

106TH CONGRESS  
1ST SESSION

# S. 169

To improve pay, retirement, and educational assistance benefits for members of the Armed Forces; and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. CLELAND (for himself, Mr. ROBB, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. BYRD, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. REED, and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Armed Services

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## A BILL

To improve pay, retirement, and educational assistance benefits for members of the Armed Forces; 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 “Military Recruiting  
5       and Retention Improvement Act of 1999”.

1 **TITLE I—PAY AND ALLOWANCES**

2 **SEC. 101. FISCAL YEAR 2000 INCREASE AND RESTRUCTUR-**  
3 **ING OF BASIC PAY.**

4 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any  
5 adjustment required by section 1009 of title 37, United  
6 States Code, in the rates of monthly basic pay authorized  
7 members of the uniformed services by section 203(a) of  
8 such title to become effective during fiscal year 2000 shall  
9 not be made.

10 (b) JANUARY 1, 2000, INCREASE IN BASIC PAY.—  
11 Effective on January 1, 2000, the rates of monthly basic  
12 pay for members of the uniformed services shall be in-  
13 creased by 4.8 percent.

14 (c) BASIC PAY REFORM.—Effective on July 1, 2000,  
15 the rates of monthly basic pay for members of the uni-  
16 formed services are as follows:

# RATES OF MONTHLY BASIC PAY OF THE UNIFORMED SERVICES

Pay Grade	Years of service computed under section 205 of title 37, United States Code														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
COMMISSIONED OFFICERS <sup>1</sup>															
O-10 <sup>2</sup> ....	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,655.10	\$10,707.60	\$10,930.20	\$11,318.40
O-9 .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,319.50	9,453.60	9,647.70	9,986.40
O-8 .....	6,594.30	6,810.30	6,953.10	6,993.30	7,171.80	7,471.50	7,540.80	7,824.60	7,906.20	8,150.10	8,503.80	8,830.20	9,048.00	9,048.00	9,048.00
O-7 .....	5,479.50	5,851.80	5,851.50	5,894.40	6,114.60	6,282.00	6,475.80	6,669.00	6,863.10	7,471.50	7,985.40	7,985.40	7,985.40	7,985.40	8,025.60
O-6 .....	4,061.10	4,461.60	4,754.40	4,754.40	4,772.40	4,976.70	5,004.00	5,004.00	5,169.30	5,791.20	6,086.10	6,381.30	6,549.00	6,719.10	7,049.10
O-5 .....	3,248.40	3,813.90	4,077.90	4,127.70	4,291.80	4,291.80	4,420.80	4,659.30	4,971.90	5,286.00	5,436.00	5,583.60	5,751.90	5,751.90	5,751.90
O-4 .....	2,737.80	3,333.90	3,556.20	3,606.04	3,812.40	3,980.40	4,251.50	4,464.00	4,611.00	4,758.90	4,808.70	4,808.70	4,808.70	4,808.70	4,808.70
O-3 .....	2,544.00	2,884.20	3,112.80	3,364.80	3,525.90	3,702.60	3,850.20	4,040.40	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10
O-2 <sup>3</sup> .....	2,218.80	2,527.20	2,910.90	3,000.00	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
O-1 <sup>3</sup> .....	1,926.30	2,004.90	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10
COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER															
O-3E <sup>4</sup> ...	\$0.00	\$0.00	\$0.00	\$3,364.80	\$3,525.90	\$3,702.60	\$3,850.20	\$4,040.40	\$4,200.30	\$4,291.80	\$4,416.90	\$4,416.90	\$4,416.90	\$4,416.90	\$4,416.90
O-2E <sup>4</sup> ...	0.00	0.00	0.00	3,009.00	3,071.10	3,168.60	3,333.90	3,461.40	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20
O-1E <sup>4</sup> ...	0.00	0.00	0.00	2,423.10	2,588.40	2,683.80	2,781.30	2,877.60	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00
WARRANT OFFICERS															
W-5 .....	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,475.10	\$4,628.70	\$4,782.90	\$4,937.40
W-4 .....	2,592.00	2,788.50	2,868.60	2,947.50	3,083.40	3,217.20	3,352.80	3,485.10	3,622.20	3,753.60	3,888.00	4,019.00	4,155.60	4,289.70	4,427.10
W-3 .....	2,355.90	2,555.40	2,555.40	2,588.40	2,694.30	2,814.90	2,974.20	3,071.10	3,177.00	3,298.20	3,418.50	3,539.10	3,659.40	3,780.00	3,900.90
W-2 .....	2,063.40	2,232.60	2,232.60	2,305.80	2,423.10	2,555.40	2,852.60	2,749.80	2,844.30	2,949.00	3,058.40	3,163.80	3,270.90	3,378.30	3,378.30

