### 109TH CONGRESS 1ST SESSION H.R.4468

To improve certain compensation, health care, and education benefits for individuals who serve in a reserve component of the uniformed services, and for other purposes.

#### IN THE HOUSE OF REPRESENTATIVES

#### **December 7, 2005**

Mr. SMITH of Washington introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committees on Government Reform and Ways and Means, 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 improve certain compensation, health care, and education benefits for individuals who serve in a reserve component of the uniformed services, 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; TABLE OF CONTENTS.

- 4 (a) SHORT TITLE.—This Act may be cited as the
- 5 "Enhancing America's Guard and Reserve Act".
- 6 (b) TABLE OF CONTENTS.—The table of contents for

7 this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—COMPENSATION MATTERS

- Sec. 101. Nonreduction in pay while Federal employee is serving on active duty in a reserve component of the uniformed services.
- Sec. 102. Assistance for State and local governments that continue to pay employees who serve on active duty in a reserve component of the uniformed services.
- Sec. 103. Active-duty reserve component employee credit added to general business credit.
- Sec. 104. Eligibility for retired pay for non-regular service.

#### TITLE II—HEALTH CARE AND EDUCATION MATTERS

- Sec. 201. Expanded eligibility of selected reserve members under TRICARE program.
- Sec. 202. Increase in amount of basic educational assistance under the Montgomery GI Bill for members of reserve components.
- Sec. 203. Prohibition on denial of benefits under the Montgomery GI Bill for members of reserve components in conjunction with calls to active duty.

#### TITLE III—COMMUTING MATTERS

Sec. 301. Limited use of telecommuting to satisfy inactive-duty training prescribed or authorized for members of reserve components.

Sec. 302. Priority for space-available travel for members of reserve components.

## TITLE I—COMPENSATION MATTERS

3 SEC. 101. NONREDUCTION IN PAY WHILE FEDERAL EM-

#### 4 PLOYEE IS SERVING ON ACTIVE DUTY IN A 5 **RESERVE COMPONENT OF THE UNIFORMED**

#### 6 SERVICES.

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7 (a) IN GENERAL.—Subchapter IV of chapter 55 of title 5, United States Code, is amended by adding at the 8 9 end the following new section:

#### 10 "§ 5538. Nonreduction in pay while serving on active 11 duty in a reserve component

12 "(a) An employee who is also a member of a reserve 13 component and is absent from a position of employment 14 with the Federal Government under a call or order to •HR 4468 IH

serve on active duty for a period of more than 30 days
 shall be entitled to receive, for each pay period described
 in subsection (b), an amount equal to the amount by
 which—

5 "(1) the amount of civilian basic pay that would
6 otherwise have been payable to the employee for
7 such pay period if the employee's civilian employ8 ment with the Government had not been interrupted
9 by the service on active duty, exceeds (if at all)

"(2) the amount of military compensation that
is payable to the employee for the service on active
duty and is allocable to such pay period.

"(b)(1) Amounts under this section shall be payable
with respect to each pay period (which would otherwise
apply if the employee's civilian employment had not been
interrupted) that occurs—

17 "(A) while the employee serves on active duty18 for a period of more than 30 days;

"(B) while the employee is hospitalized for, or
convalescing from, an illness or injury incurred in,
or aggravated during, the performance of such active
duty; or

23 "(C) during the 14-day period beginning at the
24 end of such active duty or the end of the period re25 ferred to in subparagraph (B).

"(2) Paragraph (1) shall not apply with respect to
 a pay period for which the employee receives civilian basic
 pay (including by taking any annual, military, or other
 paid leave) to which the employee is entitled by virtue of
 the employee's civilian employment with the Government.
 "(c) Any amount payable under this section to an em plovee shall be paid—

8 "(1) by the employing agency of the employee;
9 "(2) from the appropriation or fund that would
10 be used to pay the employee if the employee were in
11 a pay status; and

"(3) to the extent practicable, at the same time
and in the same manner as would civilian basic pay
if the employee's civilian employment had not been
interrupted.

