

Calendar No. 10

106TH CONGRESS
1ST Session

S. 270

A BILL

To improve pay and retirement equity for members of the Armed Forces; and for other purposes.

JANUARY 22, 1999

Read the second time and placed on the calendar

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106TH CONGRESS
1ST SESSION**S. 270**

To improve pay and retirement equity for members of the Armed Forces;
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1999

Mr. WARNER (for himself, Mr. THURMOND, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. INHOFE, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mr. HUTCHINSON, Mr. SESSIONS, Mr. SANTORUM, and Mr. LOTT) introduced the following bill; which was read the first time

JANUARY 22, 1999

Read the second time and placed on the calendar

A BILL

To improve pay and retirement equity 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 “Soldiers’, Sailors’, Air-
5 men’s, and Marines’ Bill of Rights 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, INCREASE IN BASIC PAY.—Effective
11 on January 1, 2000, the rates of monthly basic pay for
12 members of the uniformed services shall be increased by
13 4.8 percent.

14 (c) BASIC PAY REFORM.—(1) Effective on July 1,
15 2000, the rates of monthly basic pay for members of the
16 uniformed services within each pay grade 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)												
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22
COMMISSIONED OFFICERS													
O-10 ...												\$10,655.10	\$10,707.60
O-9 ...												9,319.50	9,453.60
O-8 ...	\$6,504.30	\$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
O-7 ...	5,479.50	5,851.80	5,851.80	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
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
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
O-4 ...	2,737.80	3,333.90	3,556.20	3,606.00	3,812.40	3,980.40	4,252.50	4,464.00	4,611.00	4,758.90	4,808.70	4,808.70	4,808.70
O-3 1	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
O-2 1	2,218.80	2,527.20	2,910.90	3,009.00	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
O-1 1	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
COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER													
O-3E 2				\$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
O-2E 2				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
O-1E 2				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
WARRANT OFFICERS													
W-5 ...												\$4,475.10	\$4,628.70
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
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
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
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
ENLISTED MEMBERS													
E-9 ...							\$3,015.30	\$3,083.40	\$3,169.80	\$3,271.50	\$3,373.20	\$3,473.40	\$3,609.30
E-8 ...						\$2,528.40	2,601.60	2,669.70	2,751.60	2,840.10	2,932.50	3,026.10	3,161.10
													\$3,744.00
													3,295.50
													3,483.60

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)													
	Under 2		Over 2		Over 3		Over 4		Over 6		Over 8		Over 10	
	Under 2	Over 2	Over 2	Over 3	Over 3	Over 4	Over 4	Over 6	Over 6	Over 8	Over 8	Over 10	Over 10	Over 12
ENLISTED MEMBERS														
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
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
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
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
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
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
E-1 ³ ..	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
E-1 ⁴ ..	930.00													

¹ Rates do not apply to commissioned officers who have been credited with over 4 years of active duty service as an enlisted member or warrant officer of the uniformed services.

² Rates apply to commissioned officers with over 4 years of active duty service as an enlisted member or warrant officer.

³ Rates apply for personnel in grade E-1 who have served 4 months or more on active duty.

⁴ Rates apply for personnel in grade E-1 who have served less than 4 months on active duty.

1 (2) Subject to paragraph (4), the rate of monthly
2 basic pay for an officer of the uniformed services in grade
3 O-10 is \$12,441.00 while the officer is serving as Chair-
4 man or Vice Chairman of the Joint Chiefs of Staff, Chief
5 of Staff of the Army, Chief of Naval Operations, Chief
6 of Staff of the Air Force, Commandant of the Marine
7 Corps, or Commandant of the Coast Guard, regardless of
8 cumulative years of service computed under section 205
9 of title 37, United States Code.

10 (3) The rate monthly basic pay for a member of the
11 uniformed services grade E-9 is \$4,701.00 while the mem-
12 ber is serving as Sergeant Major of the Army, Master
13 Chief Petty Officer of the Navy or Coast Guard, Chief
14 Master Sergeant of the Air Force, or Sergeant Major of
15 the Marine Corps, regardless of cumulative years of serv-
16 ice computed under section 205 of title 37, United States
17 Code.

18 (4) The limitation in section 5303(f) of title 5, United
19 States Code, applies to the adjustments of rates of month-
20 ly basic pay made by paragraphs (1) and (2).

