

104TH CONGRESS
2D SESSION

S. 868

AMENDMENT

In the House of Representatives, U. S.,

September 25, 1996.

Resolved, That the bill from the Senate (S. 868) entitled “An Act to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause, and insert:

1 ***TITLE I—EMERGENCY LEAVE***
 2 ***TRANSFERS***

3 ***SEC. 101. SHORT TITLE.***

4 *This title may be cited as the “Federal Employees*
 5 *Emergency Leave Transfer Act of 1996”.*

6 ***SEC. 102. AUTHORITY.***

7 *(a) IN GENERAL.—Chapter 63 of title 5, United States*
 8 *Code, is amended by adding after subchapter V the follow-*
 9 *ing new subchapter:*

10 ***“SUBCHAPTER VI—LEAVE TRANSFER IN***
 11 ***DISASTERS AND EMERGENCIES***

12 ***“§ 6391. Authority for leave transfer program in disas-***
 13 ***ters and emergencies***

14 *“(a) For the purpose of this section—*

15 *“(1) ‘employee’ means an employee as defined in*
 16 *section 6331(1); and*

17 *“(2) ‘agency’ means an Executive agency.*

18 *“(b) In the event of a major disaster or emergency,*
 19 *as declared by the President, that results in severe adverse*
 20 *effects for a substantial number of employees, the President*
 21 *may direct the Office of Personnel Management to establish*
 22 *an emergency leave transfer program under which any em-*
 23 *ployee in any agency may donate unused annual leave for*
 24 *transfer to employees of the same or other agencies who are*
 25 *adversely affected by such disaster or emergency.*

1 “(c) *The Office of Personnel Management shall estab-*
 2 *lish appropriate requirements for the operation of the emer-*
 3 *gency leave transfer program under subsection (b), includ-*
 4 *ing appropriate limitations on the donation and use of an-*
 5 *nual leave under the program. An employee may receive*
 6 *and use leave under the program without regard to any*
 7 *requirement that any annual leave and sick leave to a leave*
 8 *recipient’s credit must be exhausted before any transferred*
 9 *annual leave may be used.*

10 “(d) *A leave bank established under subchapter IV*
 11 *may, to the extent provided in regulations prescribed by the*
 12 *Office of Personnel Management, donate annual leave to the*
 13 *emergency leave transfer program established under sub-*
 14 *section (b).*

15 “(e) *Except to the extent that the Office of Personnel*
 16 *Management may prescribe by regulation, nothing in sec-*
 17 *tion 7351 shall apply to any solicitation, donation, or ac-*
 18 *ceptance of leave under this section.*

19 “(f) *The Office of Personnel Management shall pre-*
 20 *scribe regulations necessary for the administration of this*
 21 *section.”.*

22 (b) *CLERICAL AMENDMENT.—The analysis for chapter*
 23 *63 of title 5, United States Code, is amended by adding*
 24 *at the end thereof the following:*

“SUBCHAPTER VI—LEAVE TRANSFER IN DISASTERS AND
EMERGENCIES

“6391. Authority for leave transfer program in disasters and emergencies”.

1 **SEC. 103. EFFECTIVE DATE.**

2 *The amendments made by section 102 shall take effect*
3 *on the date of enactment of this Act.*

4 **TITLE II—VETERANS’**
5 **PREFERENCE**

6 **SEC. 201. SHORT TITLE.**

7 *This title may be cited as the “Veterans Employment*
8 *Opportunities Act of 1996”.*

9 **SEC. 202. EQUAL ACCESS FOR VETERANS.**

10 (a) *COMPETITIVE SERVICE.*—Section 3304 of title 5,
11 *United States Code, is amended by adding at the end the*
12 *following:*

13 “(f)(1) *No preference eligible, and no individual (other*
14 *than a preference eligible) who has been separated from the*
15 *armed forces under honorable conditions after 3 or more*
16 *years of active service, shall be denied the opportunity to*
17 *compete for an announced vacant position within an agen-*
18 *cy, in the competitive service or the excepted service, by rea-*
19 *son of—*

20 “(A) *not having acquired competitive status; or*

21 “(B) *not being an employee of such agency.*

22 “(2) *Nothing in this subsection shall prevent an agency*
23 *from filling a vacant position (whether by appointment or*

1 *otherwise) solely from individuals on a priority placement*
 2 *list consisting of individuals who have been separated from*
 3 *the agency due to a reduction in force and surplus employ-*
 4 *ees (as defined under regulations prescribed by the Office).”.*

5 *(b) CIVIL SERVICE EMPLOYMENT INFORMATION.—*

6 *(1) VACANT POSITIONS.—Section 3327(b) of title*
 7 *5, United States Code, is amended by striking “and”*
 8 *at the end of paragraph (1), by redesignating para-*
 9 *graph (2) as paragraph (3), and by inserting after*
 10 *paragraph (1) the following:*

11 *“(2) each vacant position in the agency for*
 12 *which competition is restricted to individuals having*
 13 *competitive status or employees of such agency, ex-*
 14 *cluding any position under paragraph (1), and”.*

15 *(2) ADDITIONAL INFORMATION.—Section 3327 of*
 16 *title 5, United States Code, is amended by adding at*
 17 *the end the following:*

18 *“(c) Any notification provided under this section shall,*
 19 *for all positions under subsection (b)(1) as to which section*
 20 *3304(f) applies and for all positions under subsection*
 21 *(b)(2), include a notation as to the applicability of section*
 22 *3304(f) with respect thereto.*

23 *“(d) In consultation with the Secretary of Labor, the*
 24 *Office shall submit to Congress and the President, no less*

1 *frequently than every 2 years, a report detailing, with re-*
 2 *spect to the period covered by such report—*

3 *“(1) the number of positions listed under this*
 4 *section during such period;*

5 *“(2) the number of preference eligibles and other*
 6 *individuals described in section 3304(f)(1) referred to*
 7 *such positions during such period; and*

8 *“(3) the number of preference eligibles and other*
 9 *individuals described in section 3304(f)(1) appointed*
 10 *to such positions during such period.”.*

11 *(c) GOVERNMENTWIDE LISTS.—*

12 *(1) VACANT POSITIONS.—Section 3330(b) of title*
 13 *5, United States Code, is amended to read as follows:*

14 *“(b) The Office of Personnel Management shall cause*
 15 *to be established and kept current—*

16 *“(1) a comprehensive list of all announcements*
 17 *of vacant positions (in the competitive service and the*
 18 *excepted service, respectively) within each agency that*
 19 *are to be filled by appointment for more than 1 year*
 20 *and for which applications are being or will soon be*
 21 *accepted from outside the agency’s work force; and*

22 *“(2) a comprehensive list of all announcements*
 23 *of vacant positions within each agency for which ap-*
 24 *plications are being or will soon be accepted and for*
 25 *which competition is restricted to individuals having*

