

104TH CONGRESS
1ST SESSION

H. R. 2751

To provide temporary authority for the payment of retirement and separation incentives, to provide reemployment assistance to Federal employees who are separated as a result of workforce reductions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 1995

Mr. WOLF (for himself, Mr. DAVIS, Mr. MORAN, Mrs. MORELLA, Mr. WYNN, and Mr. HOYER) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

A BILL

To provide temporary authority for the payment of retirement and separation incentives, to provide reemployment assistance to Federal employees who are separated as a result of workforce reductions, 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 “Federal Employee Separation Incentive and Reemploy-
6 ment Assistance Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

- Sec. 101. Definitions.
 Sec. 102. Conditions for receiving an incentive payment under this Act.
 Sec. 103. Regulations.
 Sec. 104. Incentive payments for employees of the judicial branch.
 Sec. 105. Funds for certain interagency groups.

TITLE II—VOLUNTARY SEPARATION INCENTIVES

- Sec. 201. Incentive payments for employees eligible for immediate retirement.
 Sec. 202. Payments and other incentives for employees who are not eligible for immediate retirement.
 Sec. 203. Effect of subsequent employment with the Government and employee backfill prevention.

TITLE III—REEMPLOYMENT ASSISTANCE PROGRAMS

- Sec. 301. Priority placement programs for Federal employees affected by a reduction in force.
 Sec. 302. Non-Federal employment incentives.
 Sec. 303. Job placement and counseling services.

TITLE IV—EXTENSION OF BENEFITS

- Sec. 401. Life insurance.
 Sec. 402. Health insurance.

1 **TITLE I—GENERAL PROVISIONS**

2 **SEC. 101. DEFINITIONS.**

3 Except as otherwise provided in this Act, for purposes
 4 of this Act—

5 (1) the term “agency” means an Executive
 6 agency within the meaning of section 105 of title 5,
 7 United States Code, excluding the Department of
 8 Defense, the Central Intelligence Agency, and the
 9 General Accounting Office;

10 (2) the term “employee” means an employee
 11 within the meaning of section 2105 of title 5, United
 12 States Code, who—

13 (A) is employed by an agency;

1 (B) is serving under an appointment with-
2 out time limitation; and

3 (C) has been currently employed for a con-
4 tinuous period of at least 12 months;

5 such term includes an individual so employed by a
6 county committee established under section 8(b) of
7 the Soil Conservation and Domestic Allotment Act
8 (16 U.S.C. 590h(b)), but does not include—

9 (i) a reemployed annuitant under sub-
10 chapter III of chapter 83 or chapter 84 of title
11 5, United States Code, or another retirement
12 system for employees of the Government;

13 (ii) an employee having a disability on the
14 basis of which such employee is or would be eli-
15 gible for disability retirement under the applica-
16 ble retirement system referred to in clause (i);
17 or

18 (iii) an employee who, upon completing an
19 additional period of service (as referred to in
20 section 3(b)(2)(B)(ii) of the Federal Workforce
21 Restructuring Act of 1994 (Public Law 103–
22 226; 5 U.S.C. 5597 note)), would qualify for a
23 voluntary separation incentive payment under
24 section 3 of such Act; and

1 (3) the term “incentive payment under this
2 Act” means an incentive payment under section 201,
3 202, or 302.

4 **SEC. 102. CONDITIONS FOR RECEIVING AN INCENTIVE PAY-**
5 **MENT UNDER THIS ACT.**

6 An incentive payment under this Act—

7 (1) may not be paid except to the extent nec-
8 essary in order—

9 (A) to avoid or minimize the need for in-
10 voluntary separations due to a reduction in
11 force, reorganization, transfer of function, or
12 other similar action; or

13 (B) otherwise to reduce the size of the
14 Federal workforce;

15 (2) may not be paid based on a separation from
16 service occurring after September 30, 1999; and

17 (3) shall be paid from the appropriation or fund
18 available for the payment of the basic pay of the em-
19 ployee to whom the payment is payable.