# **RATES OF MONTHLY BASIC PAY OF THE UNIFORMED SERVICES**—Continued

Pay Grade	Years of service computed under section 205 of title 37, United States Code														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
W-1 .....	1,719.00	1,971.00	1,971.00	2,135.70	2,232.60	2,332.80	2,433.30	2,533.20	2,634.00	2,734.80	2,835.00	2,910.90	2,910.90	2,910.90	2,910.90

## **ENLISTED MEMBERS**

E-9 <sup>4</sup> .....	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,015.30	\$3,083.40	\$3,169.80	\$3,271.50	\$3,373.20	\$3,473.40	\$3,609.30	\$3,744.00	\$3,915.80
E-8 .....	0.00	0.00	0.00	0.00	0.00	2,528.40	2,601.60	2,669.70	2,751.60	2,840.10	2,932.50	3,026.10	3,161.10	3,295.50	3,483.60
E-7 .....	1,765.80	1,927.80	2,001.00	2,073.00	2,147.70	2,220.90	2,294.10	2,367.30	2,439.30	2,514.00	2,588.10	2,660.40	2,787.60	2,926.20	3,134.40
E-6 .....	1,518.90	1,678.20	1,752.60	1,824.30	1,899.30	1,973.10	2,047.20	2,118.60	2,191.50	2,244.60	2,283.30	2,283.30	2,285.70	2,285.70	2,285.70
E-5 .....	1,332.60	1,494.00	1,566.00	1,640.40	1,714.50	1,789.50	1,861.50	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20
E-4 .....	1,242.90	1,373.10	1,447.20	1,520.10	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E-3 .....	1,171.50	1,260.60	1,334.10	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E-2 .....	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E-1 .....	<sup>5</sup> 1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

<sup>1</sup> Basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

<sup>2</sup> While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be \$12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. Nevertheless, basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

<sup>3</sup> Does not apply to commissioned officers who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

<sup>4</sup> While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is \$4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

<sup>5</sup> In the case of members in the grade E-1 who have served less than 4 months on active duty, basic pay is \$930.30.

1 **SEC. 102. PAY INCREASES FOR FISCAL YEARS 2001**  
2 **THROUGH 2006 AT ECI PLUS ONE-HALF PER-**  
3 **CENT.**

4 Notwithstanding subsection (c) of section 1009 of  
5 title 37, United States Code, the percentage of the in-  
6 crease in the rates of monthly basic pay that takes effect  
7 under that section during each of fiscal years 2001  
8 through 2006 shall be the percentage equal to the sum  
9 of one percent plus the percentage increase calculated as  
10 provided under subsection (a) of section 5303 of title 5,  
11 United States Code, for such fiscal year (without regard  
12 to whether rates of pay under the statutory pay systems  
13 are actually increased by the percentage calculated under  
14 such section 5303(a) during such fiscal year).

15 **SEC. 103. THREE-YEAR EXTENSION OF AUTHORITIES RE-**  
16 **LATING TO PAYMENT OF CERTAIN BONUSES**  
17 **AND SPECIAL PAYS.**

18 (a) AVIATION OFFICER RETENTION BONUS.—Sec-  
19 tion 301b(a) of title 37, United States Code, is amended  
20 by striking “December 31, 1999,” and inserting “Decem-  
21 ber 31, 2002,”.

22 (b) REENLISTMENT BONUS FOR ACTIVE MEM-  
23 BERS.—Section 308(g) of title 37, United States Code, is  
24 amended by striking “December 31, 1999” and inserting  
25 “December 31, 2002”.