16 "(d) In consultation with Secretary of Defense, the
17 Office of Personnel Management shall prescribe such reg18 ulations as may be necessary to carry out this section.

"(e)(1) In consultation with the Office, the head of
each agency referred to in section 2302(a)(2)(C)(ii) shall
prescribe procedures to ensure that the rights under this
section apply to the employees of such agency.

23 "(2) The Administrator of the Federal Aviation Ad-24 ministration shall, in consultation with the Office, pre-

scribe procedures to ensure that the rights under this sec tion apply to the employees of that agency.

- 3 "(f) For the purpose of this section—
- 4 "(1) the terms 'active duty for a period of more
  5 than 30 days', 'member', and 'reserve component'
  6 have the meanings given such terms in section 101
  7 of title 37;
- 8 "(2) the term 'civilian basic pay' includes any
  9 amount payable under section 5304;

"(3) the term 'employing agency', as used with
respect to an employee entitled to any payments
under this section, means the agency or other entity
of the Government (including an agency referred to
in section 2302(a)(2)(C)(ii)) with respect to which
the employee has reemployment rights under chapter
43 of title 38; and

17 "(4) the term 'military compensation' has the
18 meaning given the term 'pay' in section 101(21) of
19 title 37.".

(b) CLERICAL AMENDMENT.—The table of sections
at the beginning of chapter 55 of title 5, United States
Code, is amended by inserting after the item relating to
section 5537 the following new item:

<sup>&</sup>quot;5538. Nonreduction in pay while serving on active duty in a reserve component.".

(c) APPLICATION OF AMENDMENT.—Section 5538 of
 title 5, United States Code, as added by subsection (a),
 shall apply with respect to pay periods (as described in
 subsection (b) of such section) beginning on or after the
 date of the enactment of this Act.

6 SEC. 102. ASSISTANCE FOR STATE AND LOCAL GOVERN7 MENTS THAT CONTINUE TO PAY EMPLOYEES
8 WHO SERVE ON ACTIVE DUTY IN A RESERVE
9 COMPONENT OF THE UNIFORMED SERVICES.
10 (a) IN GENERAL.—Chapter 17 of title 37, United

11 States Code, is amended by adding at the end the fol-12 lowing new section:

# 13 "§910. Assistance for State and local governments 14 that continue to pay employees who 15 serve on active duty

"(a) CONTINUATION OF CIVILIAN BASIC PAY.—It is 16 the purpose of this section to encourage States and local 17 18 governments to continue to pay a portion of the civilian 19 compensation of those employees who are also members 20 of a reserve component and are absent from a position 21 of employment with the State or local government under 22 a call or order to serve on active duty for a period of more 23 than 30 days so that the employees receive compensation 24 in an amount that, when taken together with their military 25 pay, is at least equal to their civilian compensation.

"(b) REIMBURSEMENT OFFERED.—(1) At the re-1 2 quest of a State or local government that continues to pay all or a portion of the civilian compensation of an employee 3 4 described in subsection (a), the Secretary concerned shall 5 reimburse the State or local government for 50 percent 6 of the civilian compensation paid by the State or local gov-7 ernment for each pay period described in subsection (c), 8 but not to exceed 50 percent of the difference (if any) be-9 tween-

"(A) the amount of civilian compensation that 10 11 would otherwise have been payable to the employee 12 for such pay period if the employee's civilian employ-13 ment with the State or local government had not been interrupted by the service on active duty; and 14 15 "(B) the amount of military pay that is payable 16 to the employee for the service on active duty and 17 is allocable to such pay period.

