

106TH CONGRESS
1ST SESSION

H. R. 483

To amend title 5, United States Code, to make the percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1999

Mrs. MORELLA (for herself, Mr. UNDERWOOD, Mr. KENNEDY of Rhode Island, Mr. FILNER, Ms. KILPATRICK, Mr. DAVIS of Virginia, Mr. HINCHEY, Mr. FATAH, and Mr. CUMMINGS) introduced the following bill; which was referred to the Committee on Government Reform

A BILL

To amend title 5, United States Code, to make the percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals, 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. PERCENTAGE LIMITATIONS ON CONTRIBU-**
4 **TIONS.**

5 (a) AMENDMENTS RELATING TO FERS.—

1 (1) IN GENERAL.—Subsection (a) of section
2 8432 of title 5, United States Code, is amended by
3 striking “10 percent of”.

4 (2) JUSTICES AND JUDGES.—Subsection (b) of
5 section 8440a of title 5, United States Code, is
6 amended—

7 (A) by striking paragraph (2) and by re-
8 designating paragraphs (3) through (7) as
9 paragraphs (2) through (6), respectively; and

10 (B) in paragraph (6) (as so redesignated
11 by subparagraph (A)) by striking “paragraphs
12 (4) and (5)” and inserting “paragraphs (3) and
13 (4)”.

14 (3) BANKRUPTCY JUDGES AND MAG-
15 ISTRATES.—Subsection (b) of section 8440b of title
16 5, United States Code, is amended—

17 (A) by striking paragraph (2) and by re-
18 designating paragraphs (3) through (8) as
19 paragraphs (2) through (7), respectively;

20 (B) in paragraph (4) (as so redesignated
21 by subparagraph (A)) by striking “paragraph
22 (4)(A), (B), or (C)” and inserting “paragraph
23 (3)(A), (B), or (C)”; and

24 (C) in paragraph (7) (as so redesignated
25 by subparagraph (A)) by striking “Notwith-

1 standing paragraph (4),” and inserting “Not-
2 withstanding paragraph (3),”.

3 (4) COURT OF FEDERAL CLAIMS JUDGES.—
4 Subsection (b) of section 8440c of title 5, United
5 States Code, is amended—

6 (A) by striking paragraph (2) and by re-
7 designating paragraphs (3) through (8) as
8 paragraphs (2) through (7), respectively;

9 (B) in paragraph (4) (as so redesignated
10 by subparagraph (A)) by striking “paragraph
11 (4)(A) or (B)” and inserting “paragraph (3)(A)
12 or (B)”; and

13 (C) in paragraph (7) (as so redesignated
14 by subparagraph (A)) by striking “Notwith-
15 standing paragraph (4),” and inserting “Not-
16 withstanding paragraph (3),”.

17 (5) JUDGES OF THE UNITED STATES COURT OF
18 VETERANS APPEALS.—Paragraph (2) of section
19 8440d(b) of title 5, United States Code, is amended
20 to read as follows:

21 “(2) For purposes of contributions made to the Thrift
22 Savings Fund, basic pay does not include any retired pay
23 paid pursuant to section 7296 of title 38.”.

1 (b) AMENDMENTS RELATING TO CSRS.—Paragraph
2 (2) of section 8351(b) of title 5, United States Code, is
3 amended by striking “5 percent of”.

4 (c) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall take effect on the date of enact-
7 ment of this Act.

8 (2) COORDINATION WITH ELECTION PERI-
9 ODS.—The Executive Director shall by regulation
10 determine the first election period in which elections
11 may be made consistent with the amendments made
12 by this section.

13 (3) DEFINITIONS.—For purposes of this
14 section—

15 (A) the term “election period” means a pe-
16 riod afforded under section 8432(b) of title 5,
17 United States Code; and

18 (B) the term “Executive Director” has the
19 meaning given such term by section 8401(13)
20 of title 5, United States Code.

21 **SEC. 2. ELIGIBLE ROLLOVER DISTRIBUTIONS.**

22 Section 8432 of title 5, United States Code, is
23 amended 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 sub-
10 section shall be made in the form described in section
11 401(a)(31) of the Internal Revenue Code of 1986. In the
12 case of an eligible rollover distribution, the maximum
13 amount transferred to the Thrift Savings Fund shall not
14 exceed the amount which would otherwise have been in-
15 cluded in the employee’s or Member’s gross income for
16 Federal income tax purposes.

