

Public Law 100-238
100th Congress

An Act

Jan. 8, 1988
[H.R. 3395]

Making technical corrections relating to the Federal Employees' Retirement System, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**TITLE I—AMENDMENTS RELATING TO THE CIVIL SERVICE
RETIREMENT SYSTEM AND THE FEDERAL EMPLOYEES'
RETIREMENT SYSTEM**

SEC. 101. REFERENCES.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

**SEC. 102. DEPOSITS FOR "COVERED SERVICE" AFTER 1986 FOR
EMPLOYEES UNDER CSRS OFFSET PROVISIONS.**

Section 8334(c) is amended by striking the period at the end of the last sentence and inserting in lieu thereof the following: ", and, with respect to any such service performed after December 31, 1986, be equal to the amount that would have been deducted from the employee's basic pay under subsection (k) of this section if the employee's pay had been subject to that subsection during such period."

**SEC. 103. AMENDMENTS RELATING TO LAW ENFORCEMENT OFFICERS
AND FIREFIGHTERS.**

(a) MAXIMUM ENTRY AGES.—

(1) IN GENERAL.—Section 3307 is amended—

(A) in subsection (d), by striking "may, with the concurrence of such agent as the President may designate," and inserting in lieu thereof "may"; and

(B) by adding at the end the following:

"(e) The head of an agency may determine and fix the maximum age limit for an original appointment to a position as a firefighter or law enforcement officer, as defined by section 8401 (14) or (17), respectively, of this title."

(2) CLARIFYING AMENDMENTS.—Paragraphs (14)(A)(ii) and (17) of section 8401 are amended by striking "are required to be" each place those words appear and inserting in lieu thereof "should be".

(b) DEFINITION UNDER THE LIFE INSURANCE PROGRAM.—Section 8704(c)(2) is amended by inserting "or 8401(17)" after "8331(20)".

(c) AMENDMENTS TO DEFINITIONS.—

(1) LAW ENFORCEMENT OFFICERS.—Section 8401(17) is amended—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(B) by inserting after subparagraph (A) the following:
“(B) an employee of the Department of the Interior or the Department of the Treasury (excluding any employee under subparagraph (A)) who occupies a position that, but for the enactment of the Federal Employees’ Retirement System Act of 1986, would be subject to the District of Columbia Police and Firefighters’ Retirement System, as determined by the Secretary of the Interior or the Secretary of the Treasury, as appropriate;” and

(C) by amending subparagraph (C), as so redesignated by subparagraph (A), to read as follows:

“(C) an employee who is transferred directly to a supervisory or administrative position after performing duties described in subparagraph (A) and (B) for at least 3 years; and”.

(2) **FIREFIGHTERS.**—Section 8401(14)(B) is amended by striking “for at least 10 years” and inserting in lieu thereof “for at least 3 years”.

(d) **COORDINATION OF FERS WITH THE DISTRICT OF COLUMBIA POLICE AND FIREFIGHTERS’ RETIREMENT SYSTEM FOR EMPLOYEES OF THE PARK POLICE AND THE SECRET SERVICE.**—

(1) **IN GENERAL.**—Section 4-607(1) of title 4 of the District of Columbia Code is amended by striking the period and inserting in lieu thereof the following: “, but does not include an officer or member of the United States Park Police force, or of the United States Secret Service Division, whose service is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1986, and who is not excluded from coverage under chapter 84 of title 5, United States Code, by operation of section 8402 of such title.”.

(2) **CONFORMING AMENDMENT.**—Section 8401(11)(i)(II) is amended by striking “(other than an employee of the United States Park Police, or the United States Secret Service, whose civilian service after December 31, 1983, is such employment)”.