20 **SEC. 103. REGULATIONS.**

21 Except as otherwise specifically provided, any regula-
22 tions necessary to carry out this Act may be prescribed
23 by the Director of the Office of Personnel Management.

1 **SEC. 104. INCENTIVE PAYMENTS FOR EMPLOYEES OF THE**
2 **JUDICIAL BRANCH.**

3 The Director of the Administrative Office of the
4 United States Courts may, by regulations consistent with
5 applicable provisions of this Act, make incentive payments
6 under this Act available with respect to individuals serving
7 in the judicial branch.

8 **SEC. 105. FUNDS FOR CERTAIN INTERAGENCY GROUPS.**

9 (a) IN GENERAL.—Section 613 of the Treasury,
10 Postal Service, and General Government Appropriations
11 Act, 1996 (Public Law 104–52), shall not apply with re-
12 spect to the interagency financing of any boards, commis-
13 sions, councils, committees, or similar groups, to the ex-
14 tent established (or assigned duties) to carry out—

15 (1) title III or any amendment made by that
16 title;

17 (2) the memorandum of the President relating
18 to “Career Transition Assistance for Federal Em-
19 ployees”, dated September 12, 1995; or

20 (3) any other law, regulation, directive, or other
21 authority identified by the President, in writing, as
22 having purposes similar to those of—

23 (A) title III or any amendment made by
24 that title; or

25 (B) the memorandum referred to in para-
26 graph (2).

1 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be considered to exempt an interagency group
3 from section 1346(b) of title 31, United States Code.

4 **TITLE II—VOLUNTARY**
5 **SEPARATION INCENTIVES**

6 **SEC. 201. INCENTIVE PAYMENTS FOR EMPLOYEES ELIGI-**
7 **BLE FOR IMMEDIATE RETIREMENT.**

8 (a) IN GENERAL.—Subject to section 102 and suc-
9 ceeding provisions of this section, a voluntary separation
10 incentive payment under this section may be paid by an
11 agency to any employee who, at the time of separation
12 from the service—

13 (1) is subject to subchapter III of chapter 83
14 or chapter 84 of title 5, United States Code; and

15 (2) meets the age and service requirements for
16 an immediate annuity thereunder.

17 (b) PAYMENT AMOUNT.—A payment under this sec-
18 tion shall be equal to the lesser of—

19 (1) the amount the employee would be entitled
20 to receive under section 5595(c) of title 5, United
21 States Code, if the employee were entitled to pay-
22 ment under such section; or

23 (2)(A) \$25,000 if the employee separates on or
24 after the date of the enactment of this Act and not
25 later than September 30, 1997;

1 (B) \$20,000 if the employee separates after the
2 deadline under subparagraph (A) and not later than
3 September 30, 1998; or

4 (C) \$15,000 if the employee separates after the
5 deadline under subparagraph (B) and not later than
6 September 30, 1999.

7 (c) PAYMENT CONDITIONS.—A payment under this
8 section—

9 (1) shall be payable in a lump sum after the
10 employee's separation;

11 (2) shall not be made to any employee who sep-
12 arates in any fiscal year after December 31st of
13 such year, unless the head of the agency determines
14 in writing that such payment would still be cost ef-
15 fective or otherwise further the agency's mission;

16 (3) shall not be a basis for payment, and shall
17 not be included in the computation, of any other
18 type of Government benefit; and

19 (4) shall not be taken into account in determin-
20 ing the amount of any severance pay to which the
21 employee may be entitled under section 5595 of title
22 5, United States Code, based on any other separa-
23 tion.

24 (d) ADDITIONAL AGENCY CONTRIBUTION TO THE
25 RETIREMENT FUND.—

1 (1) IN GENERAL.—In addition to any other
2 payments which it is required to make under sub-
3 chapter III of chapter 83 of title 5, United States
4 Code, an agency shall remit to the Office of Person-
5 nel Management for deposit in the Treasury of the
6 United States to the credit of the Civil Service Re-
7 tirement and Disability Fund an amount equal to 9
8 percent of the final basic pay of each employee of
9 the agency—

10 (A) who, on or after the date of the enact-
11 ment of this Act and before October 1, 1999,
12 retires under section 8336(d)(2) of such title;
13 and

14 (B) to whom a payment under this section
15 has been or is to be paid by such agency based
16 on that retirement.