21 **SEC. 102. PAY INCREASES FOR FISCAL YEARS AFTER FIS-**
22 **CAL YEAR 2000.**

23 (a) ECI+0.5 PERCENT INCREASE FOR ALL MEM-
24 BERS.—Section 1009(c) of title 37, United States Code,
25 is amended to read as follows:

1 “(c) ECI+0.5 PERCENT INCREASE FOR ALL MEM-
 2 BERS.—Subject to subsection (d), an adjustment taking
 3 effect under this section during a fiscal year shall provide
 4 all eligible members with an increase in the monthly basic
 5 pay by the percentage equal to the sum of one percent
 6 plus the percentage calculated as provided under section
 7 5303(a) of title 5 (without regard to whether rates of pay
 8 under the statutory pay systems are actually increased
 9 during such fiscal year under that section by the percent-
 10 age so calculated).”.

11 (b) EFFECTIVE DATE.—The amendment made by
 12 subsection (a) shall take effect on October 1, 2000.

13 **SEC. 103. SPECIAL SUBSISTENCE ALLOWANCE.**

14 (a) ALLOWANCE.—(1) Chapter 7 of title 37, United
 15 States Code, is amended by inserting after section 402 the
 16 following new section:

17 **“§ 402a. Special subsistence allowance**

18 “(a) ENTITLEMENT.—Upon the application of an eli-
 19 gible member of a uniformed service, the Secretary con-
 20 cerned shall pay the member a special subsistence allow-
 21 ance for each month for which the member is eligible to
 22 receive food stamp assistance.

23 “(b) TERMINATION OF ENTITLEMENT.—The entitle-
 24 ment of a member to receive payment of a special subsist-

1 ence allowance terminates upon the occurrence of any of
2 the following events:

3 “(1) Termination of eligibility for food stamp
4 assistance.

5 “(2) Payment of the special subsistence allow-
6 ance for 12 consecutive months.

7 “(3) Promotion of the member to a higher
8 grade.

9 “(4) Transfer of the member in a permanent
10 change of station.

11 “(c) REESTABLISHED ENTITLEMENT.—(1) After a
12 termination of a member’s entitlement to the special sub-
13 sistence allowance under subsection (b), the Secretary con-
14 cerned shall resume payment of the special subsistence al-
15 lowance to the member if the Secretary determines, upon
16 further application of the member, that the member is eli-
17 gible to receive food stamps.

18 “(2) Payments resumed under this subsection shall
19 terminate under subsection (b) upon the occurrence of an
20 event described in that subsection after the resumption of
21 the payments.

22 “(3) The number of times that payments are resumed
23 under this subsection is unlimited.

24 “(d) DOCUMENTATION OF ELIGIBILITY.—A member
25 of the uniformed services applying for the special subsist-

1 ence allowance under this section shall furnish the Sec-
 2 retary concerned with such evidence of the member’s eligi-
 3 bility for food stamp assistance as the Secretary may re-
 4 quire in connection with the application.

5 “(e) AMOUNT OF ALLOWANCE.—The monthly
 6 amount of the special subsistence allowance under this
 7 section is \$180.

8 “(f) RELATIONSHIP TO BASIC ALLOWANCE FOR SUB-
 9 SISTENCE.—The special subsistence allowance under this
 10 section is in addition to the basic allowance for subsistence
 11 under section 402 of this title.

12 “(g) FOOD STAMP ASSISTANCE DEFINED.—In this
 13 section, the term ‘food stamp assistance’ means assistance
 14 under the Food Stamp Act of 1977 (7 U.S.C. 2011 et
 15 seq.).

16 “(h) TERMINATION OF AUTHORITY.—No special sub-
 17 sistence allowance may be made under this section for any
 18 month beginning after September 30, 2004.”.

19 (2) The table of sections at the beginning of such
 20 chapter is amended by inserting after the item relating
 21 to section 402 the following:

“402a. Special subsistence allowance.”.

22 (b) EFFECTIVE DATE.—Section 402a of title 37,
 23 United States Code, shall take effect on the first day of
 24 the first month that begins not less than 180 days after
 25 the date of the enactment of this Act.

1 (c) ANNUAL REPORT.—(1) Not later than March 1
 2 of each year after 1999, the Secretary of Defense shall
 3 submit to Congress a report setting forth the number of
 4 members of the uniformed services who are eligible for as-
 5 sistance under the Food Stamp Act of 1977 (7 U.S.C.
 6 2011 et seq.).

7 (2) In preparing the report, the Secretary shall con-
 8 sult with the Secretary of Transportation (with respect to
 9 the Coast Guard), the Secretary of Health and Human
 10 Services (with respect to the commissioned corps of the
 11 Public Health Service), and the Secretary of Commerce
 12 (with respect to the commissioned officers of the National
 13 Oceanic and Atmospheric Administration), who shall pro-
 14 vide the Secretary of Defense with any information that
 15 the Secretary determines necessary to prepare the report.