1 *competitive status or employees of such agency, ex-*
 2 *cluding any position required to be listed under para-*
 3 *graph (1).”.*

4 (2) *ADDITIONAL INFORMATION.—Section 3330(c)*
 5 *of title 5, United States Code, is amended by striking*
 6 *“and” at the end of paragraph (2), by redesignating*
 7 *paragraph (3) as paragraph (4), and by inserting*
 8 *after paragraph (2) the following:*

9 *“(3) for all positions under subsection (b)(1) as*
 10 *to which section 3304(f) applies and for all positions*
 11 *under subsection (b)(2), a notation as to the applica-*
 12 *bility of section 3304(f) with respect thereto; and”.*

13 (3) *CONFORMING AMENDMENT.—Section 3330(d)*
 14 *of title 5, United States Code, is amended by striking*
 15 *“The list” and inserting “Each list under subsection*
 16 *(b)”.*

17 (d) *PROVISIONS RELATING TO THE UNITED STATES*
 18 *POSTAL SERVICE.—*

19 (1) *IN GENERAL.—Subsection (a) of section 1005*
 20 *of title 39, United States Code, is amended by adding*
 21 *at the end the following:*

22 *“(5)(A) The provisions of section 3304(f) of title 5 shall*
 23 *apply with respect to the Postal Service in the same manner*
 24 *and under the same conditions as if the Postal Service were*
 25 *an agency within the meaning of such provisions.*

1 “(B) *Nothing in this subsection shall be considered to*
 2 *require that the Postal Service accept an application from*
 3 *a preference eligible or any other individual described in*
 4 *paragraph (1) of such section 3304(f), who is not an em-*
 5 *ployee of the Postal Service, if—*

6 “(i) *the vacant position involved is advertised*
 7 *for bids pursuant to a collective-bargaining agree-*
 8 *ment;*

9 “(ii) *the collective-bargaining agreement restricts*
 10 *competition for such position to individuals employed*
 11 *in the specific bargaining unit or facility within the*
 12 *Postal Service in which the position is located;*

13 “(iii) *the collective-bargaining agreement pro-*
 14 *vides that the successful bid shall be selected solely on*
 15 *the basis of seniority; and*

16 “(iv) *selection does not result in a promotion or*
 17 *change in duties for the successful bidder.*

18 “(C) *The provisions of this paragraph shall not be*
 19 *modified by any program developed under section 1004 of*
 20 *this title or any collective-bargaining agreement entered*
 21 *into under chapter 12 of this title.”.*

22 (2) *CONFORMING AMENDMENT.—The first sen-*
 23 *tence of section 1005(a)(2) of title 39, United States*
 24 *Code, is amended by striking “title.” and inserting*
 25 *“title, subject to paragraph (5) of this subsection.”.*

1 **SEC. 203. SPECIAL PROTECTIONS FOR PREFERENCE ELIGI-**
2 **BLES IN REDUCTIONS IN FORCE.**

3 (a) *IN GENERAL.*—Section 3502 of title 5, United
4 States Code, as amended by section 1034 of the National
5 Defense Authorization Act for Fiscal Year 1996 (Public
6 Law 104–106; 110 Stat. 430), is amended by adding at
7 the end the following:

8 “(g)(1) A position occupied by a preference eligible
9 shall not be placed in a single-position competitive level if
10 the preference eligible is qualified to perform the essential
11 functions of any other position at the same grade (or occu-
12 pational level) in the competitive area. In such cases, the
13 preference eligible shall be entitled to be placed in another
14 competitive level for which such preference eligible is quali-
15 fied. If the preference eligible is qualified for more than one
16 competitive level, such preference eligible shall be placed in
17 the competitive level containing the most positions.

18 “(2) For purposes of paragraph (1)—

19 “(A) a preference eligible shall be considered
20 qualified to perform the essential functions of a posi-
21 tion if, by reason of experience, training, or education
22 (and, in the case of a disabled veteran, with reason-
23 able accommodation), a reasonable person could con-
24 clude that the preference eligible would be able to per-
25 form those functions successfully within a period of
26 150 days; and

1 “(B) a preference eligible shall not be considered
 2 unqualified solely because such preference eligible does
 3 not meet the minimum qualification requirements re-
 4 lating to previous experience in a specified grade (or
 5 occupational level), if any, that are established for
 6 such position by the Office of Personnel Management
 7 or the agency.

8 “(h) In connection with any reduction in force, a pref-
 9 erence eligible whose current or most recent performance
 10 rating is at least fully successful (or the equivalent) shall
 11 have, in addition to such assignment rights as are pre-
 12 scribed by regulation, the right, in lieu of separation, to
 13 be assigned to any position within the agency conducting
 14 the reduction in force—

15 “(1) for which such preference eligible is quali-
 16 fied under subsection (g)(2)—

17 “(A) that is within the preference eligible’s
 18 commuting area and at the same grade (or occu-
 19 pational level) as the position from which the
 20 preference eligible was released, and that is then
 21 occupied by an individual, other than another
 22 preference eligible, who was placed in such posi-
 23 tion (whether by appointment or otherwise)
 24 within 6 months before the reduction in force if,
 25 within 12 months prior to the date on which

1 *such individual was so placed in such position,*
2 *such individual had been employed in the same*
3 *competitive area as the preference eligible; or*

4 *“(B) that is within the preference eligible’s*
5 *competitive area and that is then occupied by an*
6 *individual, other than another preference eligible,*
7 *who was placed in such position (whether by ap-*
8 *pointment or otherwise) within 6 months before*
9 *the reduction in force; or*

10 *“(2) for which such preference eligible is quali-*
11 *fied that is within the preference eligible’s competitive*
12 *area and that is not more than 3 grades (or pay lev-*
13 *els) below that of the position from which the pref-*
14 *erence eligible was released, except that, in the case of*
15 *a preference eligible with a compensable service-con-*
16 *necting disability of 30 percent or more, this para-*
17 *graph shall be applied by substituting ‘5 grades’ for*
18 *‘3 grades’.*

19 *In the event that a preference eligible is entitled to assign-*
20 *ment to more than 1 position under this subsection, the*
21 *agency shall assign the preference eligible to any such posi-*
22 *tion requiring no reduction (or, if there is no such position,*
23 *the least reduction) in basic pay. A position shall not, with*
24 *respect to a preference eligible, be considered to satisfy the*
25 *requirements of paragraph (1) or (2), as applicable, if it*

1 *does not last for at least 12 months following the date on*
 2 *which such preference eligible is assigned to such position*
 3 *under this subsection.*

4 “(i) A preference eligible may challenge the classifica-
 5 tion of any position to which the preference eligible asserts
 6 assignment rights (as provided by, or prescribed by regula-
 7 tions described in, subsection (h)) in an action before the
 8 Merit Systems Protection Board.