1 (c) ENLISTMENT BONUSES FOR MEMBERS WITH  
2 CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title  
3 37, United States Code, are each amended by striking  
4 “December 31, 1999” and inserting “December 31,  
5 2002”.

6 (d) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-  
7 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section  
8 312(e) of title 37, United States Code, is amended by  
9 striking “December 31, 1999” and inserting “December  
10 31, 2002”.

11 (e) NUCLEAR CAREER ACCESSION BONUS.—Section  
12 312b(c) of title 37, United States Code, is amended by  
13 striking “December 31, 1999” and inserting “December  
14 31, 2002”.

15 (f) NUCLEAR CAREER ANNUAL INCENTIVE  
16 BONUS.—Section 312c(d) of title 37, United States Code,  
17 is amended by striking “any fiscal year beginning before  
18 October 1, 1998, and the 15-month period beginning on  
19 that date and ending on December 31, 1999” and insert-  
20 ing “the 15-month period beginning on October 1, 1998,  
21 and ending on December 31, 1999, and any year begin-  
22 ning after December 31, 1999, and ending before January  
23 1, 2003”.

1 **SEC. 104. THREE-YEAR EXTENSION OF CERTAIN BONUSES**  
2 **AND SPECIAL PAY AUTHORITIES FOR RE-**  
3 **SERVE FORCES.**

4 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN  
5 CRITICALLY SHORT WARTIME SPECIALTIES.—Section  
6 302g(f) of title 37, United States Code, is amended by  
7 striking “December 31, 1999” and inserting “December  
8 31, 2002”.

9 (b) SELECTED RESERVE REENLISTMENT BONUS.—  
10 Section 308b(f) of title 37, United States Code, is amend-  
11 ed by striking “December 31, 1999” and inserting “De-  
12 cember 31, 2002”.

13 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-  
14 tion 308c(e) of title 37, United States Code, is amended  
15 by striking “December 31, 1999” and inserting “Decem-  
16 ber 31, 2002”.

17 (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-  
18 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section  
19 308d(c) of title 37, United States Code, is amended by  
20 striking “December 31, 1999” and inserting “December  
21 31, 2002”.

22 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-  
23 tion 308e(e) of title 37, United States Code, is amended  
24 by striking “December 31, 1999” and inserting “Decem-  
25 ber 31, 2002”.

1 (f) READY RESERVE ENLISTMENT AND REENLIST-  
 2 MENT BONUS.—Section 308h(g) of title 37, United States  
 3 Code, is amended by striking “December 31, 1999” and  
 4 inserting “December 31, 2002”.

5 (g) PRIOR SERVICE ENLISTMENT BONUS.—Section  
 6 308i(f) of title 37, United States Code, is amended by  
 7 striking “December 31, 1999” and inserting “December  
 8 31, 2002”.

9 (h) REPAYMENT OF EDUCATION LOANS FOR CER-  
 10 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-  
 11 LECTED RESERVE.—Section 16302(d) of title 10, United  
 12 States Code, is amended by striking “January 1, 2000”  
 13 and inserting in lieu thereof “January 1, 2003”.

14 **SEC. 105. THREE-YEAR EXTENSION OF CERTAIN BONUSES**  
 15 **AND SPECIAL PAY AUTHORITIES FOR NURSE**  
 16 **OFFICER CANDIDATES, REGISTERED NURSES,**  
 17 **AND NURSE ANESTHETISTS.**

18 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-  
 19 GRAM.—Section 2130a(a)(1) of title 10, United States  
 20 Code, is amended by striking “December 31, 1999” and  
 21 inserting “December 31, 2002”.

22 (b) ACCESSION BONUS FOR REGISTERED NURSES.—  
 23 Section 302d(a)(1) of title 37, United States Code, is  
 24 amended by striking “December 31, 1999” and inserting  
 25 “December 31, 2002”.



1 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-  
 2 THETISTS.—Section 302e(a)(1) of title 37, United States  
 3 Code, is amended by striking “December 31, 1999” and  
 4 inserting in lieu thereof “December 31, 2002”.

