

108TH CONGRESS  
1ST SESSION

# H. R. 3101

To amend title 5, United States Code, to provide for the establishment of a precious metals investment option in the Thrift Savings Fund.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 16, 2003

Mr. PAUL (for himself, Mr. JONES of North Carolina, and Mrs. MUSGRAVE) introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To amend title 5, United States Code, to provide for the establishment of a precious metals investment option in the Thrift Savings Fund.

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 “Thrift Savings Fund  
5       Improvement Act”.

**6 SEC. 2. FINDINGS.**

7       Congress finds the following:

8           (1) In order to enhance stability in the oper-  
9       ations of the legislative branch of the Government,

1 it is important to maintain a professional congressional  
2 staff and to promote longevity of service.

3 (2) Consistent with paragraph (1), Congress  
4 has recently enacted legislation authorizing new ben-  
5 efits, such as a student loan forgiveness program,  
6 and taken other measures to improve staff com-  
7 pensation and benefits.

8 (3) The Thrift Savings Plan is an important  
9 benefit which is offered to congressional employees,  
10 and which furthers the goal of attracting and retain-  
11 ing talented individuals to serve in the legislative  
12 branch of the Government.

13 (4) The 3 stock index funds in the Thrift Sav-  
14 ings Plan have not performed well recently, espe-  
15 cially when measured against inflation. In 2002, for  
16 example, losses from those funds were greater than  
17 3, 4, and 5 percent, respectively, in the month of  
18 December alone, and more than 15, 18, and 22 per-  
19 cent, respectively, for the entire year.

20 (5) By contrast, during that same year, the  
21 Government securities and bond index funds in the  
22 Thrift Savings Plan had earnings of 5 and 10 per-  
23 cent, respectively, and, in December of that year  
24 alone, slightly more than 1/2 of 1 percent and 2 per-  
25 cent, respectively.

1 (6) By yet greater contrast, increases in gold  
2 spot prices more than offset the losses experienced  
3 by even the worst-performing stock index fund in the  
4 Thrift Savings Plan in 2002, with the price of gold  
5 increasing by nearly 25 percent in that year and by  
6 more than 9 percent in December of that year alone.

## 7 SEC. 3. PRECIOUS METALS INVESTMENT FUND.

8 (a) FUND DEFINED.—Section 8438(a) of title 5,  
9 United States Code, is amended—

10 (1) in paragraph (9), by striking “and” at the  
11 end;

12 (2) in paragraph (10), by striking the period  
13 and inserting “; and”; and

14 (3) by adding at the end the following:

15                   “(11) the term ‘Precious Metals Investment  
16 Fund’ means the Precious Metals Investment Fund  
17 established under subsection (b)(1)(F).”.

18 (b) ESTABLISHMENT.—

19 (1) IN GENERAL.—Section 8438(b)(1) of title  
20 5, United States Code, is amended—

21 (A) in subparagraph (D), by striking  
22 “and” at the end;

23 (B) in subparagraph (E), by striking the  
24 period and inserting “; and”; and

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

1                   “(F) a Precious Metals Investment Fund  
2                   as provided in paragraph (5).”.

3                   (2) FUND REQUIREMENTS.—Section 8438(b) of  
4                   title 5, United States Code, is amended by adding  
5                   at the end the following:

6                   “(5)(A) The Board shall establish a Precious Metals  
7                   Investment Fund.

8                   “(B) Contributions to the Precious Metals Invest-  
9                   ment Fund shall be invested in physical gold, silver, or  
10                   platinum bullion (rather than any mining company shares,  
11                   certificates, derivatives, or futures options), and any bul-  
12                   lion so acquired shall constitute the assets of the Precious  
13                   Metals Investment Fund and shall be stored in a vault  
14                   in a Federally chartered or State chartered bank. Each  
15                   share in the Precious Metals Investment Fund shall rep-  
16                   resent a direct investment in the precious metal itself.”.

17                   (c) ACKNOWLEDGMENT OF RISK.—Section 8439(d)  
18                   of title 5, United States Code, is amended—

19                   (1) by striking “or the Small Capitalization  
20                   Stock Index Investment Fund,” and inserting “the  
21                   Small Capitalization Stock Index Investment Fund,  
22                   or the Precious Metals Investment Fund,”; and

23                   (2) by striking “and (10),” and inserting “(10),  
24                   and (11),”.

1 **SEC. 4. EFFECTIVE DATE; DEFINITIONS.**2 (a) **EFFECTIVE DATE.**—The Federal Retirement  
3 Thrift Investment Board—4 (1) shall study the operation of existing pre-  
5 cious metals funds to determine the best practices of  
6 those funds; and7 (2) not later than 1 year after the date of the  
8 enactment of this Act—9 (A) shall establish the Precious Metals In-  
10 vestment Fund, incorporating the best practices  
11 referred to in paragraph (1) to such extent and  
12 in such manner as the Board shall determine;  
13 and14 (B) shall make the Precious Metals Invest-  
15 ment Fund available to individuals participating  
16 in the Thrift Savings Plan.17 (b) **DEFINITIONS.**—For purposes of this section—18 (1) the term “Precious Metals Investment  
19 Fund” has the meaning given such term by section  
20 8438(a)(11) of title 5, United States Code (as  
21 amended by section 3(a)); and22 (2) the term “Thrift Savings Plan” refers to  
23 the plan described in subchapter III of chapter 84  
24 of such title 5.