9 “(j)(1) Not later than 3 months after the date of the
 10 enactment of this subsection, each Executive agency shall
 11 establish an agencywide priority placement program to fa-
 12 cilitate employment placement for employees who—

13 “(A)(i) are scheduled to be separated from service
 14 due to a reduction in force under—

15 “(I) regulations prescribed under this sec-
 16 tion; or

17 “(II) procedures established under section
 18 3595; or

19 “(ii) are separated from service due to such a re-
 20 duction in force; and

21 “(B)(i) have received a rating of at least fully
 22 successful (or the equivalent) as the last performance
 23 rating of record used for retention purposes; or

24 “(ii) occupy positions excluded from a perform-
 25 ance appraisal system by law, regulation, or adminis-

1 *trative action taken by the Office of Personnel Man-*
 2 *agement.*

3 *“(2)(A) Each agencywide priority placement program*
 4 *under this subsection shall include provisions under which*
 5 *a vacant position shall not (except as provided in this para-*
 6 *graph or any other statute providing the right of reemploy-*
 7 *ment to any individual) be filled by the appointment or*
 8 *transfer of any individual from outside of that agency*
 9 *(other than an individual described in subparagraph (B))*
 10 *if—*

11 *“(i) there is then available any individual de-*
 12 *scribed in subparagraph (B) who is qualified for the*
 13 *position; and*

14 *“(ii) the position—*

15 *“(I) is at the same grade or pay level (or*
 16 *the equivalent) or not more than 3 grades (or*
 17 *grade intervals) below that of the position last*
 18 *held by such individual before placement in the*
 19 *new position;*

20 *“(II) is within the same commuting area as*
 21 *the individual’s last-held position (as referred to*
 22 *in subclause (I)) or residence; and*

23 *“(III) has the same type of work schedule*
 24 *(whether full-time, part-time, or intermittent) as*
 25 *the position last held by the individual.*

1 “(B) For purposes of an agencywide priority place-
 2 ment program, an individual shall be considered to be de-
 3 scribed in this subparagraph if such individual—

4 “(i)(I) is an employee of such agency who is
 5 scheduled to be separated, as described in paragraph
 6 (1)(A)(i); or

7 “(II) is an individual who became a former em-
 8 ployee of such agency as a result of a separation, as
 9 described in paragraph (1)(A)(ii), excluding any in-
 10 dividual who separated voluntarily under subsection
 11 (f); and

12 “(ii) satisfies clause (i) or (ii) of paragraph
 13 (1)(B).

14 “(3)(A) If after a reduction in force the agency has
 15 no positions of any type within the local commuting areas
 16 specified in this subsection, the individual may designate
 17 a different local commuting area where the agency has con-
 18 tinuing positions in order to exercise reemployment rights
 19 under this subsection. An agency may determine that such
 20 designations are not in the interest of the Government for
 21 the purpose of paying relocation expenses under subchapter
 22 II of chapter 57.

23 “(B) At its option, an agency may administratively
 24 extend reemployment rights under this subsection to include
 25 other local commuting areas.

1 “(4)(A) *In selecting employees for positions under this*
2 *subsection, the agency shall place qualified present and*
3 *former employees in retention order by veterans’ preference*
4 *subgroup and tenure group.*

5 “(B) *An agency may not pass over a qualified present*
6 *or former employee to select an individual in a lower veter-*
7 *ans’ preference subgroup within the tenure group, or in a*
8 *lower tenure group.*

9 “(C) *Within a subgroup, the agency may select a*
10 *qualified present or former employee without regard to the*
11 *individual’s total creditable service.*

12 “(5) *An individual is eligible for reemployment prior-*
13 *ity under this subsection for 2 years from the effective date*
14 *of the reduction in force from which the individual will be,*
15 *or has been, separated under this section or section 3595,*
16 *as the case may be.*

17 “(6) *An individual loses eligibility for reemployment*
18 *priority under this subsection when the individual—*

19 “(A) *requests removal in writing;*

20 “(B) *accepts or declines a bona fide offer under*
21 *this subsection or fails to accept such an offer within*
22 *the period of time allowed for such acceptance, or*

23 “(C) *separates from the agency before being sepa-*
24 *rated under this section or section 3595, as the case*
25 *may be.*

1 *A present or former employee who declines a position with*
 2 *a representative rate (or equivalent) that is less than the*
 3 *rate of the position from which the individual was sepa-*
 4 *rated under this section retains eligibility for positions with*
 5 *a higher representative rate up to the rate of the individ-*
 6 *ual's last position.*

7 “(7) *Whenever more than one individual is qualified*
 8 *for a position under this subsection, the agency shall select*
 9 *the most highly qualified individual, subject to paragraph*
 10 *(4).*

11 “(8) *The Office of Personnel Management shall issue*
 12 *regulations to implement this subsection.*”.

13 ***(b) EFFECTIVE DATE.—***

14 ***(1) IN GENERAL.—****Except as provided in para-*
 15 *graph (2), the amendments made by this section shall*
 16 *take effect on the date of the enactment of this Act.*

17 ***(2) EXCEPTION.—****The amendments made by this*
 18 *section shall take effect with respect to the Depart-*
 19 *ment of Defense at the end of the 1-year period begin-*
 20 *ning on the date of the enactment of this Act.*

21 **SEC. 204. IMPROVED REDRESS FOR VETERANS.**

22 ***(a) IN GENERAL.—****Subchapter I of chapter 33 of title*
 23 *5, United States Code, is amended by adding at the end*
 24 *the following:*

1 **“§ 3330a. Administrative redress**

2 “(a)(1) Any preference eligible or other individual de-
3 scribed in section 3304(f)(1) who alleges that an agency has
4 violated such individual’s rights under any statute or regu-
5 lation relating to veterans’ preference, or any right afforded
6 such individual by section 3304(f), may file a complaint
7 with the Secretary of Labor.

8 “(2) A complaint under this subsection must be filed
9 within 60 days after the date of the alleged violation, and
10 the Secretary shall process such complaint in accordance
11 with sections 4322 (a) through (e)(1) and 4326 of title 38.

12 “(b)(1) If the Secretary of Labor is unable to resolve
13 the complaint within 60 days after the date on which it
14 is filed, the complainant may elect to appeal the alleged
15 violation to the Merit Systems Protection Board in accord-
16 ance with such procedures as the Merit Systems Protection
17 Board shall prescribe, except that in no event may any such
18 appeal be brought—

19 “(A) before the 61st day after the date on which
20 the complaint is filed under subsection (a); or

21 “(B) later than 15 days after the date on which
22 the complainant receives notification from the Sec-
23 retary of Labor under section 4322(e)(1) of title 38.

24 “(2) An appeal under this subsection may not be
25 brought unless—

1 “(A) the complainant first provides written noti-
 2 fication to the Secretary of Labor of such complain-
 3 ant’s intention to bring such appeal; and

4 “(B) appropriate evidence of compliance with
 5 subparagraph (A) is included (in such form and
 6 manner as the Merit Systems Protection Board may
 7 prescribe) with the notice of appeal under this sub-
 8 section.