## 5 **TITLE II—RETIRED PAY**

6 **SEC. 201. REPEAL OF REDUCTION IN RETIRED PAY MULTI-**  
 7 **PLIER FOR POST-JULY 31, 1986 MEMBERS RE-**  
 8 **TIRING WITH LESS THAN 30 YEARS OF SERV-**  
 9 **ICE.**

10 Section 1409(b) of title 10, United States Code, is  
 11 amended by striking paragraph (2).

12 **SEC. 202. MODIFIED “CPI-1” COST-OF-LIVING ADJUSTMENT.**

13 Paragraph (3) of section 1401a(b) of title 10, United  
 14 States Code, is amended to read as follows:

15 “(3) POST-AUGUST 1, 1986 MEMBERS.—The  
 16 Secretary shall increase the retired pay of each  
 17 member and former member who first became a  
 18 member of a uniformed service on or after August  
 19 1, 1986, by the percent equal to the difference be-  
 20 tween the percent determined under paragraph (2)  
 21 and 1 percent, except that, if the percent determined  
 22 under paragraph (2) is less than 3 percent, the Sec-  
 23 retary shall increase the retired pay by the lesser of  
 24 the percent so determined or 2 percent.”.

1 **SEC. 203. CONFORMING AMENDMENTS.**

2 (a) COMPUTATION OF RETIRED PAY.—(1) Chapter  
3 71 of title 10, United States Code, is further amended—

4 (A) in section 1409(b)—

5 (i) in paragraph (1), by striking “para-  
6 graphs (2) and (3)” and inserting in lieu there-  
7 of “paragraph (2)”; and

8 (iii) by redesignating paragraph (3) as  
9 paragraph (2); and

10 (B) in section 1410, by striking “if—” and all  
11 that follows and inserting the following: “if increases  
12 in the retired pay of the member or former member  
13 under section 1401a(b) of this title had been com-  
14 puted as provided in paragraph (2) of that section  
15 (rather than under paragraph (3) of that section).”

16 (2)(A) The heading for section 1410 of such title is  
17 amended to read as follows:

18 **“§ 1410. Members entering on or after August 1, 1986:**  
19 **restoration of COLA increases to full-**  
20 **COLA amounts at age 62”.**

21 (B) The item relating to such section in the table of  
22 sections at the beginning of chapter 71 of such title is  
23 amended to read as follows:

“1410. Members entering on or after August 1, 1986: restoration of COLA in-  
creases to full-COLA amounts at age 62.”.

1 (b) SURVIVOR BENEFIT PLAN.—Chapter 73 of such  
2 title is amended—

3 (1) in section 1447(6)(A), by striking “(deter-  
4 mined without regard to any reduction under section  
5 1409(b)(2) of this title)”;

6 (2) in section 1451(h), by striking paragraph  
7 (3); and

8 (3) in section 1452(c), by striking paragraph  
9 (4).

10 **SEC. 204. EFFECTIVE DATE.**

11 The amendments made by this title shall take effect  
12 on October 1, 1999.

13 **TITLE III—THRIFT SAVINGS**  
14 **PLAN**

15 **SEC. 301. PARTICIPATION IN THRIFT SAVINGS PLAN.**

16 (a) AUTHORITY.—Subchapter III of chapter 84 of  
17 title 5, United States Code, is amended by adding at the  
18 end the following:

19 **“§ 8440e. Members of the uniformed services in active**  
20 **service**

21 **“(a) PARTICIPATION AUTHORIZED.—(1) A member**  
22 **of the armed forces in active service may participate in**  
23 **the Thrift Savings Plan in accordance with this section.**

24 **“(2) An election to contribute to the Thrift Savings**  
25 **Fund under paragraph (1) may be made only during a**

1 period provided under section 8432(b) for individuals sub-  
 2 ject to this chapter.

3 “(b) APPLICABILITY OF THRIFT SAVINGS PLAN PRO-  
 4 VISIONS.—Except as otherwise provided in this section,  
 5 the provisions of this subchapter and subchapter VII of  
 6 this chapter shall apply with respect to members of the  
 7 uniformed services making contributions to the Thrift  
 8 Savings Fund as if such members were employees within  
 9 the meaning of section 8401(11).