17 (2) DEFINITION.—For the purpose of para-
18 graph (1), the term “final basic pay”, with respect
19 to an employee, means the total amount of basic pay
20 which would be payable for a year of service by such
21 employee, computed using the employee’s final rate
22 of basic pay, and, if last serving on other than a
23 full-time basis, with appropriate adjustment there-
24 for.

1 **SEC. 202. PAYMENTS AND OTHER INCENTIVES FOR EM-**
 2 **EMPLOYEES WHO ARE NOT ELIGIBLE FOR IMME-**
 3 **DIATE RETIREMENT.**

4 (a) IN GENERAL.—Subject to section 102 and suc-
 5 ceeding provisions of this section, payments and other in-
 6 centives under this section may be provided by an agency
 7 to any employee who, at the time of separation from the
 8 service—

9 (1) is subject to subchapter III of chapter 83
 10 or chapter 84 of title 5, United States Code; but

11 (2) does not meet the age and service require-
 12 ments for an immediate annuity thereunder.

13 (b) TEMPORARY PERIODIC PAYMENTS.—

14 (1) IN GENERAL.—An agency may, in the case
 15 of an employee who is eligible for incentives under
 16 this section, make periodic payments to such em-
 17 ployee under this section after such employee’s sepa-
 18 ration from the service, subject to subsection (e).

19 (2) AMOUNT; FREQUENCY; TERMINATION.—
 20 Payments under this subsection—

21 (A) shall be at the rate of basic pay re-
 22 ceived immediately before separation;

23 (B) shall be paid at regular intervals cor-
 24 responding to the pay periods last applicable
 25 before separation; and

26 (C) shall terminate upon the earlier of—

1 (i) the date on which the employee be-
2 gins new employment; or

3 (ii) the end of the 6-month period be-
4 ginning on the date of separation.

5 (3) PREMIUM PAY.—For the purpose of this
6 subsection, “basic pay” includes premium pay under
7 section 5545(c)(1) of title 5, United States Code.

8 (c) CONTINUATION OF INSURANCE COVERAGE.—

9 (1) IN GENERAL.—An employee who is eligible
10 for incentives under this section may elect, for as
11 long as the employee remains eligible for payments
12 under subsection (b), to continue life insurance cov-
13 erage under chapter 87 of title 5, United States
14 Code, if insured under such chapter immediately be-
15 fore separation.

16 (2) TERMS.—Any coverage under this sub-
17 section shall be under the same terms and conditions
18 as would apply if separation had not occurred, ex-
19 cept that the former employee shall be responsible
20 for paying both the individual and the Government
21 contributions.

22 (3) DEDUCTIONS.—Any amounts required
23 under paragraph (2) shall be withheld from pay-
24 ments under subsection (b) and shall be deposited in
25 the Treasury of the United States to the credit of

1 the Employees' Life Insurance Fund under section
2 8714 of title 5, United States Code.

3 (d) REEMPLOYMENT INCENTIVES.—

4 (1) IN GENERAL.—In addition to the payments
5 provided for in subsection (b), an employee who is
6 eligible for incentives under this section shall, if such
7 employee obtains employment (other than employ-
8 ment with the Government of the United States, in-
9 cluding under a personal service contract) within 6
10 months after such employee's separation, be eligible
11 for a reemployment incentive payment under this
12 subsection. Such payment shall be equal to—

13 (A) the amount the employee would be en-
14 titled to receive under section 5595(e) of title 5,
15 United States Code, if the employee were enti-
16 tled to payment under such section, multiplied
17 by

18 (B) the applicable percentage under para-
19 graph (2).