9 “(3) Upon receiving notification under paragraph
 10 (2)(A), the Secretary of Labor shall not continue to inves-
 11 tigate or further attempt to resolve the complaint to which
 12 such notification relates.

13 “(c) This section shall not be construed to prohibit a
 14 preference eligible from appealing directly to the Merit Sys-
 15 tems Protection Board from any action which is appealable
 16 to the Board under any other law, rule, or regulation, in
 17 lieu of administrative redress under this section.

18 **“§ 3330b. Judicial redress**

19 “(a) In lieu of continuing the administrative redress
 20 procedure provided under section 3330a(b), a preference eli-
 21 gible or other individual described in section 3304(f)(1)
 22 may elect, in accordance with this section, to terminate
 23 those administrative proceedings and file an action with
 24 the appropriate United States district court not later than
 25 60 days after the date of the election.

1 “(b) *An election under this section may not be made—*

2 *“(1) before the 121st day after the date on which*
 3 *the appeal is filed with the Merit Systems Protection*
 4 *Board under section 3330a(b); or*

5 *“(2) after the Merit Systems Protection Board*
 6 *has issued a judicially reviewable decision on the*
 7 *merits of the appeal.*

8 “(c) *An election under this section shall be made, in*
 9 *writing, in such form and manner as the Merit Systems*
 10 *Protection Board shall by regulation prescribe. The election*
 11 *shall be effective as of the date on which it is received, and*
 12 *the administrative proceeding to which it relates shall ter-*
 13

14 **“§ 3330c. Remedy**

15 “(a) *If the Merit Systems Protection Board (in a pro-*
 16 *ceeding under section 3330a) or a court (in a proceeding*
 17 *under section 3330b) determines that an agency has vio-*
 18 *lated a right described in section 3330a, the Board or court*
 19 *(as the case may be) shall order the agency to comply with*
 20 *such provisions and award compensation for any loss of*
 21 *wages or benefits suffered by the individual by reason of*
 22 *the violation involved. If the Board or court determines that*
 23 *such violation was willful, it shall award an amount equal*
 24 *to backpay as liquidated damages.*

1 “(b) A preference eligible or other individual described
 2 in section 3304(f)(1) who prevails in an action under sec-
 3 tion 3330a or 3330b shall be awarded reasonable attorney
 4 fees, expert witness fees, and other litigation expenses.”.

5 (b) CLERICAL AMENDMENT.—The table of sections at
 6 the beginning of chapter 33 of title 5, United States Code,
 7 is amended by adding after the item relating to section 3330
 8 the following:

“3330a. Administrative redress.

“3330b. Judicial redress.

“3330c. Remedy.”.

9 **SEC. 205. EXTENSION OF VETERANS’ PREFERENCE.**

10 (a) AMENDMENT TO TITLE 5, UNITED STATES
 11 CODE.—Paragraph (3) of section 2108 of title 5, United
 12 States Code, is amended by striking “the Federal Bureau
 13 of Investigation and Drug Enforcement Administration
 14 Senior Executive Service, or the General Accounting Of-
 15 fice;” and inserting “or the Federal Bureau of Investigation
 16 and Drug Enforcement Administration Senior Executive
 17 Service;”.

18 (b) AMENDMENTS TO TITLE 3, UNITED STATES
 19 CODE.—

20 (1) IN GENERAL.—Chapter 2 of title 3, United
 21 States Code, is amended by adding at the end the fol-
 22 lowing:

1 **“§ 115. Veterans’ preference**

2 “(a) Subject to subsection (b), appointments under sec-
3 tions 105, 106, and 107 shall be made in accordance with
4 section 2108, and sections 3309 through 3312, of title 5.

5 “(b) Subsection (a) shall not apply to any appoint-
6 ment to a position the rate of basic pay for which is at
7 least equal to the minimum rate established for positions
8 in the Senior Executive Service under section 5382 of title
9 5 and the duties of which are comparable to those described
10 in section 3132(a)(2) of such title or to any other position
11 if, with respect to such position, the President makes certifi-
12 cation—

13 “(1) that such position is—

14 “(A) a confidential or policy-making posi-
15 tion; or

16 “(B) a position for which political affili-
17 ation or political philosophy is otherwise an im-
18 portant qualification; and

19 “(2) that any individual selected for such posi-
20 tion is expected to vacate the position at or before the
21 end of the President’s term (or terms) of office.

22 Each individual appointed to a position described in the
23 preceding sentence as to which the expectation described in
24 paragraph (2) applies shall be notified as to such expecta-
25 tion, in writing, at the time of appointment to such posi-
26 tion.”.

1 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 2 *tions at the beginning of chapter 2 of title 3, United*
 3 *States Code, is amended by adding at the end the fol-*
 4 *lowing:*

“115. Veterans’ preference.”.

5 (c) *LEGISLATIVE BRANCH APPOINTMENTS.*—

6 (1) *DEFINITIONS.*—*For the purposes of this sub-*
 7 *section, the terms “employing office”, “covered em-*
 8 *ployee”, and “Board” shall each have the meaning*
 9 *given such term by section 101 of the Congressional*
 10 *Accountability Act of 1995 (2 U.S.C. 1301).*

11 (2) *RIGHTS AND PROTECTIONS.*—*The rights and*
 12 *protections established under section 2108, sections*
 13 *3309 through 3312, and subchapter I of chapter 35,*
 14 *of title 5, United States Code, shall apply to covered*
 15 *employees.*

16 (3) *REMEDIES.*—

17 (A) *IN GENERAL.*—*The remedy for a viola-*
 18 *tion of paragraph (2) shall be such remedy as*
 19 *would be appropriate if awarded under applica-*
 20 *ble provisions of title 5, United States Code, in*
 21 *the case of a violation of the relevant correspond-*
 22 *ing provision (referred to in paragraph (2)) of*
 23 *such title.*

24 (B) *PROCEDURE.*—*The procedure for con-*
 25 *sideration of alleged violations of paragraph (2)*

1 *shall be the same as apply under section 401 of*
 2 *the Congressional Accountability Act of 1995*
 3 *(and the provisions of law referred to therein) in*
 4 *the case of an alleged violation of part A of title*
 5 *II of such Act.*

6 (4) *REGULATIONS TO IMPLEMENT SUB-*
 7 *SECTION.—*

8 (A) *IN GENERAL.—The Board shall, pursu-*
 9 *ant to section 304 of the Congressional Account-*
 10 *ability Act of 1995 (2 U.S.C. 1384), issue regula-*
 11 *tions to implement this subsection.*