10 “(c) MAXIMUM CONTRIBUTION FROM BASIC PAY.—  
 11 The amount contributed by a member of the uniformed  
 12 services for any pay period out of basic pay may not  
 13 exceed—

14 “(1) for any pay period 5 percent of such mem-  
 15 ber’s basic pay for such pay period, plus

16 “(2) an amount equal to the amount of any en-  
 17 listment or reenlistment bonus paid to the member  
 18 under section 308, 308a, or 308f of title 37 in con-  
 19 nection with an enlistment for active service.

20 “(d) AGENCY CONTRIBUTIONS PROHIBITED.—No  
 21 contribution under section 8432(c) of this title may be  
 22 made for the benefit of a member of the uniformed serv-  
 23 ices making contributions to the Thrift Savings Fund  
 24 under subsection (a).

1       “(e) CERTAIN TRANSFERS NOT CONSIDERED SEPA-  
 2 RATIONS.—A transfer of a member from one armed force  
 3 to another armed force without a break in active service  
 4 of more than 30 days shall not be considered to be a sepa-  
 5 ration from service for the purposes of establishing an en-  
 6 titlement of the member to a withdrawal from the mem-  
 7 ber’s account under the Thrift Savings Plan.

8       “(f) REGULATIONS.—The Executive Director, after  
 9 consultation with the Secretary of Defense, may prescribe  
 10 regulations to carry out this section.

11       “(g) DEFINITIONS.—For purposes of this section—

12               “(1) the term ‘armed forces’ has the meaning  
 13 given the term in subsection (a)(4) of section 101 of  
 14 title 10;

15               “(2) the term ‘active service’ has the meaning  
 16 given the term in subsection (d)(3) of such section;  
 17 and

18               “(3) the term ‘basic pay’ means basic pay that  
 19 is payable under section 204 of title 37.”.

20       (b) CLERICAL AMENDMENT.—The table of sections  
 21 at the beginning of chapter 84 of title 5, United States  
 22 Code, is amended by adding after the item relating to sec-  
 23 tion 8440d the following:

“8440e. Members of the uniformed services in active service.”.

1 **SEC. 302. NONDUPLICATION OF CONTRIBUTIONS.**

2 Section 8432b(b) of title 5, United States Code, is  
3 amended—

4 (1) in paragraph (1), by striking “Each em-  
5 ployee” and inserting “Except as provided in para-  
6 graph (4), each employee”;

7 (2) by redesignating paragraph (4) as para-  
8 graph (5); and

9 (3) by inserting after paragraph (3) the follow-  
10 ing new paragraph (4)

11 “(4) No contribution may be made under this section  
12 for a period for which an employee made a contribution  
13 under section 8440e.”.

14 **TITLE IV—MONTGOMERY GI**  
15 **BILL BENEFITS**

16 **SEC. 401. INCREASE IN RATES OF EDUCATIONAL ASSIST-**  
17 **ANCE FOR FULL-TIME EDUCATION.**

18 (a) INCREASE.—Section 3015 of title 38, United  
19 States Code, is amended—

20 (1) in subsection (a)(1), by striking “\$528” and  
21 inserting “\$600”; and

22 (2) in subsection (b)(1), by striking “\$429”  
23 and inserting “\$488”.

24 (b) EFFECTIVE DATE.—The amendments made by  
25 subsection (a) shall take effect on October 1, 1999, and  
26 shall apply with respect to educational assistance allow-

1 ances paid for months after September 1999. However,  
 2 no adjustment in rates of educational assistance shall be  
 3 made under subsection (g) of section 3015 of title 38,  
 4 United States Code, for fiscal year 2000.

5 **SEC. 402. TERMINATION OF REDUCTIONS OF BASIC PAY.**

6 (a) REPEALS.—(1) Section 3011 of title 38, United  
 7 States Code, is amended by striking subsection (b).

8 (2) Section 3012 of such title is amended by striking  
 9 subsection (c).

