

103^D CONGRESS
2^D SESSION

S. 1624

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1994

Referred to the Committee on Post Office and Civil Service

AN ACT

To standardize withdrawal options for Thrift Savings Plan
participants, 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. STANDARDIZATION OF WITHDRAWAL OPTIONS**
2 **FOR THRIFT SAVINGS PLAN PARTICIPANTS.**

3 (a) PARTICIPATION IN THE THRIFT SAVINGS
4 PLAN.—Section 8351(b) of title 5, United States Code,
5 is amended—

6 (1) by amending paragraph (4) to read as fol-
7 lows:

8 “(4) Section 8433(b) of this title applies to any
9 employee or Member who elects to make contribu-
10 tions to the Thrift Savings Fund under subsection
11 (a) of this section and separates from Government
12 employment.”;

13 (2) by striking out paragraphs (5), (6), and (8);

14 (3) by redesignating paragraphs (7), (9), and
15 (10) as paragraphs (5), (6), and (7), respectively;

16 (4) in paragraph (5)(C) (as redesignated under
17 paragraph (3) of this subsection) by striking out “or
18 former spouse” in both places it appears;

19 (5) by amending paragraph (6) (as redesign-
20 dated under paragraph (3) of this subsection) to
21 read as follows:

22 “(6) Notwithstanding paragraph (4), if an em-
23 ployee or Member separates from Government em-
24 ployment and such employee’s or Member’s non-
25 forfeitable account balance is \$3,500 or less, the Ex-
26 ecutive Director shall pay the nonforfeitable account

1 balance to the participant in a single payment unless
2 the employee or Member elects, at such time and
3 otherwise in such manner as the Executive Director
4 prescribes, one of the options available under section
5 8433(b) of this title.”; and

6 (6) in paragraph (7) (as redesignated under
7 paragraph (3) of this subsection) by striking out
8 “nonforfeiture” and inserting in lieu thereof “non-
9 forfeitable”.

10 (b) BENEFITS AND ELECTION OF BENEFITS.—Sec-
11 tion 8433 of title 5, United States Code, is amended—

12 (1) in subsection (b) by striking out the matter
13 before paragraph (1) and inserting in lieu thereof
14 “Subject to section 8435 of this title, any employee
15 or Member who separates from Government employ-
16 ment entitled to an annuity under subchapter II of
17 this chapter or any employee or Member who sepa-
18 rates from Government employment is entitled and
19 may elect—”;

20 (2) by striking out subsections (c) and (d) and
21 redesignating subsections (e), (f), (g), (h), and (i) as
22 subsections (c), (d), (e), (f), and (g), respectively;

23 (3) in subsection (c)(1) (as redesignated under
24 paragraph (2) of this subsection) by striking out “or
25 (c)(4) or required under subsection (d) directly to an

1 eligible retirement plan or plans) (as defined in sec-
2 tion 402(a)(5)(E) of the Internal Revenue Code of
3 1954)” and inserting in lieu thereof “directly to an
4 eligible retirement plan or plans (as defined in sec-
5 tion 402(c)(8) of the Internal Revenue Code of
6 1986)”;

7 (4) in subsection (d)(2) (as redesignated under
8 paragraph (2) of this subsection) by striking out “or
9 (c)(2)”;

10 (5) in subsection (f) (as redesignated under
11 paragraph (2) of this subsection)—

12 (A) by striking out paragraph (1) and re-
13 designating paragraphs (2) and (3) as para-
14 graphs (1) and (2), respectively; and

15 (B) in paragraph (1) (as redesignated
16 under subparagraph (A) of this paragraph)—

17 (i) by striking out “Notwithstanding
18 subsections (b) and (c), if an employee or
19 Member separates from Government em-
20 ployment under circumstances making
21 such an employee or Member eligible to
22 make an election under either of those sub-
23 sections, and such employee’s or Mem-
24 ber’s” and inserting in lieu thereof “Not-
25 withstanding subsection (b), if an employee

1 or Member separates from Government
 2 employment, and such employee's or Mem-
 3 ber's"; and

4 (ii) by striking out "or (c), as applica-
 5 ble"; and

6 (C) in paragraph (2) (as redesignated
 7 under subparagraph (A) of this paragraph) by
 8 striking out "paragraphs (1) and (2)" and in-
 9 serting in lieu thereof "paragraph (1)".

10 (c) ANNUITIES: METHODS OF PAYMENT; ELECTION;
 11 PURCHASE.—Section 8434(c) of title 5, United States
 12 Code, is amended to read as follows:

13 “(c) Notwithstanding an elimination of a method of
 14 payment by the Board an employee, Member, former em-
 15 ployee, or former Member may elect the eliminated method
 16 if the elimination of such method became effective less
 17 than 5 years before the date on which the annuity com-
 18 mences.”.

