

104TH CONGRESS
1ST SESSION

H. R. 2826

To allow agencies to offer certain Federal employees an opportunity to take early retirement without having to remain subject to the otherwise applicable reduction, based on age, after attaining age 55.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 1995

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

A BILL

To allow agencies to offer certain Federal employees an opportunity to take early retirement without having to remain subject to the otherwise applicable reduction, based on age, after attaining age 55.

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. AUTHORITY.**

4 (a) IN GENERAL.—In order to avoid or minimize the
5 need for involuntary separations due to a reduction in
6 force, reorganization, transfer of function, or other similar
7 action, the head of an agency may offer early retirement
8 under this section to employees of such agency—

- 1 (1) in any component thereof;
- 2 (2) in any occupation;
- 3 (3) in any geographic location; or
- 4 (4) on the basis of any combination of factors
- 5 under paragraphs (1) through (3).

6 (b) TREATMENT OF EMPLOYEES TAKING EARLY RE-
7 TIREMENT UNDER THIS SECTION.—

8 (1) IN GENERAL.—In the case of an employee
9 who takes early retirement under this section, the
10 reduction under the first sentence of section 8339(h)
11 of title 5, United States Code, shall be equal to the
12 reduction that would otherwise apply, subject to
13 paragraphs (2) and (3).

14 (2) MODIFIED REDUCTION.—Effective with re-
15 spect to any benefits accruing for any month begin-
16 ning after any birthday of the employee occurring
17 after the commencement date of such employee's an-
18 nuity, any annuity payable based on the service of
19 such employee shall be redetermined such that it
20 shall be equal to the amount that would then be pay-
21 able, assuming the circumstance described in para-
22 graph (3).

23 (3) CIRCUMSTANCE DESCRIBED.—The redeter-
24 mined amount under paragraph (2) as of any date
25 is the amount that would then be payable based on

1 the reduction that would then be required under the
2 first sentence of section 8339(h) if, at the date of
3 separation, such employee had attained the age at-
4 tained by such employee as of the birthday referred
5 to in paragraph (2).

6 (c) CONDITIONS.—

7 (1) IN GENERAL.—In order to be eligible to
8 take early retirement under this section, an em-
9 ployee—

10 (A) may not accept any voluntary separa-
11 tion incentive payment in connection with the
12 same separation; and

13 (B) must separate from service before the
14 end of the relevant election period under para-
15 graph (2), except as provided in paragraph (3).

16 (2) ELECTION PERIOD.—

17 (A) IN GENERAL.—An election to take
18 early retirement under this section shall not be
19 valid unless it is made during an election period
20 offered by the employee's employing agency
21 under this paragraph, if any.

22 (B) DURATION; EXPIRATION.—An election
23 period under this paragraph—

24 (i) shall be 3 months in duration;

1 (ii) shall end not later than 1 year
2 after the date of the enactment of this Act;
3 and

4 (iii) may not be repeated.

5 (3) EXCEPTION RELATING TO REQUIRED SEPA-
6 RATION DATE.—If necessary to ensure the effective
7 performance of the agency’s mission, in the judg-
8 ment of the head of the agency, the required date
9 of separation under paragraph (1)(B) may be de-
10 ferred for a period mutually agreed upon by the em-
11 ployee and the agency, but not later than 1 year
12 after the last day of the relevant election period.

13 (d) EMPLOYMENT BACKFILL PREVENTION.—Sub-
14 sections (f) and (g) of section 5 of the Federal Workforce
15 Restructuring Act of 1994 (Public Law 103–226; 5
16 U.S.C. 3101 note) shall apply with respect to any vacancy
17 created by the separation of any employee who has taken,
18 or who is due to take, early retirement under this section.

19 (e) ELIGIBILITY NOT LIMITED TO THOSE UNDER
20 CSRS.—This section applies with respect to any employee
21 who is eligible for—

22 (1) an annuity under subchapter III of chapter
23 83 of title 5, United States Code; or

1 (2) an annuity any part of which would be sub-
2 ject to reduction under the first sentence of section
3 8339(h) of such title.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated such sums as may be
6 necessary in order to finance the unfunded liability created
7 by this section, to the extent attributable to benefits accru-
8 ing during the 5-year period beginning on the date of the
9 enactment of this Act, either—

10 (1) in 5 equal annual installments, with interest
11 computed at the rate used in the then most recent
12 valuation of the Civil Service Retirement System and
13 with the first payment thereof due as of the end of
14 the fiscal year in which this Act is enacted; or

15 (2) in a single installment an amount equivalent
16 to the present value (at time of payment) of the in-
17 stallments referred to in paragraph (1), and with
18 such payment due by the end of the fiscal year next
19 beginning after the date of the enactment of this
20 Act.

21 **SEC. 2. HEALTH AND LIFE INSURANCE BENEFITS.**

22 (a) IN GENERAL.—In the case of an employee who
23 takes early retirement under section 1—

24 (1) such employee shall not, by reason of any
25 requirement under section 8905(b)(1) of title 5,

1 United States Code, be considered ineligible for con-
2 tinued enrollment as an annuitant under chapter 89
3 of title 5, United States Code, if the otherwise appli-
4 cable requirements are met; and

5 (2) subject to subsection (b), such employee
6 shall not, by reason of any requirement under sec-
7 tion 8706(b) of such title, be considered ineligible
8 for continued life insurance coverage under chapter
9 87 of such title, if the otherwise applicable require-
10 ments are met.

11 (b) INDIVIDUAL NOT ELIGIBLE FOR GOVERNMENT
12 CONTRIBUTIONS.—Life insurance coverage under sub-
13 section (a)(2) shall be afforded in accordance with applica-
14 ble provisions of title 5, United States Code, except that
15 any Government contributions otherwise payable with re-
16 spect to an annuitant shall be the responsibility of the
17 former employee.

18 **SEC. 3. DEFINITIONS.**

19 As used in this Act:

20 (1) AGENCY; EMPLOYEE.—The terms “agency”
21 and “employee” have the respective meanings given
22 those terms by section 3 of the Federal Workforce
23 Restructuring Act of 1994 (Public Law 103–226; 5
24 U.S.C. 5597 note).

1 (2) VOLUNTARY SEPARATION INCENTIVE PAY-
2 MENT.—The term “voluntary separation incentive
3 payment” means—

4 (A) a voluntary separation incentive pay-
5 ment under section 3 of the Federal Workforce
6 Restructuring Act of 1994; and

7 (B) any similar payment as may be identi-
8 fied under section 4.

9 **SEC. 4. REGULATIONS.**

10 Any regulations necessary to carry out this Act may
11 be prescribed by the President or his designee.

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