18 "(2) If the pay periods described in subsection (c) 19 extend more than nine consecutive months after the first 20 day of the first month during which the employee began 21 to serve on active duty for a period of more than 30 days, 22 the reimbursement rate shall become 100 percent for the 23 subsequent payments. However, as is the case under para-24 graph (1), reimbursement shall be provided only for the difference (if any) between— 25

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1	"(A) the amount of civilian compensation that
2	would otherwise have been payable to the employee
3	for such pay period if the employee's civilian employ-
4	ment with the State or local government had not
5	been interrupted by the service on active duty; and
6	"(B) the amount of military pay that is payable
7	to the employee for the service on active duty and
8	is allocable to such pay period.
9	"(c) PAY PERIODS.—Reimbursement shall be pro-
10	vided under this section with respect to each pay period
11	(which would otherwise apply if the employee's civilian em-
12	ployment had not been interrupted) that occurs—
13	((1) while the employee serves on active duty
14	for a period of more than 30 days;
15	((2)) while the employee is hospitalized for, or
16	convalescing from, an illness or injury incurred in,
17	or aggravated during, the performance of such active
18	duty; or
19	"(3) during the 14-day period beginning at the
20	end of such active duty or the end of the period re-
21	ferred to in subparagraph (B).
22	"(d) Effect of Failure to Return to Employ-
23	MENT.—(1) If an employee described in subsection (a),
24	with respect to whom reimbursement is provided to a
25	State or local government under this section, fails to re-

port or apply for employment or reemployment with the
 State or local government by the end of the period referred
 to in subsection (c)(3), the employee shall refund to the
 Secretary concerned the total amount of the reimburse ment provided with respect to the employee.

6 "(2) Subject to paragraph (3), an obligation to re7 fund moneys to the United States imposed under para8 graph (1) is for all purposes a debt owed to the United
9 States.

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

15 "(4) A discharge in bankruptey under title 11 that 16 is entered less than five years after the end of the period 17 referred to in subsection (c)(3) does not discharge the em-18 ployee from a debt arising under paragraph (1). This 19 paragraph applies to any case commenced under title 11 20 after the date of the enactment of this section.

21 "(e) REGULATIONS.—The Secretaries concerned shall
22 prescribe regulations to carry out this section.

23 "(f) DEFINITIONS.—In this section:

24 "(1) The term 'civilian compensation' means25 the wages or salary that an employee of a State or

1	local government normally receives from the employ-
2	ee's employment by the State or local government.
3	"(2) The term 'local government' means an
4	agency or political subdivision of a State.
5	"(3) The term 'military pay' has the meaning
6	given the term 'pay' in section $101(21)$ of this title.
7	"(4) The term 'State' means each of the several
8	States of the United States, the District of Colum-
9	bia, the Commonwealth of Puerto Rico, Guam, the
10	Virgin Islands, and other territories or possessions
11	of the United States.".
12	(b) Clerical Amendment.—The table of sections
13	at the beginning of chapter 17 of title 37, is amended by
14	inserting after the item relating to section 909 the fol-
15	lowing new item:
	"910. Assistance for State and local governments that continue to pay employ- ees who serve on active duty.".
16	(c) Application of Amendment.—Section 910 of
17	title 37, United States Code, as added by subsection (a),
18	shall apply with respect to pay periods (as described in
19	subsection (b) of such section) beginning on or after the

date of the enactment of this Act.

# 1SEC. 103. ACTIVE-DUTY RESERVE COMPONENT EMPLOYEE2CREDIT ADDED TO GENERAL BUSINESS3CREDIT.

4 (a) ADDITION OF CREDIT.—Subpart D of part IV of
5 subchapter A of chapter 1 of the Internal Revenue Code
6 of 1986 (relating to business-related credits) is amended
7 by adding at the end the following new section:

## 8 "SEC. 45J. ACTIVE-DUTY RESERVE COMPONENT EMPLOYEE 9 CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, 10 11 in the case of an employer, the active-duty reserve compo-12 nent employee credit determined under this section for the 13 taxable year is an amount equal to 50 percent of the compensation paid by the employer to an employee who is also 14 a member of a reserve component during the taxable year 15 16 when the employee was absent from employment for a rea-17 son described in subsection (b), but not to exceed 50 percent of the difference (if any) between— 18

"(1) the amount of compensation that would
otherwise have been payable to the employee during
such absence if the employee's employment with the
employer had not been interrupted by the employee's
absence; and

24 "(2) the amount of military pay that is payable25 to the employee during the absence.