(e) **OFFSETS TO PREVENT FULL DOUBLE COVERAGE FOR EMPLOYEES OF THE PARK POLICE AND THE SECRET SERVICE.**—Notwithstanding any other provision of law, in the case of an employee of the United States Secret Service or the United States Park Police whose pay is simultaneously subject to a deposit requirement under the District of Columbia Police and Firefighters’ Retirement and Disability System and the contribution requirement under section 3101(a) of the Internal Revenue Code of 1986—

5 USC 8334 note.

(1) any deposits under the District of Columbia Police and Firefighters’ Retirement and Disability System shall be adjusted in a manner consistent with section 8334(k) of title 5, United States Code (relating to offsets in deductions from pay to reflect OASDI contributions); and

(2) any benefits payable under the District of Columbia Police and Firefighters’ Retirement and Disability System based on the service of any such employee shall be adjusted in a manner consistent with section 8349 of title 5, United States Code (relating to offsets to reflect benefits under title II of the Social Security Act).

(f) **EFFECTIVE DATE.**—This section, and the amendments made by this section, shall be effective as of January 1, 1987.

5 USC 3307 note.

SEC. 104. MILITARY SERVICE DEPOSITS BY SURVIVORS.

(a) Section 8422(e) is amended by adding at the end the following:
 “(5) For the purpose of survivor annuities, deposits authorized by this subsection may also be made by a survivor of an employee or Member.”.

(b) Section 8411(c)(4)(A) is amended by striking “subsection (f)(4)” and inserting in lieu thereof “section 8422(e)(5)”.

SEC. 105. DEPOSITS AND REFUNDS RELATING TO CERTAIN SERVICE UNDER THE CIVIL SERVICE RETIREMENT SYSTEM.

(a) **DEPOSIT FOR SERVICE COVERED BY REFUND PERMITTED ONLY IF REFUND WAS PURSUANT TO APPLICATION FILED BEFORE BECOMING SUBJECT TO FERS.**—Section 8411(f)(1) is amended by adding at the end the following: “A deposit under this paragraph may be made only with respect to a refund received pursuant to an application filed with the Office before the date on which the employee or Member first becomes subject to this chapter.”.

(b) **LUMP-SUM CREDIT FOR CERTAIN CSRS SERVICE SOUGHT AFTER BECOMING SUBJECT TO FERS IS PAYABLE TO THE EXTENT THAT IT EXCEEDS 1.3 PERCENT OF BASIC PAY.**—The last sentence of section 8342(a), as added by section 207(h) of the Federal Employees’ Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 596) is amended to read as follows: “In applying this subsection to an employee or Member who becomes subject to chapter 84 (other than by an election under title III of the Federal Employees’ Retirement System Act of 1986) and who, while subject to such chapter, files an application with the Office for a payment under this subsection—

“(i) entitlement to payment of the lump-sum credit shall be determined without regard to paragraph (1) or (3) if, or to the extent that, such lump-sum credit relates to service of a type described in clauses (i) through (iii) of section 302(a)(1)(C) of the Federal Employees’ Retirement System Act of 1986; and

“(ii) if, or to the extent that, the lump-sum credit so relates to service of a type referred to in clause (i), it shall (notwithstanding section 8331(8)) consist of—

“(I) the amount by which any unrefunded amount described in section 8331(8) (A) or (B) relating to such service, exceeds 1.3 percent of basic pay for such service; and

“(II) interest on the amount payable under subclause (I), computed in a manner consistent with applicable provisions of section 8331(8).”.

SEC. 106. OPTION FOR CERTAIN EMPLOYEES TO ELECT FERS COVERAGE.

Section 301(a) of the Federal Employees’ Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 599) is amended by adding at the end the following:

“(3)(A) Except as provided in subparagraph (B), any individual—

“(i) who is excluded from the operation of subchapter III of chapter 83 of title 5, United States Code, under subsection (g), (i), (j), or (l) of section 8347 of such title, and

“(ii) with respect to whom chapter 84 of title 5, United States Code, does not apply because of section 8402(b)(2) of such title, shall, for purposes of an election under paragraph (1) or (2), be treated as if such individual were subject to subchapter III of chapter 83 of title 5, United States Code.

“(B) An election under this paragraph may not be made by any individual who would be excluded from the operation of chapter 84

of title 5, United States Code, under section 8402(c) of such title (relating to exclusions based on the temporary or intermittent nature of one's employment)."

SEC. 107. CERTAIN CSRS SERVICE CREDITABLE TO DETERMINE ELIGIBILITY FOR 1.1 PERCENT ACCRUAL RATE.