16 (3) No report is required under this section after
 17 March 1, 2004.

18 **TITLE II—RETIREMENT**

19 **BENEFITS**

20 **SEC. 201. RETIRED PAY OPTIONS FOR PERSONNEL ENTER-**
 21 **ING UNIFORMED SERVICES ON OR AFTER AU-**
 22 **GUST 1, 1986.**

23 (a) REDUCED RETIRED PAY ONLY FOR MEMBERS
 24 ELECTING 15-YEAR SERVICE BONUS.—(1) Paragraph (2)
 25 of section 1409(b) of title 10, United States Code, is

1 amended by inserting after “July 31, 1986,” the following:
2 “has elected to receive a bonus under section 318 of title
3 37,”.

4 (2)(A) Paragraph (2)(A) of section 1401a(b) of title
5 10, United States Code, is amended by striking “The Sec-
6 retary shall increase the retired pay of each member and
7 former member who first became a member of a uniformed
8 service before August 1, 1986,” and inserting “Except as
9 otherwise provided in this subsection, the Secretary shall
10 increase the retired pay of each member and former mem-
11 ber”.

12 (B) Paragraph (3) of such section 1401a(b) is
13 amended by inserting after “August 1, 1986,” the follow-
14 ing: “and has elected to receive a bonus under section 318
15 of title 37,”.

16 (3) Section 1410 of title 10, United States Code, is
17 amended by inserting after “August 1, 1986,” the follow-
18 ing: “who has elected to receive a bonus under section 318
19 of title 37,”.

20 (b) OPTIONAL LUMP-SUM BONUS AT 15 YEARS OF
21 SERVICE.—(1) Chapter 5 of title 37, United States Code,
22 is amended by adding at the end the following new section:

1 **“§ 318. Special pay: 15-year service bonus elected by**
2 **members entering on or after August 1,**
3 **1986**

4 “(a) PAYMENT OF BONUS.—The Secretary concerned
5 shall pay a bonus to a member of a uniformed service who
6 is eligible and elects to receive the bonus under this sec-
7 tion.

8 “(b) ELIGIBILITY FOR BONUS.—A member of a uni-
9 formed service serving on active duty is eligible to receive
10 a bonus under this section if the member—

11 “(1) first became a member of a uniformed
12 service on or after August 1, 1986;

13 “(2) has completed 15 years of active duty in
14 the uniformed services; and

15 “(3) if not already obligated to remain on active
16 duty for a period that would result in at least 20
17 years of active-duty service, executes a written
18 agreement (prescribed by the Secretary concerned)
19 to remain continuously on active duty for five years
20 after the date of the completion of 15 years of ac-
21 tive-duty service.

22 “(c) ELECTION.—(1) A member eligible to receive a
23 bonus under this section may elect to receive the bonus.
24 The election shall be made in such form and within such
25 period as the Secretary concerned requires.

1 “(2) An election made under this subsection is irrev-
2 ocable.

3 “(d) NOTIFICATION OF ELIGIBILITY.—The Secretary
4 concerned shall transmit a written notification of the op-
5 portunity to elect to receive a bonus under this section
6 to each member who is eligible (or upon execution of an
7 agreement described in subsection (b)(3), would be eligi-
8 ble) to receive the bonus. The Secretary shall complete the
9 notification within 180 days after the date on which the
10 member completes 15 years of active duty. The notifica-
11 tion shall include the procedures for electing to receive the
12 bonus and an explanation of the effects under sections
13 1401a, 1409, and 1410 of title 10 that such an election
14 has on the computation of any retired or retainer pay
15 which the member may become eligible to receive.

16 “(e) FORM AND AMOUNT OF BONUS.—A bonus
17 under this section shall be paid in one lump sum of
18 \$30,000.

19 “(f) TIME FOR PAYMENT.—Payment of a bonus to
20 a member electing to receive the bonus under this section
21 shall be made not later than the first month that begins
22 on or after the date that is 60 days after the Secretary
23 concerned receives from the member an election that satis-
24 fies the requirements imposed under subsection (c).

1 “(g) REPAYMENT OF BONUS.—(1) If a person paid
 2 a bonus under this section fails to complete the total pe-
 3 riod of active duty specified in the agreement entered into
 4 under subsection (b)(3), the person shall refund to the
 5 United States the amount that bears the same ratio to
 6 the amount of the bonus payment as the unserved part
 7 of that total period bears to the total period.

8 “(2) Subject to paragraph (3), an obligation to reim-
 9 burse the United States imposed under paragraph (1) is
 10 for all purposes a debt owed to the United States.