1 "(b) COVERED PAY PERIODS.—Subsection (a) shall 2 apply with respect to an employee who is also a member 3 of a reserve component— "(1) while the employee serves on active duty 4 5 for a period of more than 30 days; 6 "(2) while the employee is hospitalized for, or 7 convalescing from, an illness or injury incurred in, 8 or aggravated during, the performance of such active 9 duty; or 10 "(3) during the 14-day period beginning at the 11 end of such active duty or the end of the period re-12 ferred to in subparagraph (B). "(c) LIMITATION.—No credit shall be allowed under 13 14 subsection (a) with respect to an employee on any day on 15 which the employee was not scheduled to work (for a reason other than such service on active duty) and ordinarily 16 17 would not have worked. "(d) DEFINITIONS.—For purposes of this section— 18 19 "(1) The terms 'active duty for a period of 20 more than 30 days', 'member', and 'reserve compo-21 nent' have the meanings given such terms in section 22 101 of title 37, United States Code. 23 "(2) The term 'compensation' means any remu-24 neration for employment, whether in cash or in kind, 25 which is paid or incurred by a taxpayer and which is deductible from the taxpayer's gross income under
 section 162(a)(1).".

3 (b) CREDIT TO BE PART OF GENERAL BUSINESS
4 CREDIT.—Subsection (b) of section 38 of such Code (re5 lating to general business credit) is amended by striking
6 "plus" at the end of paragraph (18), by striking the period
7 at the end of paragraph (19) and inserting ", plus", and
8 by adding at the end the following new paragraph:

9 "(20) the active-duty reserve component em10 ployee credit determined under section 45J(a).".

(c) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter
1 of the Internal Revenue Code of 1986 is amended by
inserting after the item relating to section 45I the following new item:

"Sec. 45J. Active-duty reserve component employee credit.".

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 [December 31, 2004].

19 SEC. 104. ELIGIBILITY FOR RETIRED PAY FOR NON-REG20 ULAR SERVICE.

(a) AGE AND SERVICE REQUIREMENTS.—Subsection
(a) of section 12731 of title 10, United States Code, is
amended to read as follows:

"(a)(1) Except as provided in subsection (c), a person
 is entitled, upon application, to retired pay computed
 under section 12739 of this title, if the person—

4 "(A) satisfies one of the combinations of re5 quirements for minimum age and minimum number
6 of years of service (computed under section 12732 of
7 this title) that are specified in the table in para8 graph (2);

9 "(B) performed the last six years of qualifying 10 service while a member of any category named in 11 section 12732(a)(1) of this title, but not while a 12 member of a regular component, the Fleet Reserve, 13 or the Fleet Marine Corps Reserve, except that in 14 the case of a person who completed 20 years of serv-15 ice computed under section 12732 of this title before 16 October 5, 1994, the number of years of qualifying 17 service under this subparagraph shall be eight; and 18 "(C) is not entitled, under any other provision 19 of law, to retired pay from an armed force or re-20 tainer pay as a member of the Fleet Reserve or the 21 Fleet Marine Corps Reserve.

"(2) The combinations of minimum age and minimum years of service required of a person under subparagraph (A) of paragraph (1) for entitlement to retired pay
as provided in such paragraph are as follows:

	"If the person's age, in years, The minimum years of
	is at least: service required is 49
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1	(b) 20-YEAR LETTER.—Subsection (d) of such sec-
2	tion is amended by striking "the years of service required
3	for eligibility for retired pay under this chapter" in the
4	first sentence and inserting "20 years of service computed
5	under section 12732 of this title".
6	(c) EFFECTIVE DATE.—The amendments made by
7	subsection (a) shall take effect on the first day of the first
8	month beginning on or after the date of the enactment
9	of this Act and shall apply with respect to retired pay pay-
10	able for that month and subsequent months.
11	TITLE II—HEALTH CARE AND
12	EDUCATION MATTERS
13	SEC. 201. EXPANDED ELIGIBILITY OF SELECTED RESERVE
14	MEMBERS UNDER TRICARE PROGRAM.
15	(a) GENERAL ELIGIBILITY.—Subsection (a) of sec-
16	tion 1076d of title 10, United States Code, is amended—
17	(1) by striking "(a) ELIGIBILITY.—A member"
18	and inserting "(a) ELIGIBILITY.—(1) Except as pro-
19	vided in paragraph (2), a member";
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(2) by striking "after the member completes"
 and all that follows through "one or more whole
 years following such date"; and
 (3) by adding at the end the following new

5 paragraph:

6 "(2) Paragraph (1) does not apply to a member who
7 is enrolled, or is eligible to enroll, in a health benefits plan
8 under chapter 89 of title 5.".

9 (b) CONDITION FOR TERMINATION OF ELIGI-10 BILITY.—Subsection (b) of such section is amended by 11 striking "(b) PERIOD OF COVERAGE.—(1) TRICARE 12 Standard" and all that follows through "(3) Eligibility" 13 and inserting "(b) TERMINATION OF ELIGIBILITY UPON 14 TERMINATION OF SERVICE.—Eligibility".

15 (c) Conforming Amendments.—

- 16 (1) Such section is further amended—
- 17 (A) by striking subsection (e); and

(B) by redesignating subsection (g) as subsection (e) and transferring such subsection
within such section so as to appear following
subsection (d).

(2) The heading for such section is amended toread as follows:

1 "§ 1076d. TRICARE program: TRICARE standard cov-2 erage for members of the selected re-3 serve". 4 (d) REPEAL OF OBSOLETE PROVISION.—Section 5 1076b of title 10, United States Code, is repealed. 6 (e) CLERICAL AMENDMENTS.—The table of sections 7 at the beginning of chapter 55 of title 10, United States 8 Code, is amended— 9 (1) by striking the item relating to section 1076b; and 10 11 (2) by striking the item relating to section 12 1076d and inserting the following: "1076d. TRICARE program: TRICARE Standard coverage for members of the Selected Reserve.". 13 (f) SAVINGS PROVISION.—Enrollments in TRICARE 14 Standard that are in effect on the day before the date of 15 the enactment of this Act under section 1076d of title 10, 16 United States Code, as in effect on such day, shall be con-17 tinued until terminated after such day under such section 18 1076d as amended by this section.

1 SEC. 202. INCREASE IN AMOUNT OF BASIC EDUCATIONAL

2	ASSISTANCE UNDER THE MONTGOMERY GI
3	BILL FOR MEMBERS OF RESERVE COMPO-
4	NENTS.
5	(a) Members of the Selected Reserve.—(1)
6	Section 16131(b) of title 10, United States Code, is
7	amended—
8	(A) in paragraph (1), by striking "at the fol-
9	lowing rates" and all that follows through the end
10	and inserting a period; and
11	(B) in paragraph (2), by striking all and insert-
12	ing the following:
13	((2)(A) The educational assistance provided under
14	this chapter shall be based on the applicable percent under
15	subparagraph (B) to the applicable rate provided under
16	section 3015 of title 38 for a member whose entitlement
17	is based on completion of an obligated period of active
18	duty of three years.
19	"(B) The adjusted educational assistance under sub-
20	paragraph (A) shall be—
21	"(i) 50 percent for each month of full-time pur-
22	suit of a program of education;
23	"(ii) 37.5 percent for each month of three-quar-
24	ter-time pursuit of a program of education;
25	"(iii) 25 percent for each month of half-time
26	pursuit of a program of education; and