20 (2) APPLICABLE PERCENTAGE.—The applicable
21 percentage under this paragraph shall be determined
22 as follows:

If the new employment commences during the following month (of the 6-month period referred to in subsection (b)(2)):	The applicable percentage under this paragraph is:
The first or second month	100
The third month	80

The fourth month	60
The fifth month	40
The sixth month	20.

1 (e) STATUS OF PAYMENTS AND PERIODS COVERED
 2 BY PAYMENTS.—

3 (1) STATUS OF PAYMENTS.—A payment under
 4 this section—

5 (A) shall not be considered to constitute
 6 basic pay;

7 (B) shall not be a basis for payment, and
 8 may not be included in the computation, of any
 9 other type of benefit from the United States
 10 Government; and

11 (C) shall not be taken into account in de-
 12 termining the amount of any severance pay to
 13 which an employee may be entitled under sec-
 14 tion 5595 of title 5, United States Code, based
 15 on any other separation.

16 (2) PERIODS COVERED BY PAYMENTS.—A pe-
 17 riod covered by a payment under this section shall
 18 not be considered a period of service with or employ-
 19 ment by the Government of the United States. Not-
 20 withstanding the preceding sentence, an individual
 21 shall be ineligible to receive unemployment com-
 22 pensation for any period for which such individual is
 23 eligible to receive any payment under this section.

1 (f) CONDITION FOR RECEIVING ANY BENEFITS
2 UNDER THIS SECTION.—

3 (1) AGREEMENT.—Before receiving any pay-
4 ment or other benefit under this section, an em-
5 ployee must enter into a written agreement under
6 which the employee shall agree to give prompt writ-
7 ten notice of any employment (for compensation) ob-
8 tained by the employee within the 6-month period
9 referred to in subsection (b)(2).

10 (2) REPAYMENT.—Under the agreement, if the
11 employee fails to give any notice required under such
12 agreement, a sum equal to all payments made to
13 such employee under this section shall be recoverable
14 by the Government from the employee (or such em-
15 ployee's estate, if applicable) by—

16 (A) setoff against accrued pay, compensa-
17 tion, amount of retirement credit, or another
18 amount due the employee from the Government;
19 and

20 (B) such other method as is provided by
21 law for the recovery of amounts owing to the
22 Government.

23 The head of the agency concerned may waive, in
24 whole or in part, a right of recovery under this sub-
25 section, if it is shown that recovery would be against

1 equity and good conscience or against the public in-
2 terest.

3 (3) DISPOSITION OF ANY AMOUNT RECOV-
4 ERED.—Any amount repaid by, or recovered from,
5 an individual (or an estate) under this subsection
6 shall be credited to the appropriation account from
7 which the amount involved was originally paid. Any
8 amount so credited shall be merged with other sums
9 in such account and shall be available for the same
10 purposes and period, and subject to the same limita-
11 tions (if any), as the sums with which merged.

12 (g) LIMITATION.—An individual who becomes eligible
13 for any payments or other benefit under this section as
14 a result of a separation from service may not again become
15 so eligible based on any subsequent separation.

16 **SEC. 203. EFFECT OF SUBSEQUENT EMPLOYMENT WITH**
17 **THE GOVERNMENT AND EMPLOYEE BACK-**
18 **FILL PREVENTION.**

19 (a) IN GENERAL.—An employee who has received any
20 payment under section 201 or 202 and accepts employ-
21 ment with the Government of the United States within
22 5 years after the date of the separation on which the pay-
23 ment is based shall be required to repay the entire amount
24 of the payment to the agency that made such payment.

25 (b) WAIVER AUTHORITY.—

1 (1) IN GENERAL.—The appropriate authority
2 under paragraph (2) may waive the repayment if the
3 individual so accepting any such employment pos-
4 sesses unique abilities and is the only qualified appli-
5 cant available for the position.