12 (B) *AGENCY REGULATIONS.—The regula-*
 13 *tions issued under subparagraph (A) shall be the*
 14 *same as the most relevant substantive regulations*
 15 *(applicable with respect to the executive branch)*
 16 *promulgated to implement the statutory provi-*
 17 *sions referred to in paragraph (2) except insofar*
 18 *as the Board may determine, for good cause*
 19 *shown and stated together with the regulation,*
 20 *that a modification of such regulations would be*
 21 *more effective for the implementation of the*
 22 *rights and protections under this subsection.*

23 (C) *COORDINATION.—The regulations issued*
 24 *under subparagraph (A) shall be consistent with*

1 *section 225 of the Congressional Accountability*
 2 *Act of 1995 (2 U.S.C. 1361).*

3 (5) *APPLICABILITY.*—*Notwithstanding any other*
 4 *provision of this subsection, the term “covered em-*
 5 *ployee” shall not, for purposes of this subsection, in-*
 6 *clude an employee—*

7 (A) *whose appointment is made by the*
 8 *President with the advice and consent of the Sen-*
 9 *ate;*

10 (B) *whose appointment is made by a Mem-*
 11 *ber of Congress or by a committee or subcommit-*
 12 *tee of either House of Congress; or*

13 (C) *who is appointed to a position, the du-*
 14 *ties of which are equivalent to those of a Senior*
 15 *Executive Service position (within the meaning*
 16 *of section 3132(a)(2) of title 5, United States*
 17 *Code).*

18 (6) *EFFECTIVE DATE.*—*Paragraphs (2) and (3)*
 19 *shall be effective as of the effective date of the regula-*
 20 *tions under paragraph (4).*

21 (d) *JUDICIAL BRANCH APPOINTMENTS.*—

22 (1) *IN GENERAL.*—*Subject to paragraph (2), ap-*
 23 *pointments to positions in the judicial branch of the*
 24 *Government shall be made in accordance with section*

1 2108, and sections 3309 through 3312, of title 5,
2 *United States Code.*

3 (2) *REDUCTIONS IN FORCE.*—Subject to para-
4 graph (2), reductions in force in the judicial branch
5 of the Government shall provide preference eligibles
6 with protections substantially similar to those pro-
7 vided under subchapter I of chapter 35 of title 5,
8 *United States Code.*

9 (3) *EXCLUSIONS.*—Paragraphs (1) and (2) shall
10 not apply to—

11 (A) *an appointment made by the President,*
12 *with the advice and consent of the Senate;*

13 (B) *an appointment as a judicial officer;*

14 (C) *an appointment as a law clerk or sec-*
15 *retary to a justice or judge of the United States;*

16 *or*

17 (D) *an appointment to a position, the du-*
18 *ties of which are equivalent to those of a Senior*
19 *Executive Service position (within the meaning*
20 *of section 3132(a)(2) of title 5, United States*
21 *Code).*

22 (4) *REDRESS PROCEDURES.*—*The Judicial Con-*
23 *ference of the United States shall prescribe regulations*
24 *under which redress procedures (substantially similar*
25 *to the procedures established by the amendments made*

1 *by section 204) shall be available for alleged viola-*
 2 *tions of any rights provided by this subsection.*

3 (5) *DEFINITIONS.—For purposes of this sub-*
 4 *section—*

5 (A) *the term “judicial officer” means a jus-*
 6 *tice, judge, or magistrate judge listed in subpara-*
 7 *graph (A), (B), (F), or (G) of section 376(a)(1)*
 8 *of title 28, United States Code; and*

9 (B) *the term “justice or judge of the United*
 10 *States” has the meaning given such term by sec-*
 11 *tion 451 of such title 28.*

12 **SEC. 206. VETERANS’ PREFERENCE REQUIRED FOR REDUC-**
 13 **TIONS IN FORCE IN THE FEDERAL AVIATION**
 14 **ADMINISTRATION.**

15 *Section 347(b) of the Department of Transportation*
 16 *and Related Agencies Appropriations Act, 1996 (109 Stat.*
 17 *460) is amended by striking “and” at the end of paragraph*
 18 *(6), by striking the period at the end of paragraph (7) and*
 19 *inserting “; and”, and by adding at the end the following:*

20 *“(8) sections 3501–3504, as such sections relate*
 21 *to veterans’ preference.”.*

22 **SEC. 207. DEFINITIONAL AMENDMENT.**

23 *Subparagraph (A) of section 2108(1) of title 5, United*
 24 *States Code, is amended by inserting “during a military*
 25 *operation in a qualified hazardous duty area (within the*

1 meaning of the first 2 sentences of section 1(b) of Public
 2 Law 104–117) and in accordance with requirements that
 3 may be prescribed in regulations of the Secretary of De-
 4 fense,” after “for which a campaign badge has been author-
 5 ized,”.

6 **TITLE III—PROVISIONS RELAT-**
 7 **ING TO THE THRIFT SAVINGS**
 8 **PLAN**

9 **Subtitle A—Additional Investment**
 10 **Funds for the Thrift Savings Plan**

11 **SEC. 301. SHORT TITLE.**

12 *This subtitle may be cited as the “Thrift Savings In-*
 13 *vestment Funds Act of 1996”.*

14 **SEC. 302. ADDITIONAL INVESTMENT FUNDS FOR THE**
 15 **THRIFT SAVINGS PLAN.**

16 *Section 8438 of title 5, United States Code, is amend-*
 17 *ed—*

18 *(1) in subsection (a)—*

19 *(A) by redesignating paragraphs (5)*
 20 *through (8) as paragraphs (6) through (9), re-*
 21 *spectively;*

22 *(B) by inserting after paragraph (4) the fol-*
 23 *lowing new paragraph:*

24 *“(5) the term ‘International Stock Index Invest-*
 25 *ment Fund’ means the International Stock Index In-*

1 *vestment Fund established under subsection*
 2 *(b)(1)(E);”;*

3 *(C) in paragraph (8) (as redesignated by*
 4 *subparagraph (A) of this paragraph) by striking*
 5 *out “and” at the end thereof;*

6 *(D) in paragraph (9) (as redesignated by*
 7 *subparagraph (A) of this paragraph)—*

8 *(i) by striking out “paragraph (7)(D)”*
 9 *in each place it appears and inserting in*
 10 *each such place “paragraph (8)(D);” and*

11 *(ii) by striking out the period and in-*
 12 *serting in lieu thereof a semicolon and*
 13 *“and”; and*

14 *(E) by adding at the end thereof the follow-*
 15 *ing new paragraph:*

16 *“(10) the term ‘Small Capitalization Stock*
 17 *Index Investment Fund’ means the Small Capitaliza-*
 18 *tion Stock Index Investment Fund established under*
 19 *subsection (b)(1)(D).”;* and

20 *(2) in subsection (b)—*

21 *(A) in paragraph (1)—*

22 *(i) in subparagraph (B) by striking*
 23 *out “and” at the end thereof;*

1 (ii) in subparagraph (C) by striking
2 out the period and inserting in lieu thereof
3 a semicolon; and

4 (iii) by adding at the end thereof the
5 following new subparagraphs:

6 “(D) a Small Capitalization Stock Index
7 Investment Fund as provided in paragraph (3);
8 and

9 “(E) an International Stock Index Invest-
10 ment Fund as provided in paragraph (4).”; and
11 (B) by adding at the end thereof the follow-
12 ing new paragraphs:

13 “(3)(A) The Board shall select an index which is
14 a commonly recognized index comprised of common
15 stock the aggregate market value of which represents
16 the United States equity markets excluding the com-
17 mon stocks included in the Common Stock Index In-
18 vestment Fund.