1 "(iv) an appropriately reduced percent, as de-2 termined under regulations which the Secretary of 3 Veterans Affairs shall prescribe, for each month of 4 less than half-time pursuit of a program of edu-5 cation, except that no payment may be made to a 6 person for less than half-time pursuit if tuition as-7 sistance is otherwise available to the person for such 8 pursuit from the military department concerned.". 9 (2) The amendments made by paragraph (1) shall 10 apply with respect to educational assistance allowances under section 16131(b) of such title paid for months be-11 12 ginning after the date of the enactment of this Act. 13 (b) Reserve Components Supporting Contin-14 GENCY OPERATIONS.—(1) Section 16162(c)(4) of title 10, 15 United States Code, is amended— (A) in subparagraph (A) by striking "40 per-16 17 cent" and inserting "60 percent"; and 18 (B) in subparagraph (B) by striking "60 per-19 cent" and inserting "70 percent". 20 (2) The amendments made by paragraph (1) shall 21 apply with respect to educational assistance allowances 22 under section 16162(c)(4) of such title paid for months

23 beginning after the date of the enactment of this Act.

1 SEC. 203. PROHIBITION ON DENIAL OF BENEFITS UNDER 2 THE MONTGOMERY GI BILL FOR MEMBERS 3 **OF RESERVE COMPONENTS IN CONJUNCTION** 4 WITH CALLS TO ACTIVE DUTY. 5 (a) IN GENERAL.—Section 16134 of title 10, United 6 States Code, is amended— 7 (1) by striking "Educational" and inserting "(a) GENERAL RULE.—Educational"; and 8 9 (2) by adding at the end the following new sub-10 section: 11 "(b) PROHIBITION ON TERMINATION OF ASSISTANCE DUE SOLELY TO CALL TO ACTIVE DUTY.—Service on ac-12 13 tive duty pursuant to an order to active duty issued under 14 section 12301(a), 12301(d), 12301(g), 12302, or 12304 of this title alone does not constitute failure to participate 15 16 satisfactorily in required training as a member of the Selected Reserve under subsection (a)(2).". 17 18 (b) EFFECTIVE DATE.—The amendment made by

19 subsection (a) shall apply before, on, or after the date of20 the enactment of this Act.

## TITLE III—COMMUTING MATTERS

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3 SEC. 301. LIMITED USE OF TELECOMMUTING TO SATISFY
4 INACTIVE-DUTY TRAINING PRESCRIBED OR
5 AUTHORIZED FOR MEMBERS OF RESERVE
6 COMPONENTS.

7 Section 206 of title 37, United States Code, is8 amended by adding at the end the following new sub-9 section:

10 "(f) The Secretary concerned may authorize a member of the National Guard or of a reserve component of 11 12 the uniformed services to use telecommuting to satisfy a 13 regular period of instruction or period of appropriate duty 14 prescribed or authorized for the member or to perform 15 such other equivalent training, instruction, duty, or appropriate duties as the Secretary may prescribe or authorize. 16 17 Telecommuting may not account for more than 16 hours of inactive-duty training by a member in any calendar-18 year quarter.". 19

### 20 SEC. 302. PRIORITY FOR SPACE-AVAILABLE TRAVEL FOR 21 MEMBERS OF RESERVE COMPONENTS.

(a) PRIORITY ON SAME BASIS AS ACTIVE-DUTY
MEMBERS.—(1) Chapter 1805 of title 10, United States
Code, is amended by adding at the end the following new
section:

## 1 "§18507. Reserve component members: priority for 2 space-available travel

3 "The Secretary of Defense shall provide that mem4 bers of the Selected Reserve are accorded eligibility for
5 travel on Department of Defense aircraft on a space-avail6 able basis in the same category (or with the same priority)
7 as is accorded to members of the armed forces serving on
8 active duty.".

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

"18507. Reserve component members: priority for space-available travel.".

(b) EFFECTIVE DATE.—Section 18507 of title 10,
United States Code, as added by subsection (a), shall take
effect at the end of the 180-day period beginning on the
date of the enactment of this Act.

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