19 (d) PROTECTIONS FOR SPOUSES AND FORMER
 20 SPOUSES.—Section 8435 of title 5, United States Code,
 21 is amended—

22 (1) in subsection (a)(1)(A) by striking out
 23 “subsection (b)(3), (b)(4), (c)(3), or (c)(4) of section
 24 8433 of this title or change an election previously
 25 made under subsection (b)(1), (b)(2), (c)(1), or

1 (c)(2)” and inserting in lieu thereof “subsection
2 (b)(3) or (b)(4) of section 8433 of this title or
3 change an election previously made under subsection
4 (b)(1) or (b)(2)”;

5 (2) by striking out subsection (b);

6 (3) by redesignating subsections (c), (d), (e),
7 (f), (g), (h), and (i) as subsections (b), (c), (d), (e),
8 (f), (g), and (h), respectively;

9 (4) in subsection (b) (as redesignated under
10 paragraph (3) of this subsection) by amending para-
11 graph (2) to read as follows:

12 “(2) Paragraph (1) shall not apply, if—

13 “(A) a joint waiver of such method is
14 made, in writing, by the employee or Member
15 and the spouse; or

16 “(B) the employee or Member waives such
17 method, in writing, after establishing to the sat-
18 isfaction of the Executive Director that cir-
19 cumstances described under subsection (a)(2)
20 (A) or (B) make the requirement of a joint
21 waiver inappropriate.”; and

22 (5) in subsection (c)(1) (as redesignated under
23 paragraph (3) of this subsection) by striking out
24 “and a transfer may not be made under section
25 8433(d) of this title”.

1 (e) JUSTICES AND JUDGES.—Section 8440a(b) of
2 title 5, United States Code, is amended—

3 (1) in paragraph (5) by striking out “Section
4 8433(d)” and inserting in lieu thereof “Section
5 8433(b)”;

6 (2) by striking out paragraphs (7) and (8) and
7 inserting in lieu thereof the following:

8 “(7) Notwithstanding paragraphs (4) and (5),
9 if any justice or judge retires under subsection (a)
10 or (b) of section 371 or section 372(a) of title 28,
11 or resigns without having met the age and service
12 requirements set forth under section 371(c) of title
13 28, and such justice’s or judge’s nonforfeitable ac-
14 count balance is \$3,500 or less, the Executive Direc-
15 tor shall pay the nonforfeitable account balance to
16 the participant in a single payment unless the justice
17 or judge elects, at such time and otherwise in such
18 manner as the Executive Director prescribes, one of
19 the options available under section 8433(b).”.

20 (f) BANKRUPTCY JUDGES AND MAGISTRATES.—Sec-
21 tion 8440b of title 5, United States Code, is amended—

22 (1) in subsection (b)(4) by amending subpara-
23 graph (B) to read as follows:

24 “(B) Section 8433(b) of this title applies
25 to any bankruptcy judge or magistrate who

1 elects to make contributions to the Thrift Sav-
2 ings Fund under subsection (a) of this section
3 and who retires before attaining age 65 but is
4 entitled, upon attaining age 65, to an annuity
5 under section 377 of title 28 or section 2(c) of
6 the Retirement and Survivors Annuities for
7 Bankruptcy Judges and Magistrates Act of
8 1988.”;

9 (2) in subsection (b)(4)(C) by striking out
10 “Section 8433(d)” and inserting in lieu thereof
11 “Section 8433(b)”;

12 (3) in subsection (b)(5) by striking out “retire-
13 ment under section 377 of title 28 is” and inserting
14 in lieu thereof “any of the actions described under
15 paragraph (4) (A), (B), or (C) shall be considered”;

16 (4) in subsection (b) by striking out paragraph
17 (8) and redesignating paragraph (9) as paragraph
18 (8); and

19 (5) in paragraph (8) of subsection (b) (as re-
20 designated under paragraph (4) of this sub-
21 section)—

22 (A) by striking out “Notwithstanding sub-
23 paragraphs (A) and (B) of paragraph (4), if
24 any bankruptcy judge or magistrate retires
25 under circumstances making such bankruptcy

1 judge or magistrate eligible to make an election
2 under subsection (b) or (c)” and inserting in
3 lieu thereof “Notwithstanding paragraph (4), if
4 any bankruptcy judge or magistrate retires
5 under circumstances making such bankruptcy
6 judge or magistrate eligible to make an election
7 under subsection (b)”;

8 (B) by striking out “and (c), as applica-
9 ble”.