19 “(B) The Small Capitalization Stock Index In-
20 vestment Fund shall be invested in a portfolio de-
21 signed to replicate the performance of the index in
22 subparagraph (A). The portfolio shall be designed
23 such that, to the extent practicable, the percentage of
24 the Small Capitalization Stock Index Investment
25 Fund that is invested in each stock is the same as the

1 *percentage determined by dividing the aggregate mar-*
 2 *ket value of all shares of that stock by the aggregate*
 3 *market value of all shares of all stocks included in*
 4 *such index.*

5 “(4)(A) *The Board shall select an index which is*
 6 *a commonly recognized index comprised of stock the*
 7 *aggregate market value of which is a reasonably com-*
 8 *plete representation of the international equity mar-*
 9 *kets excluding the United States equity markets.*

10 “(B) *The International Stock Index Investment*
 11 *Fund shall be invested in a portfolio designed to rep-*
 12 *licate the performance of the index in subparagraph*
 13 *(A). The portfolio shall be designed such that, to the*
 14 *extent practicable, the percentage of the International*
 15 *Stock Index Investment Fund that is invested in each*
 16 *stock is the same as the percentage determined by di-*
 17 *viding the aggregate market value of all shares of that*
 18 *stock by the aggregate market value of all shares of*
 19 *all stocks included in such index.”.*

20 **SEC. 303. ACKNOWLEDGEMENT OF INVESTMENT RISK.**

21 *Section 8439(d) of title 5, United States Code, is*
 22 *amended by striking out “Each employee, Member, former*
 23 *employee, or former Member who elects to invest in the*
 24 *Common Stock Index Investment Fund or the Fixed Income*
 25 *Investment Fund described in paragraphs (1) and (3),” and*

1 *inserting in lieu thereof “Each employee, Member, former*
 2 *employee, or former Member who elects to invest in the*
 3 *Common Stock Index Investment Fund, the Fixed Income*
 4 *Investment Fund, the International Stock Index Investment*
 5 *Fund, or the Small Capitalization Stock Index Investment*
 6 *Fund, defined in paragraphs (1), (3), (5), and (10),”.*

7 **SEC. 304. EFFECTIVE DATE.**

8 *This subtitle shall take effect on the date of enactment*
 9 *of this Act, and the Funds established under this subtitle*
 10 *shall be offered for investment at the earliest practicable*
 11 *election period (described in section 8432(b) of title 5, Unit-*
 12 *ed States Code) as determined by the Executive Director*
 13 *in regulations.*

14 ***Subtitle B—Thrift Savings***
 15 ***Accounts Liquidity***

16 **SEC. 311. SHORT TITLE.**

17 *This subtitle may be cited as the “Thrift Savings Plan*
 18 *Act of 1996”.*

19 **SEC. 312. NOTICE TO SPOUSES FOR IN-SERVICE WITHDRAW-**
 20 ***ALS; DE MINIMUS ACCOUNTS; CIVIL SERVICE***
 21 ***RETIREMENT SYSTEM PARTICIPANTS.***

22 *Section 8351(b) of title 5, United States Code, is*
 23 *amended—*

24 *(1) in paragraph (5)—*

25 *(A) in subparagraph (B)—*

1 (i) by striking out “An election, change
2 of election, or modification (relating to the
3 commencement date of a deferred annuity)”
4 and inserting in lieu thereof “An election or
5 change of election”;

6 (ii) by inserting “or withdrawal” after
7 “and a loan”;

8 (iii) by inserting “and (h)” after
9 “8433(g)”;

10 (iv) by striking out “the election,
11 change of election, or modification” and in-
12 serting in lieu thereof “the election or
13 change of election”; and

14 (v) by inserting “or withdrawal” after
15 “for such loan”; and

16 (B) in subparagraph (D)—

17 (i) by inserting “or withdrawals” after
18 “of loans”; and

19 (ii) by inserting “or (h)” after
20 “8433(g)”;

21 (2) in paragraph (6)—

22 (A) by striking out “\$3,500 or less” and in-
23 serting in lieu thereof “less than an amount that
24 the Executive Director prescribes by regulation”;
25 and

1 (B) by striking out “unless the employee or
 2 Member elects, at such time and otherwise in
 3 such manner as the Executive Director pre-
 4 scribes, one of the options available under sub-
 5 section (b)”.

6 **SEC. 313. IN-SERVICE WITHDRAWALS; WITHDRAWAL ELEC-**
 7 **TIONS, FEDERAL EMPLOYEES RETIREMENT**
 8 **SYSTEM PARTICIPANTS.**

9 (a) *IN GENERAL.*—Section 8433 of title 5, United
 10 States Code, is amended—

11 (1) by striking out subsections (b) and (c) and
 12 inserting in lieu thereof the following:

13 “(b) Subject to section 8435 of this title, any employee
 14 or Member who separates from Government employment is
 15 entitled and may elect to withdraw from the Thrift Savings
 16 Fund the balance of the employee’s or Member’s account
 17 as—

18 “(1) an annuity;

19 “(2) a single payment;

20 “(3) 2 or more substantially equal payments to
 21 be made not less frequently than annually; or

22 “(4) any combination of payments as provided
 23 under paragraphs (1) through (3) as the Executive
 24 Director may prescribe by regulation.