11 “(3) The Secretary concerned may waive, in whole
 12 or in part, a refund required under paragraph (1) if the
 13 Secretary concerned determines that recovery would be
 14 against equity and good conscience or would be contrary
 15 to the best interests of the United States.

16 “(4) A discharge in bankruptcy under title 11 that
 17 is entered less than five years after the termination of an
 18 agreement under this section does not discharge the mem-
 19 ber signing such agreement from a debt arising under the
 20 agreement or this subsection.”.

21 (2) The table of sections at the beginning of such
 22 chapter is amended by adding at the end the following
 23 new item:

“318. Special pay: 15-year service bonus elected by members entering on or
 after August 1, 1986.”.

1 (c) CONFORMING AMENDMENTS TO SURVIVOR BENE-
 2 FIT PLAN PROVISIONS.—(1) Section 1451(h)(3) of title
 3 10, United States Code, is amended by inserting “OF CER-
 4 TAIN MEMBERS” after “RETIREMENT”.

5 (2) Section 1452(i) of such title is amended by strik-
 6 ing “When the retired pay” and inserting “Whenever the
 7 retired pay”.

8 (d) RELATED TECHNICAL AMENDMENTS.—(1) Sec-
 9 tion 1401a(b) of title 10, United States Code, is
 10 amended—

11 (A) by striking the heading for paragraph (1)
 12 and inserting “INCREASE REQUIRED.—”;

13 (B) by striking the heading for paragraph (2)
 14 and inserting “PERCENTAGE INCREASE.—”; and

15 (C) by striking the heading for paragraph (3)
 16 and inserting “REDUCED PERCENTAGE FOR CER-
 17 TAIN POST-AUGUST 1, 1986 MEMBERS.—”.

18 (2) Section 1409(b)(2) of title 10, United States
 19 Code, is amended by inserting “CERTAIN” after “REDUC-
 20 TION APPLICABLE TO” in the paragraph heading.

21 (3)(A) The heading of section 1410 of such title is
 22 amended by inserting “**certain**” before “**members**”.

23 (B) The item relating to such section in the table of
 24 sections at the beginning of chapter 71 of title 10, United

1 States Code, is amended by inserting “certain” before
2 “members”.

3 **SEC. 202. PARTICIPATION IN THRIFT SAVINGS PLAN.**

4 (a) PARTICIPATION AUTHORITY.—(1)(A) Chapter 3
5 of title 37, United States Code, is amended by adding at
6 the end the following:

7 **“§ 211. Participation in Thrift Savings Plan**

8 “(a) AUTHORITY.—A member of the uniformed serv-
9 ices serving on active duty for a period of more than 30
10 days may participate in the Thrift Savings Plan in accord-
11 ance with section 8440e of title 5.

12 “(b) RULE OF CONSTRUCTION REGARDING SEPARA-
13 TION.—For the purposes of section 8440e of title 5, the
14 following actions shall be considered separation of a mem-
15 ber of the uniformed services from Government employ-
16 ment:

17 “(1) Release of the member from active-duty
18 service (not followed by a resumption of active-duty
19 service within 30 days after the effective date of the
20 release).

21 “(2) Transfer of the member by the Secretary
22 concerned to a retired list maintained by the Sec-
23 retary.”.

24 (B) The table of sections at the beginning of such
25 chapter is amended by adding at the end the following:

“211. Participation in Thrift Savings Plan.”.

1 (2)(A) Subchapter III of chapter 84 of title 5, United
 2 States Code, is amended by adding at the end the follow-
 3 ing:

4 **“§ 8440e. Members of the uniformed services on ac-**
 5 **tive duty**

6 “(a) PARTICIPATION AUTHORIZED.—(1) A member
 7 of the uniformed services authorized to participate in the
 8 Thrift Savings Plan under section 211(a) of title 37 may
 9 contribute to the Thrift Savings Fund.

10 “(2) An election to contribute to the Thrift Savings
 11 Fund under paragraph (1) may be made only during a
 12 period provided under section 8432(b) for individuals sub-
 13 ject to this chapter.

14 “(b) APPLICABILITY OF THRIFT SAVINGS PLAN PRO-
 15 VISIONS.—Except as otherwise provided in this section,
 16 the provisions of this subchapter and subchapter VII of
 17 this chapter shall apply with respect to members of the
 18 uniformed services making contributions to the Thrift
 19 Savings Fund as if such members were employees within
 20 the meaning of section 8401(11).

21 “(c) MAXIMUM CONTRIBUTION FROM BASIC PAY.—
 22 The amount contributed by a member of the uniformed
 23 services for any pay period out of basic pay may not ex-
 24 ceed 5 percent of such member’s basic pay for such pay
 25 period.