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

19 **SEC. 3. IMMEDIATE PARTICIPATION IN THE THRIFT SAV-**
20 **INGS PLAN.**

21 (a) **ELIMINATION OF CERTAIN WAITING PERIODS**
22 **FOR PURPOSES OF EMPLOYEE CONTRIBUTIONS.**—Para-
23 graph (4) of section 8432(b) of title 5, United States
24 Code, is amended to read as follows:

1 “(4) The Executive Director shall prescribe such reg-
2 ulations as may be necessary to carry out the following:

3 “(A) Notwithstanding subparagraph (A) of
4 paragraph (2), an employee or Member described in
5 such subparagraph shall be afforded a reasonable
6 opportunity to first make an election under this sub-
7 section beginning on the date of commencing service
8 or, if that is not administratively feasible, beginning
9 on the earliest date thereafter that such an election
10 becomes administratively feasible, as determined by
11 the Executive Director.

12 “(B) An employee or Member described in sub-
13 paragraph (B) of paragraph (2) shall be afforded a
14 reasonable opportunity to first make an election
15 under this subsection (based on the appointment or
16 election described in such subparagraph) beginning
17 on the date of commencing service pursuant to such
18 appointment or election or, if that is not administra-
19 tively feasible, beginning on the earliest date there-
20 after that such an election becomes administratively
21 feasible, as determined by the Executive Director.

22 “(C) Notwithstanding the preceding provisions
23 of this paragraph, contributions under paragraphs
24 (1) and (2) of subsection (c) shall not be payable
25 with respect to any pay period before the earliest

1 pay period for which such contributions would other-
2 wise be allowable under this subsection if this para-
3 graph had not been enacted.

4 “(D) Sections 8351(a)(2), 8440a(a)(2),
5 8440b(a)(2), 8440c(a)(2), and 8440d(a)(2) shall be
6 applied in a manner consistent with the purposes of
7 subparagraphs (A) and (B), to the extent those sub-
8 paragraphs can be applied with respect thereto.

9 “(E) Nothing in this paragraph shall affect
10 paragraph (3).”.

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

12 (1) Section 8432(a) of title 5, United States Code, is
13 amended—

14 (A) in the first sentence by striking “(b)(1)”
15 and inserting “(b)”; and

16 (B) by amending the second sentence to read as
17 follows: “Contributions under this subsection pursu-
18 ant to such an election shall, with respect to each
19 pay period for which such election remains in effect,
20 be made in accordance with a program of regular
21 contributions provided in regulations prescribed by
22 the Executive Director.”.

23 (2) Section 8432(b)(1)(B) of title 5, United States
24 Code, is amended by inserting “(or any election allowable
25 by virtue of paragraph (4))” after “subparagraph (A)”.

1 (3) Section 8432(b)(3) of title 5, United States Code,
2 is amended by striking “Notwithstanding paragraph
3 (2)(A), an” and inserting “An”.

4 (4) Section 8432(i)(1)(B)(ii) of title 5, United States
5 Code, is amended by striking “either elected to terminate
6 individual contributions to the Thrift Savings Fund within
7 2 months before commencing military service or”.

8 (5) Section 8439(a)(1) of title 5, United States Code,
9 is amended by inserting “who makes contributions or”
10 after “for each individual” and by striking “section
11 8432(c)(1)” and inserting “section 8432”.

12 (6) Section 8439(c)(2) of title 5, United States Code,
13 is amended by adding at the end the following: “Nothing
14 in this paragraph shall be considered to limit the dissemi-
15 nation of information only to the times required under the
16 preceding sentence.”.

17 (7) Sections 8440a(a)(2) and 8440d(a)(2) of title 5,
18 United States Code, are amended by striking all after
19 “subject to” and inserting “this chapter.”.

20 (c) EFFECTIVE DATE.—This section shall take effect
21 6 months after the date of enactment of this Act or such
22 earlier date as the Executive Director (within the meaning
23 of section 8401(13) of title 5, United States Code) may
24 by regulation prescribe.

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