1 “(c)(1) *In addition to the right provided under sub-*
 2 *section (b) to withdraw the balance of the account, an em-*
 3 *ployee or Member who separates from Government service*
 4 *and who has not made a withdrawal under subsection*
 5 *(h)(1)(A) may make one withdrawal of any amount as a*
 6 *single payment in accordance with subsection (b)(2) from*
 7 *the employee’s or Member’s account.*

8 “(2) *An employee or Member may request that the*
 9 *amount withdrawn from the Thrift Savings Fund in ac-*
 10 *cordance with subsection (b)(2) be transferred to an eligible*
 11 *retirement plan.*

12 “(3) *The Executive Director shall make each transfer*
 13 *elected under paragraph (2) directly to an eligible retire-*
 14 *ment plan or plans (as defined in section 402(c)(8) of the*
 15 *Internal Revenue Code of 1986) identified by the employee,*
 16 *Member, former employee, or former Member for whom the*
 17 *transfer is made.*

18 “(4) *A transfer may not be made for an employee,*
 19 *Member, former employee, or former Member under para-*
 20 *graph (2) until the Executive Director receives from that*
 21 *individual the information required by the Executive Direc-*
 22 *tor specifically to identify the eligible retirement plan or*
 23 *plans to which the transfer is to be made.”;*

24 (2) *in subsection (d)—*

1 (A) in paragraph (1) by striking out “Sub-
 2 ject to paragraph (3)(A)” and inserting in lieu
 3 thereof “Subject to paragraph (3)”;

4 (B) by striking out paragraph (2) and re-
 5 designating paragraph (3) as paragraph (2);
 6 and

7 (C) in paragraph (2) (as redesignated
 8 under subparagraph (B) of this paragraph)—

9 (i) in subparagraph (A) by striking
 10 out “(A)”;

11 (ii) by striking out subparagraph (B);
 12 (3) in subsection (f)(1)—

13 (A) by striking out “\$3,500 or less” and in-
 14 serting in lieu thereof “less than an amount that
 15 the Executive Director prescribes by regulation;
 16 and

17 (B) by striking out “unless the employee or
 18 Member elects, at such time and otherwise in
 19 such manner as the Executive Director pre-
 20 scribes, one of the options available under sub-
 21 section (b), or” and inserting a comma;

22 (4) in subsection (f)(2)—

23 (A) by striking out “February 1” and in-
 24 serting in lieu thereof “April 1”;

25 (B) in subparagraph (A)—

1 (i) by striking out “65” and inserting
2 in lieu thereof “70¹/₂”; and

3 (ii) by inserting “or” after the semi-
4 colon;

5 (C) by striking out subparagraph (B); and

6 (D) by redesignating subparagraph (C) as
7 subparagraph (B);

8 (5) in subsection (g)—

9 (A) in paragraph (1) by striking out “after
10 December 31, 1987, and”, and by adding at the
11 end of the paragraph the following sentence: “Be-
12 fore a loan is issued, the Executive Director shall
13 provide in writing the employee or Member with
14 appropriate information concerning the cost of
15 the loan relative to other sources of financing, as
16 well as the lifetime cost of the loan, including the
17 difference in interest rates between the funds of-
18 fered by the Thrift Savings Fund, and any other
19 effect of such loan on the employee’s or Member’s
20 final account balance.”; and

21 (B) by striking out paragraph (2) and re-
22 designating paragraphs (3) through (5) as para-
23 graphs (2) through (4), respectively; and

24 (6) by adding after subsection (g) the following
25 new subsection:

1 “(h)(1) *An employee or Member may apply, before sep-*
 2 *aration, to the Board for permission to withdraw an*
 3 *amount from the employee’s or Member’s account based*
 4 *upon—*

5 “(A) *the employee or Member having attained*
 6 *age 59½; or*

7 “(B) *financial hardship.*

8 “(2) *A withdrawal under paragraph (1)(A) shall be*
 9 *available to each eligible participant one time only.*

10 “(3) *A withdrawal under paragraph (1)(B) shall be*
 11 *available only for an amount not exceeding the value of that*
 12 *portion of such account which is attributable to contribu-*
 13 *tions made by the employee or Member under section*
 14 *8432(a) of this title.*

15 “(4) *Withdrawals under paragraph (1) shall be subject*
 16 *to such other conditions as the Executive Director may pre-*
 17 *scribe by regulation.*

18 “(5) *A withdrawal may not be made under this sub-*
 19 *section unless the requirements of section 8435(e) of this*
 20 *title are satisfied.”.*

21 (b) *INVALIDITY OF CERTAIN PRIOR ELECTIONS.—Any*
 22 *election made under section 8433(b)(2) of title 5, United*
 23 *States Code (as in effect before the effective date of this sub-*
 24 *title), with respect to an annuity which has not commenced*
 25 *before the implementation date of this subtitle as provided*

1 *by regulation by the Executive Director in accordance with*
 2 *section 318 shall be invalid.*

3 **SEC. 314. SURVIVOR ANNUITIES FOR FORMER SPOUSES;**
 4 **NOTICE TO FEDERAL EMPLOYEES RETIRE-**
 5 **MENT SYSTEM SPOUSES FOR IN-SERVICE**
 6 **WITHDRAWALS.**

7 *Section 8435 of title 5, United States Code, is amend-*
 8 *ed—*

9 *(1) in subsection (a)(1)(A)—*

10 *(A) by striking out “may make an election*
 11 *under subsection (b)(3) or (b)(4) of section 8433*
 12 *of this title or change an election previously*
 13 *made under subsection (b)(1) or (b)(2) of such*
 14 *section” and inserting in lieu thereof “may with-*
 15 *draw all or part of a Thrift Savings Fund ac-*
 16 *count under subsection (b) (2), (3), or (4) of sec-*
 17 *tion 8433 of this title or change a withdrawal*
 18 *election”; and*

19 *(B) by adding at the end thereof “A mar-*
 20 *ried employee or Member (or former employee or*
 21 *Member) may make a withdrawal from a Thrift*
 22 *Savings Fund account under subsection (c)(1) of*
 23 *section 8433 of this title only if the employee or*
 24 *Member (or former employee or Member) satisfies*
 25 *the requirements of subparagraph (B).”;*

1 (2) *in subsection (c)—*

2 (A) *in paragraph (1)—*

3 (i) *by striking out “An election, change*
 4 *of election, or modification of the commence-*
 5 *ment date of a deferred annuity” and in-*
 6 *serting in lieu thereof “An election or*
 7 *change of election”; and*

8 (ii) *by striking out “modification, or*
 9 *transfer” and inserting in lieu thereof “or*
 10 *transfer”; and*

11 (B) *in paragraph (2) in the matter follow-*
 12 *ing subparagraph (B)(ii) by striking out “modi-*
 13 *fication,”;*

14 (3) *in subsection (e)—*

15 (A) *in paragraph (1)—*

16 (i) *in subparagraph (A)—*

17 (I) *by inserting “or withdrawal”*
 18 *after “A loan”;*

19 (II) *by inserting “and (h)” after*
 20 *“8433(g)”;* *and*

21 (III) *by inserting “or with-*
 22 *drawal” after “such loan”;*

23 (ii) *in subparagraph (B) by inserting*
 24 *“or withdrawal” after “loan”; and*

25 (iii) *in subparagraph (C)—*

1 (I) by inserting “or withdrawal”
 2 after “to a loan”; and

3 (II) by inserting “or withdrawal”
 4 after “for such loan”; and

5 (B) in paragraph (2)—

6 (i) by inserting “or withdrawal” after
 7 “loan”; and

8 (ii) by inserting “and (h)” after
 9 “8344(g)”; and

10 (4) in subsection (g)—

11 (A) by inserting “or withdrawals” after
 12 “loans”; and

13 (B) by inserting “and (h)” after “8344(g)”.