1 “(d) OTHER MEMBER CONTRIBUTIONS.—A member
 2 of the uniformed services making contributions to the
 3 Thrift Savings Fund out of basic pay may also contribute
 4 (by direct transfer to the Fund) any part of any special
 5 or incentive pay that the member receives under chapter
 6 5 of title 37. No contribution made under this subsection
 7 shall be subject to, or taken into account for purposes of,
 8 the first sentence of section 8432(d), relating to the appli-
 9 cability of any limitation under section 415 of the Internal
 10 Revenue Code of 1986.

11 “(e) AGENCY CONTRIBUTIONS GENERALLY PROHIB-
 12 ITED.—Except as provided in section 211(c) of title 37,
 13 no contribution under section 8432(c) of this title may be
 14 made for the benefit of a member of the uniformed serv-
 15 ices making contributions to the Thrift Savings Fund
 16 under subsection (a).

17 “(f) BENEFITS AND ELECTIONS OF BENEFITS.—In
 18 applying section 8433 to a member of the uniformed serv-
 19 ices who has an account balance in the Thrift Savings
 20 Fund—

21 “(1) any reference in such section to separation
 22 from Government employment shall be construed to
 23 refer to an action described in section 211(b) of title
 24 37; and

1 “(2) the reference in section 8433(g)(1) to con-
 2 tributions made under section 8432(a) shall be
 3 treated as being a reference to contributions made to
 4 the Fund by the member, whether made under sec-
 5 tion 8351, 8432(a), or this section.

6 “(g) BASIC PAY DEFINED.—For purposes of this sec-
 7 tion, the term ‘basic pay’ means basic pay that is payable
 8 under section 204 of title 37.”.

9 (B) The table of sections at the beginning of chapter
 10 84 of title 5, United States Code, is amended by adding
 11 after the item relating to section 8440d the following:

“8440e. Members of the uniformed services on active duty.”.

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

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

17 (B) by redesignating paragraph (4) as para-
 18 graph (5); and

19 (C) by inserting after paragraph (3) the follow-
 20 ing new paragraph (4)

21 “(4) No contribution may be made under this section
 22 for a period for which an employee made a contribution
 23 under section 8440e.”.

24 (4) Section 8473 of title 5, United States Code, is
 25 amended—

1 (A) in subsection (a), by striking “14 mem-
2 bers” and inserting “15 members”; and

3 (B) in subsection (b)—

4 (i) by striking “14 members” and inserting
5 “15 members”;

6 (ii) by striking “and” at the end of para-
7 graph (8);

8 (iii) by striking the period at the end of
9 paragraph (9) and inserting “; and”; and

10 (iv) by adding at the end the following:

11 “(10) 1 shall be appointed to represent partici-
12 pants (under section 8440e) who are members of the
13 uniformed services.”.

14 (5) Paragraph (11) of section 8351(b) of title 5,
15 United States Code, is redesignated as paragraph (8).

16 (c) REGULATIONS.—Not later than 180 days after
17 the date of the enactment of this Act, the Executive Direc-
18 tor appointed by the Federal Thrift Retirement Invest-
19 ment Board and the Secretary of Defense shall jointly
20 issue regulations to implement section 8440e of title 5,
21 United States Code (as added by subsection (a)) and sec-
22 tion 211 of title 37, United States Code (as added by sub-
23 section (b)).

1 **SEC. 203. SPECIAL RETENTION INITIATIVE.**

2 Section 211 of title 37, United States Code, as added
3 by section 202, is amended by adding at the end the fol-
4 lowing:

5 “(c) AGENCY CONTRIBUTIONS FOR RETENTION IN
6 CRITICAL SPECIALTIES.—(1) The Secretary concerned
7 may enter into an agreement with a member to make con-
8 tributions to the Thrift Savings Fund for the benefit of
9 the member if the member—

10 “(A) is in a specialty designated by the Sec-
11 retary as critical to meet requirements (whether
12 such specialty is designated as critical to meet war-
13 time or peacetime requirements); and

14 “(B) commits in such agreement to continue to
15 serve on active duty in that specialty for a period of
16 six years.

17 “(2) Under any agreement entered into with a mem-
18 ber under paragraph (1), the Secretary shall make con-
19 tributions to the Fund for the benefit of the member for
20 each pay period of the 6-year period of the agreement for
21 which the member makes a contribution out of basic pay
22 to the Fund under this section. Paragraph (2) of section
23 8432(c) applies to the Secretary’s obligation to make con-
24 tributions under this paragraph, except that the reference
25 in such paragraph to contributions under paragraph (1)
26 of such section does not apply.”.