10 (3) The amendments made by paragraphs (1) and (2)  
 11 shall take effect on the date of the enactment of this Act  
 12 and shall apply to individuals whose initial obligated pe-  
 13 riod of active duty under section 3011 or 3012 of title  
 14 38, United States Code, as the case may be, begins on  
 15 or after such date.

16 (b) TERMINATION OF REDUCTIONS IN PROGRESS.—  
 17 Any reduction in the basic pay of an individual referred  
 18 to in section 3011(b) of title 38, United States Code, by  
 19 reason of such section 3011(b), or of any individual re-  
 20 ferred to in section 3012(c) of such title by reason of such  
 21 section 3012(c), as of the date of the enactment of this  
 22 Act shall cease commencing with the first month begin-  
 23 ning after such date, and any obligation of such individual  
 24 under such section 3011(b) or 3012(c), as the case may

1 be, as of the day before such date shall be deemed to be  
 2 fully satisfied as of such date.

3 (c) CONFORMING AMENDMENT.—Section 3034(e)(1)  
 4 of title 38, United States Code, is amended in the second  
 5 sentence by striking “as soon as practicable” and all that  
 6 follows through “such additional times” and inserting “at  
 7 such times”.

8 **SEC. 403. ACCELERATED PAYMENTS OF EDUCATIONAL AS-**  
 9 **SISTANCE.**

10 Section 3014 of title 38, United States Code, is  
 11 amended—

12 (1) by inserting “(a)” before “The Secretary  
 13 shall pay”; and

14 (2) by adding at the end the following new sub-  
 15 section (b):

16 “(b)(1) When the Secretary determines that it is ap-  
 17 propriate to accelerate payments under the regulations  
 18 prescribed pursuant to paragraph (6), the Secretary may  
 19 make payments of basic educational assistance allowance  
 20 under this subchapter on an accelerated basis.

21 “(2) The Secretary may pay a basic educational as-  
 22 sistance allowance on an accelerated basis only to an indi-  
 23 vidual entitled to payment of the allowance under this sub-  
 24 chapter who has made a request for payment of the allow-  
 25 ance on an accelerated basis.



1       “(3) In the event an adjustment under section  
2 3015(g) of this title in the monthly rate of basic edu-  
3 cational assistance will occur during a period for which  
4 a payment of an allowance is made on an accelerated basis  
5 under this subsection, the Secretary shall—

6           “(A) pay on an accelerated basis the amount  
7 the allowance otherwise payable under this sub-  
8 chapter for the period without regard to the adjust-  
9 ment under that section; and

10          “(B) pay on the date of the adjustment any ad-  
11 ditional amount of the allowance that is payable for  
12 the period as a result of the adjustment.

13       “(4) The entitlement to a basic educational assistance  
14 allowance under this subchapter of an individual who is  
15 paid an allowance on an accelerated basis under this sub-  
16 section shall be charged at a rate equal to one month for  
17 each month of the period covered by the accelerated pay-  
18 ment of the allowance.

19       “(5) A basic educational assistance allowance shall be  
20 paid on an accelerated basis under this subsection as fol-  
21 lows:

22           “(A) In the case of an allowance for a course  
23 leading to a standard college degree, at the begin-  
24 ning of the quarter, semester, or term of the course  
25 in a lump-sum amount equivalent to the aggregate

1 amount of monthly allowance otherwise payable  
 2 under this subchapter for the quarter, semester, or  
 3 term, as the case may be, of the course.

4 “(B) In the case of an allowance for a course  
 5 other than a course referred to in subparagraph  
 6 (A)—

7 “(i) at the later of (I) the beginning of the  
 8 course, or (II) a reasonable time after the re-  
 9 quest for payment by the individual concerned;  
 10 and

11 “(ii) in any amount requested by the indi-  
 12 vidual concerned up to the aggregate amount of  
 13 monthly allowance otherwise payable under this  
 14 subchapter for the period of the course.

15 “(6) The Secretary shall prescribe regulations for  
 16 purposes of making payments of basic educational allow-  
 17 ance on an accelerated basis under this subsection. Such  
 18 regulations shall specify the circumstances under which  
 19 accelerated payments should be made and include require-  
 20 ments relating to the request for, making and delivery of,  
 21 and receipt and use of such payments.”.