6 (2) APPROPRIATE AUTHORITY.—For purposes
7 of paragraph (1), the appropriate authority is—

8 (A) the Director of the Office of Personnel
9 Management, if the employment is with an Ex-
10 ecutive agency (as defined by section 105 of
11 title 5, United States Code), subject to para-
12 graph (3);

13 (B) the head of the employing entity, if the
14 employment is with the legislative branch; and

15 (C) the Director of the Administrative Of-
16 fice of the United States Courts, if the employ-
17 ment is with the judicial branch.

18 (3) REQUIREMENT SPECIFIC TO EXECUTIVE
19 AGENCIES.—If the employment is with an Executive
20 agency (as so defined), waiver authority under this
21 subsection may be exercised only upon the request of
22 the head of the agency.

23 (4) NO DOUBLE REPAYMENT.—In no event
24 shall any individual who receives any amounts under
25 section 202 be required, by reason of repayment ob-

1 ligations arising under the preceding provisions of
2 this section and those of section 202(f), respectively,
3 with respect to the same amount, to repay more
4 than the amounts so received by such individual.

5 (c) DEFINITION.—For purposes of subsection (a)
6 (but not subsection (b)), the term “employment” includes
7 employment under a personal services contract with the
8 Government of the United States.

9 (d) EMPLOYEE BACKFILL PREVENTION.—Paragraph
10 (1) of section 5(f) of the Federal Workforce Restructuring
11 Act of 1994 (Public Law 103–226; 5 U.S.C. 3101 note)
12 is amended by inserting “of this Act or section 201 or
13 202 of the Federal Employee Separation Incentive and
14 Reemployment Assistance Act” after “section 3(a)–(e)”.

15 **TITLE III—REEMPLOYMENT** 16 **ASSISTANCE PROGRAMS**

17 **SEC. 301. PRIORITY PLACEMENT PROGRAMS FOR FEDERAL** 18 **EMPLOYEES AFFECTED BY A REDUCTION IN** 19 **FORCE.**

20 (a) IN GENERAL.—Subchapter I of chapter 33 of title
21 5, United States Code, is amended by adding at the end
22 the following:

1 **“§ 3329b. Priority placement programs for employees**
2 **affected by a reduction in force**

3 “(a) Not later than 6 months after the date of the
4 enactment of this section, the Office of Personnel Manage-
5 ment shall establish a Governmentwide priority placement
6 program, and each agency shall establish an agencywide
7 priority placement program, to facilitate employment
8 placement for employees who—

9 “(1) are scheduled to be separated from service
10 due to a reduction in force under—

11 “(A) regulations prescribed under section
12 3502; or

13 “(B) procedures established under section
14 3595; or

15 “(2) are separated from service due to such a
16 reduction in force.

17 “(b)(1) Each agencywide priority placement program
18 shall include provisions under which a vacant position
19 shall not (except as provided in this subsection) be filled
20 by the appointment or transfer of any individual from out-
21 side of that agency (other than an individual described in
22 paragraph (2)) if—

23 “(A) there is then available any individual de-
24 scribed in paragraph (2) who is qualified for the po-
25 sition; and

26 “(B) the position—

1 “(i) is at the same grade (or pay level) or
2 not more than 1 grade (or pay level) below that
3 of the position last held by such individual be-
4 fore placement in the new position; and

5 “(ii) is within the same commuting area as
6 the individual’s last-held position (as referred to
7 in clause (i)) or residence.

8 “(2) For purposes of an agencywide priority place-
9 ment program, an individual shall be considered to be de-
10 scribed in this paragraph if such individual is—

11 “(A) an employee of such agency who is sched-
12 uled to be separated, as described in subsection
13 (a)(1); or

14 “(B) an individual who became a former em-
15 ployee of such agency as a result of a separation, as
16 described in subsection (a)(2).

17 “(c)(1) The Governmentwide priority placement pro-
18 gram shall be conducted in coordination with the various
19 agencywide priority placement programs, and shall include
20 provisions under which a vacant position in an agency
21 which cannot be filled through such agency’s priority
22 placement program shall not (except as provided in this
23 subsection) be filled by the appointment or transfer of any
24 individual from outside of that agency if—

1 “(A) there is then available any individual de-
2 scribed in paragraph (2) who is qualified for the po-
3 sition; and

4 “(B) with respect to such individual, the posi-
5 tion satisfies the criteria set forth in subparagraph
6 (B) of subsection (b)(1).