10 (g) CLAIMS COURT JUDGES.—Section 8440c of title
11 5, United States Code, is amended—

12 (1) in subsection (b)(4)(B) by striking out
13 “Section 8433(d)” and inserting in lieu thereof
14 “Section 8433(b)”;

15 (2) in subsection (b)(5) by striking out “retire-
16 ment under section 178 of title 28, is” and inserting
17 in lieu thereof “any of the actions described in para-
18 graph (4) (A) or (B) shall be considered”;

19 (3) in subsection (b) by striking out paragraph
20 (8) and redesignating paragraph (9) as paragraph
21 (8); and

22 (4) in paragraph (8) (as redesignated under
23 paragraph (3) of this subsection) by striking out
24 “Notwithstanding paragraph (4)(A)” and inserting
25 in lieu thereof “Notwithstanding paragraph (4)”.

1 (h) JUDGES OF THE UNITED STATES COURT OF
2 VETERANS APPEALS.—Section 8440d(b)(5) of title 5,
3 United States Code, is amended by striking out “A trans-
4 fer shall be made as provided under section 8433(d) of
5 this title” and inserting in lieu thereof “Section 8433(b)
6 of this title applies”.

7 (i) TECHNICAL AND CONFORMING AMENDMENTS.—
8 Chapters 83 and 84 of title 5, United States Code, are
9 amended—

10 (1) in section 8351(b)(5)(B) (as redesignated
11 under subsection (a)(3) of this section) by striking
12 out “section 8433(i)” and inserting in lieu thereof
13 “section 8433(g)”;

14 (2) in section 8351(b)(5)(D) (as redesignated
15 under subsection (a)(3) of this section) by striking
16 out “section 8433(i)” and inserting in lieu thereof
17 “section 8433(g)”;

18 (3) in section 8433(b)(4) by striking out “sub-
19 section (e)” and inserting in lieu thereof “subsection
20 (c)”;

21 (4) in section 8433(d)(1) (as redesignated
22 under subsection (b)(2) of this section) by striking
23 out “(d) of section 8435” and inserting in lieu
24 thereof “(c) of section 8435”;

1 (5) in section 8433(d)(2) (as redesignated
2 under subsection (b)(2) of this section) by striking
3 out “section 8435(d)” and inserting in lieu thereof
4 “section 8435(c)”;

5 (6) in section 8433(e) (as redesignated under
6 subsection (b)(2) of this section) by striking out
7 “section 8435(d)(2)” and inserting in lieu thereof
8 “section 8435(c)(2)”;

9 (7) in section 8433(g)(5) (as redesignated
10 under subsection (b)(2) of this section) by striking
11 out “section 8435(f)” and inserting in lieu thereof
12 “section 8435(e)”;

13 (8) in section 8434(b) by striking out “section
14 8435(c)” and inserting in lieu thereof “section
15 8435(b)”;

16 (9) in section 8435(a)(1)(B) by striking out
17 “subsection (c)” and inserting in lieu thereof “sub-
18 section (b)”;

19 (10) in section 8435(d)(1)(B) (as redesignated
20 under subsection (d)(3) of this section) by striking
21 out “subsection (d)(2)” and inserting in lieu thereof
22 “subsection (c)(2)”;

23 (11) in section 8435(d)(3)(A) (as redesignated
24 under subsection (d)(3) of this section) by striking

1 out “subsection (c)(1)” and inserting in lieu thereof
2 “subsection (b)(1)”;

3 (12) in section 8435(d)(6) (as redesignated
4 under subsection (d)(3) of this section) by striking
5 out “or (c)(2)” and inserting in lieu thereof “or
6 (b)(2)”;

7 (13) in section 8435(e)(1)(A) (as redesignated
8 under subsection (d)(3) of this section) by striking
9 out “section 8433(i)” and inserting in lieu thereof
10 “section 8433(g)”;

11 (14) in section 8435(e)(2) (as redesignated
12 under subsection (d)(3) of this section) by striking
13 out “section 8433(i) of this title shall not be ap-
14 proved if approval would have the result described in
15 subsection (d)(1)” and inserting in lieu thereof “sec-
16 tion 8433(g) of this title shall not be approved if ap-
17 proval would have the result described under sub-
18 section (c)(1)”;

19 (15) in section 8435(g) (as redesignated under
20 subsection (d)(3) of this section) by striking out
21 “section 8433(i)” and inserting in lieu thereof “sec-
22 tion 8433(g)”;

23 (16) in section 8437(c)(5) by striking out “sec-
24 tion 8433(i)” and inserting in lieu thereof “section
25 8433(g)”;

(k) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the provisions of this section shall take effect 1 year after the date of enactment of this Act or upon such other date as the Executive Director of the Federal Retirement Thrift Investment Board shall provide in regulation.

Passed the Senate November 24 (legislative day, November 23), 1993.

Attest:

WALTER J. STEWART,
Secretary.