22 **SEC. 404. TRANSFER OF ENTITLEMENT TO EDUCATIONAL**  
 23 **ASSISTANCE.**

24 (a) **AUTHORITY TO TRANSFER TO FAMILY MEM-**  
 25 **BER.**—Subchapter II of chapter 30 of title 38, United

1 States Code, is amended by adding at the end the follow-  
 2 ing new section:

3 **“§ 3020. Transfer of entitlement to basic educational**  
 4 **assistance**

5 “(a) The Secretary may, for the purpose of enhancing  
 6 recruiting and retention, and at the Secretary’s sole dis-  
 7 cretion, permit an individual entitled to educational assist-  
 8 ance under this subchapter to elect to transfer such indi-  
 9 vidual’s entitlement to such assistance, in whole or in part,  
 10 to the individuals specified in subsection (b).

11 “(b) An individual’s entitlement to educational assist-  
 12 ance may be transferred when authorized under subsection  
 13 (a) as follows:

14 “(1) To the individual’s spouse.

15 “(2) To one or more of the individual’s chil-  
 16 dren.

17 “(3) To a combination of the individuals re-  
 18 ferred to in paragraphs (1) and (2).

19 “(c)(1) An individual electing to transfer an entitle-  
 20 ment to educational assistance under this section shall—

21 “(A) designate the individual or individuals to  
 22 whom such entitlement is being transferred and the  
 23 percentage of such entitlement to be transferred to  
 24 each such individual; and

1           “(B) specify the period for which the transfer  
2       shall be effective for each individual designated  
3       under subparagraph (A).

4       “(2) The aggregate amount of the entitlement trans-  
5       ferable by an individual under this section may not exceed  
6       the aggregate amount of the entitlement of such individual  
7       to educational assistance under this subchapter.

8       “(3) An individual electing to transfer an entitlement  
9       under this section may elect to modify or revoke the trans-  
10      fer at any time before the use of the transferred entitle-  
11      ment. An individual shall make the election by submitting  
12      written notice of such election to the Secretary.

13       “(d)(1) The use of any entitlement transferred under  
14      this section shall be charged against the entitlement of the  
15      individual making the transfer at the rate of one month  
16      for each month of transferred entitlement that is used.

17       “(2) Except as provided in paragraph (3), an individ-  
18      ual using entitlement transferred under this section shall  
19      be subject to the provisions of this chapter in such use  
20      as if such individual were entitled to the educational as-  
21      sistance covered by the transferred entitlement in the indi-  
22      vidual’s own right.

23       “(3) Notwithstanding section 3031 of this title, a  
24      child shall complete the use of any entitlement transferred

1 to the child under this section before the child attains the  
2 age of 26 years.

3 “(e) In the event of an overpayment of educational  
4 assistance with respect to an individual to whom entitle-  
5 ment is transferred under this section, such individual and  
6 the individual making the transfer under this section shall  
7 be jointly and severally liable to the United States for the  
8 amount of the overpayment for purposes of section 3685  
9 of this title.

10 “(f) The Secretary shall prescribe regulations for  
11 purposes of this section. Such regulations shall specify the  
12 manner and effect of an election to modify or revoke a  
13 transfer of entitlement under subsection (c)(3).”.

14 (b) CLERICAL AMENDMENT.—The table of sections  
15 at the beginning of such chapter is amended by inserting  
16 after the item relating to section 3019 the following new  
17 item:

“3020. Transfer of entitlement to basic educational assistance.”.

## 18 **TITLE V—REPORT**

### 19 **SEC. 501. ANNUAL REPORT ON EFFECTS OF INITIATIVES ON** 20 **RECRUITMENT AND RETENTION.**

21 (a) REQUIREMENT FOR REPORT.—On December 1 of  
22 each year, the Secretary of Defense shall submit to Con-  
23 gress a report that sets forth the Secretary’s assessment  
24 of the effects that the provisions of this Act and the

1 amendments made by the Act are having on recruitment  
2 and retention of personnel for the Armed Forces.

3 (b) FIRST REPORT.—The first report under this sec-  
4 tion shall be submitted not later than December 1, 2000.

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