7 “(2) An individual shall be considered to be described
8 in this paragraph if such individual is—

9 “(A) an employee of an agency who is sched-
10 uled to be separated, as described in subsection
11 (a)(1); or

12 “(B) an individual who became a former em-
13 ployee of an agency as a result of a separation, as
14 described in subsection (a)(2).

15 “(d)(1) The Governmentwide priority placement pro-
16 gram shall not affect the priority of placement of individ-
17 uals under any agencywide priority placement program.

18 “(2) Nothing in this section shall affect any priority
19 placement program of the Department of Defense which
20 is in operation as of the date of the enactment of this
21 section.”.

22 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
23 (1) Title 5, United States Code, is amended by redesignat-
24 ing the second section which is designated as section 3329
25 as section 3329a.

1 (2) The table of sections for chapter 33 of title 5,
 2 United States Code, is amended by striking the item relat-
 3 ing to the second section which is designated as section
 4 3329 and inserting the following:

“3329a. Government-wide list of vacant positions.

“3329b. Priority placement programs for employees affected by a reduction
 in force.”.

5 **SEC. 302. NON-FEDERAL EMPLOYMENT INCENTIVES.**

6 (a) DEFINITIONS.—For purposes of this section—

7 (1) the term “eligible employee” means an em-
 8 ployee who is voluntarily or involuntarily separated
 9 from the service, except by removal for cause on
 10 charges of misconduct or delinquency; however, such
 11 term does not include an employee who, at the time
 12 of separation, meets the age and service require-
 13 ments for an immediate annuity under subchapter
 14 III of chapter 83 or chapter 84 of title 5, United
 15 States Code, other than under section 8336(d) or
 16 8414(b) of such title; and

17 (2) the term “non-Federal employer” means an
 18 employer that is neither an Executive agency within
 19 the meaning of section 105 of title 5, United States
 20 Code, nor within the legislative or judicial branch of
 21 the Government.

22 (b) AUTHORITY.—The head of an agency may pay
 23 retraining and relocation incentives in accordance with

1 this section in order to facilitate the reemployment of eligi-
2 ble employees who are separated from the agency.

3 (c) RETRAINING INCENTIVE.—

4 (1) AGREEMENT.—The head of an agency may
5 enter into an agreement with a non-Federal em-
6 ployer under which the non-Federal employer
7 agrees—

8 (A) to employ an individual referred to in
9 subsection (b) for at least 12 months for a sal-
10 ary which is mutually agreeable to the employer
11 and such individual; and

12 (B) to certify to the head of the agency
13 any costs incurred by the employer for any nec-
14 essary training provided to such individual in
15 connection with the employment by such em-
16 ployer.

17 (2) PAYMENT OF RETRAINING INCENTIVE.—

18 The head of the agency shall pay a retraining incen-
19 tive to the non-Federal employer upon the employ-
20 ee's completion of 12 months of continuous employ-
21 ment by that employer. Subject to subsection (e),
22 the head of the agency shall prescribe the amount of
23 the incentive.

24 (3) PRORATION RULE.—The head of the agency
25 shall pay a prorated amount of the full retraining in-

1 centive to the non-Federal employer for an employee
2 who does not remain employed by the non-Federal
3 employer for at least 12 months, but only if the em-
4 ployee remains so employed for at least 6 months.

5 (4) LIMITATION.—In no event may the amount
6 of the retraining incentive paid for the training of
7 any individual exceed the amount certified for such
8 individual under paragraph (1).

9 (d) RELOCATION INCENTIVE.—The head of an agen-
10 cy may pay a relocation incentive to an eligible employee
11 if it is necessary for the employee to relocate in order to
12 commence employment with a non-Federal employer. Sub-
13 ject to subsection (e), the amount of the incentive shall
14 not exceed the amount that would be payable for travel,
15 transportation, and subsistence expenses under sub-
16 chapter II of chapter 57 of title 5, United States Code,
17 including any reimbursement authorized under section
18 5724b of such title, to a Federal employee who transfers
19 between the same locations as the individual to whom the
20 incentive is payable.