14 **SEC. 315. DE MINIMUS ACCOUNTS RELATING TO THE JUDI-**
 15 **CIARY.**

16 (a) *JUSTICES AND JUDGES.*—Section 8440a(b)(7) of
 17 title 5, United States Code, is amended—

18 (1) by striking out “\$3,500 or less” and insert-
 19 ing in lieu thereof “less than an amount that the Ex-
 20 ecutive Director prescribes by regulation”; and

21 (2) by striking out “unless the justice or judge
 22 elects, at such time and otherwise in such manner as
 23 the Executive Director prescribes, one of the options
 24 available under section 8433(b)”.

1 (b) *BANKRUPTCY JUDGES AND MAGISTRATES*.—Section
2 tion 8440b(b) of title 5, United States Code, is amended—

3 (1) in paragraph (7) in the first sentence by in-
4 serting “of the distribution” after “equal to the
5 amount”; and

6 (2) in paragraph (8)—

7 (A) by striking out “\$3,500 or less” and in-
8 serting in lieu thereof “less than an amount that
9 the Executive Director prescribes by regulation”;
10 and

11 (B) by striking out “unless the bankruptcy
12 judge or magistrate elects, at such time and oth-
13 erwise in such manner as the Executive Director
14 prescribes, one of the options available under
15 subsection (b)”.

16 (c) *FEDERAL CLAIMS JUDGES*.—Section 8440c(b) of
17 title 5, United States Code, is amended—

18 (1) in paragraph (7) in the first sentence by in-
19 serting “of the distribution” after “equal to the
20 amount”; and

21 (2) in paragraph (8)—

22 (A) by striking out “\$3,500 or less” and in-
23 serting in lieu thereof “less than an amount that
24 the Executive Director prescribes by regulation”;
25 and

1 (B) by striking out “unless the judge elects,
 2 at such time and otherwise in such manner as
 3 the Executive Director prescribes, one of the op-
 4 tions available under section 8433(b)”.

5 **SEC. 316. DEFINITION OF BASIC PAY.**

6 (a) *IN GENERAL.*—(1) Section 8401(4) of title 5, Unit-
 7 ed States Code, is amended by striking out “except as pro-
 8 vided in subchapter III of this chapter,”.

9 (2) Section 8431 of title 5, United States Code, is re-
 10 pealed.

11 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—(1)
 12 The table of sections for chapter 84 of title 5, United States
 13 Code, is amended by striking out the item relating to section
 14 8431.

15 (2) Section 5545a(h)(2)(A) of title 5, United States
 16 Code, is amended by striking out “8431,”.

17 (3) Section 615(f) of the Treasury, Postal Service, and
 18 General Government Appropriations Act, 1996 (Public Law
 19 104–52; 109 Stat. 500; 5 U.S.C. 5343 note) is amended by
 20 striking out “section 8431 of title 5, United States Code,”.

21 **SEC. 317. ELIGIBLE ROLLOVER DISTRIBUTIONS.**

22 Section 8432 of title 5, United States Code, is amended
 23 by adding at the end the following:

24 “(j)(1) For the purpose of this subsection—

1 “(A) the term ‘eligible rollover distribution’ has
2 the meaning given such term by section 402(c)(4) of
3 the Internal Revenue Code of 1986; and

4 “(B) the term ‘qualified trust’ has the meaning
5 given such term by section 402(c)(8) of the Internal
6 Revenue Code of 1986.

7 “(2) An employee or Member may contribute to the
8 Thrift Savings Fund an eligible rollover distribution from
9 a qualified trust. A contribution made under this subsection
10 shall be made in the form described in section 401(a)(31)
11 of the Internal Revenue Code of 1986. In the case of an
12 eligible rollover distribution, the maximum amount trans-
13 ferred to the Thrift Savings Fund shall not exceed the
14 amount which would otherwise have been included in the
15 employee’s or Member’s gross income for Federal income tax
16 purposes.

17 “(3) The Executive Director shall prescribe regulations
18 to carry out this subsection.”.

19 **SEC. 318. EFFECTIVE DATE.**

20 This subtitle shall take effect on the date of the enact-
21 ment of this Act, and withdrawals, loans, rollovers, and
22 elections as provided under the amendments made by this
23 subtitle shall be made at the earliest practicable date as de-
24 termined by the Executive Director in regulations.

1 **TITLE IV—PROVISIONS RELAT-**
 2 **ING TO THE CONVERSION OF**
 3 **CERTAIN EXCEPTED SERVICE**
 4 **POSITIONS IN THE UNITED**
 5 **STATES FIRE ADMINISTRA-**
 6 **TION**

7 **SEC. 401. CONVERSION OF POSITIONS.**

8 (a) *IN GENERAL.*—No later than the date described
 9 under subsection (d)(1), the Director of the Federal Emer-
 10 gency Management Agency and the Director of the Office
 11 of Personnel Management shall take such actions as nec-
 12 essary to convert each excepted service position established
 13 before the date of the enactment of this Act under section
 14 7(c)(4) of the Federal Fire Prevention and Control Act of
 15 1974 (15 U.S.C. 2206(c)(4)) to a competitive service posi-
 16 tion.

17 (b) *EFFECT ON EMPLOYEES.*—Any employee employed
 18 on the date of the enactment of this Act in an excepted serv-
 19 ice position converted under subsection (a)—

20 (1) shall remain employed in the competitive
 21 service position so converted without a break in serv-
 22 ice;

23 (2) by reason of such conversion, shall have no—

24 (A) diminution of seniority;

1 (B) reduction of cumulative years of service;
2 and

3 (C) requirement to serve an additional pro-
4 bationary period applied; and

5 (3) shall retain their standing and participation
6 with respect to chapter 83 or 84 of title 5, United
7 States Code, relating to Federal retirement.

8 (c) *PROSPECTIVE COMPETITIVE SERVICE POSI-*
9 *TIONS.*—Section 7(c)(4) of the *Federal Fire Prevention and*
10 *Control Act of 1974 (15 U.S.C. 2206(c)(4))* is amended to
11 read as follows:

12 “(4) appoint faculty members to competitive
13 service positions and with respect to temporary and
14 intermittent services, to make appointments of con-
15 sultants to the same extent as is authorized by section
16 3109 of title 5, United States Code;”.

17 (d) *EFFECTIVE DATE.*—(1) Except as provided under
18 paragraph (2), this section shall take effect on the first day
19 of the first pay period, applicable to the positions described
20 under subsection (a), beginning after the date of the enact-
21 ment of this Act.

22 (2)(A) The Director of the Federal Emergency Manage-
23 ment Agency and the Director of the Office of Personnel
24 Management shall take such actions as directed under sub-

1 *section (a) on and after the date of the enactment of this*
 2 *Act.*

3 *(B) Subsection (c) shall take effect on the date of the*
 4 *enactment of this Act.*

Attest:

Clerk.