as an employee of the Board of Governors of
24 the Federal Reserve System and prior to the date of
25 enactment of this Act, became subject to subchapter

1 III of chapter 83 or chapter 84 of title 5, United
 2 States Code, under the law in effect at the time of
 3 the individual's appointment.

4 **SEC. 3. CERTAIN TRANSFERS TO BE TREATED AS A SEPA-**
 5 **RATION FROM SERVICE FOR PURPOSES OF**
 6 **THE THRIFT SAVINGS PLAN.**

7 (a) AMENDMENTS TO CHAPTER 84 OF TITLE 5,
 8 UNITED STATES CODE.—

9 (1) IN GENERAL.—Subchapter III of chapter
 10 84 of title 5, United States Code, is amended by in-
 11 serting before section 8432 the following:

12 **“§ 8431. Certain transfers to be treated as a separa-**
 13 **tion**

14 “(a) For purposes of this subchapter, separation
 15 from Government employment includes a transfer from a
 16 position that is subject to one of the retirement systems
 17 described in subsection (b) to a position that is not subject
 18 to any of them.

19 “(b) The retirement systems described in this sub-
 20 section are—

21 “(1) the retirement system under this chapter;

22 “(2) the retirement system under subchapter
 23 III of chapter 83; and

1 “(3) any other retirement system under which
2 individuals may contribute to the Thrift Savings
3 Fund through withholdings from pay.”.

4 (2) CLERICAL AMENDMENT.—The table of sec-
5 tions for chapter 84 of title 5, United States Code,
6 is amended by inserting before the item relating to
7 section 8432 the following:

“8431. Certain transfers to be treated as a separation.”.

8 (b) CONFORMING AMENDMENTS.—Subsection (b) of
9 section 8351 of title 5, United States Code, is amended
10 by redesignating paragraph (11) as paragraph (8), and
11 by adding at the end the following:

12 “(9) For the purpose of this section, separation
13 from Government employment includes a transfer
14 described in section 8431.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply with respect to transfers occurring
17 before, on, or after the date of enactment of this Act, ex-
18 cept that, for purposes of applying such amendments with
19 respect to any transfer occurring before such date of en-
20 actment, the date of such transfer shall be considered to
21 be the date of enactment of this Act. The Executive Direc-
22 tor (within the meaning of section 8401(13) of title 5,
23 United States Code) may prescribe any regulations nec-
24 essary to carry out this subsection.

1 **SEC. 4. CLARIFYING AMENDMENTS.**

2 (a) IN GENERAL.—Subsection (f) of section 3304 of
3 title 5, United States Code, as added by section 2 of Pub-
4 lic Law 105–339, is amended—

5 (1) by striking paragraph (4);

6 (2) by redesignating paragraphs (2) and (3) as
7 paragraphs (3) and (4), respectively; and

8 (3) by inserting after paragraph (1) the fol-
9 lowing:

10 “(2) If selected, a preference eligible or veteran de-
11 scribed in paragraph (1) shall acquire competitive status
12 and shall receive a career or career-conditional appoint-
13 ment, as appropriate.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 subsection (a) shall take effect as if enacted on October
16 31, 1998.

Passed the House of Representatives March 16,
1999.

Attest:

JEFF TRANDAHL,

Clerk.