21 (e) LIMITATION.—The amount of retraining and relo-
22 cation incentives that may be paid to any individual may
23 not exceed \$20,000.

24 (f) DURATION.—No incentive may be paid for train-
25 ing or relocation commencing after June 30, 2000.

1 **SEC. 303. JOB PLACEMENT AND COUNSELING SERVICES.**

2 (a) **AUTHORITY FOR SERVICES.**—The head of an
3 agency may establish a program to provide job placement
4 and counseling services to current and former employees
5 and their families.

6 (b) **TYPES OF SERVICES AUTHORIZED.**—A program
7 established under this section may include such services
8 as—

9 (1) career and personal counseling;

10 (2) training in job search skills; and

11 (3) job placement assistance, including assist-
12 ance provided through cooperative arrangements
13 with State and local employment service offices.

14 (c) **ELIGIBILITY FOR SERVICES.**—Services authorized
15 by this section may be provided to—

16 (1) current employees of the agency or any
17 other agency;

18 (2) employees of the agency or any other agen-
19 cy who have been separated for less than 1 year, if
20 the separation was not a removal for cause on
21 charges of misconduct or delinquency; and

22 (3) any spouse or dependent child of an em-
23 ployee referred to in paragraph (1) or (2).

24 (d) **REIMBURSEMENT FOR COSTS.**—The costs of
25 services provided to current or former employees of an-

1 other agency, or to any of their family members, shall be
2 reimbursed by that agency.

3 **TITLE IV—EXTENSION OF**
4 **BENEFITS**

5 **SEC. 401. LIFE INSURANCE.**

6 (a) IN GENERAL.—Section 8706 of title 5, United
7 States Code, is amended by redesignating subsections (d)
8 through (f) as subsections (e) through (g), respectively,
9 and by inserting after subsection (c) the following:

10 “(d) Notwithstanding subsections (a) and (b), any
11 employee who, on or after the date of the enactment of
12 the Federal Employee Separation Incentive and Reem-
13 ployment Assistance Act, and before October 1, 1999—

14 “(1) is separated involuntarily, except by re-
15 moval for cause on charges of misconduct or delin-
16 quency, or

17 “(2) retires on an immediate annuity under
18 subchapter III of chapter 83 or subchapter II of
19 chapter 84, but does not satisfy the requirements of
20 subsection (b)(1),

21 and who is insured on the date of separation or retirement,
22 may, within 60 days after such date, elect to continue such
23 employee’s insurance and arrange to pay currently into
24 the Employees’ Life Insurance Fund both employee and
25 agency contributions in accordance with procedures pre-

1 scribed by the Office. If the employee does not so elect,
 2 such employee's insurance will terminate as provided by
 3 subsection (a).”.

4 (b) CONFORMING AMENDMENT.—Section 8706(g) of
 5 title 5, United States Code, as so redesignated by sub-
 6 section (a), is amended by striking “subsection (e)” and
 7 inserting “subsection (f)”.

8 **SEC. 402. HEALTH INSURANCE.**

9 Section 8905(b) of title 5, United States Code, is
 10 amended by adding at the end the following: “. The Office
 11 shall waive the requirements of this subsection in the case
 12 of an individual who fails to satisfy such requirements if
 13 such individual—

14 “(A) retires on or after the date of the enact-
 15 ment of the Federal Employee Separation Incentive
 16 and Reemployment Assistance Act, and before Octo-
 17 ber 1, 1999, on an immediate annuity under sub-
 18 chapter III of chapter 83 or subchapter II of chap-
 19 ter 84; and

20 “(B) is enrolled in a health benefits plan under
 21 this chapter as an employee immediately before re-
 22 tirement.”.

○

HR 2751 IH—2

HR 2751 IH—3