5 USC 8331 note.

Section 302(a)(1)(D) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 602) is amended—

- (1) by striking "and" at the end of subclause (IV);
- (2) by striking the period at the end of subclause (V) and inserting in lieu thereof "; and"; and
- (3) by adding after subclause (V) the following:

"(VI) the provision of subsection (g) of section 8415 which relates to the minimum period of service required to qualify for the higher accrual rate under such subsection."

SEC. 108. AMENDMENTS RELATING TO MISCELLANEOUS PROVISIONS OF LAW EXTENDING COVERAGE OR BENEFITS UNDER CERTAIN FEDERAL PROGRAMS TO INDIVIDUALS NOT OTHERWISE ELIGIBLE.

(a) TERMINATION OF CERTAIN SPECIAL ELIGIBILITY PROVISIONS.—

- (1) **CIVIL SERVICE RETIREMENT SYSTEM.**—Section 8347 is amended by adding at the end the following:

"(c) Any provision of law outside of this subchapter which provides coverage, service credit, or any other benefit under this subchapter to any individuals who (based on their being employed by an entity other than the Government) would not otherwise be eligible for any such coverage, credit, or benefit, shall not apply with respect to any individual appointed, transferred, or otherwise commencing that type of employment on or after October 1, 1988."

- (2) **LIFE INSURANCE.**—

(A) **IN GENERAL.**—Section 87 of title 5, United States Code, is amended by inserting after section 8712 the following:

"§ 8713. Effect of other statutes

5 USC 8713.

"Any provision of law outside of this chapter which provides coverage or any other benefit under this chapter to any individuals who (based on their being employed by an entity other than the Government) would not otherwise be eligible for any such coverage or benefit shall not apply with respect to any individual appointed, transferred, or otherwise commencing that type of employment on or after October 1, 1988."

(B) **CHAPTER ANALYSIS.**—The analysis for chapter 87 of title 5, United States Code, is amended by inserting after the item relating to section 8712 the following:

"8713. Effect of other statutes."

- (3) **HEALTH INSURANCE.**—

(A) **IN GENERAL.**—Chapter 89 of title 5, United States Code, is amended by adding at the end the following:

"§ 8914. Effect of other statutes

5 USC 8914.

"Any provision of law outside of this chapter which provides coverage or any other benefit under this chapter to any individuals who (based on their being employed by an entity other than the Government) would not otherwise be eligible for any such coverage or benefit shall not apply with respect to any individual appointed,

transferred, or otherwise commencing that type of employment on or after October 1, 1988.”

(B) CHAPTER ANALYSIS.—The analysis for chapter 89 of title 5, United States Code, is amended by adding at the end the following:

“8914. Effect of other statutes.”

(b) EXTENSION OF OFFSET PROVISIONS UNDER CHAPTER 83.—

(1) CONTRIBUTIONS.—Section 8334(k) is amended by adding at the end the following:

“(4) In administering paragraphs (1) through (3)—

“(A) the term ‘an individual described in section 8402(b)(2) of this title’ shall be considered to include any individual—

“(i) who is subject to this subchapter as a result of a provision of law described in section 8347(o), and

“(ii) whose employment (as described in section 8347(o)) is also employment for purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1986; and

“(B) the term ‘Federal wages’, as applied with respect to any individual to whom this subsection applies as a result of subparagraph (A), means basic pay for any employment referred to in subparagraph (A)(ii).”

(2) BENEFITS.—Section 8349 is amended by adding at the end the following:

“(d) In administering subsections (a) through (c)—

“(1) the terms ‘an individual under section 8402(b)(2)’ and ‘an individual described in section 8402(b)(2)’ shall each be considered to include any individual—

“(A) who is subject to this subchapter as a result of any provision of law described in section 8347(o), and

“(B) whose employment (as described in section 8347(o)) is also employment for purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1986; and

“(2) the term ‘Federal service’, as applied with respect to any individual to whom this section applies as a result of paragraph (1), means any employment referred to in paragraph (1)(B) performed after December 31, 1983.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective as of January 1, 1987.

5 USC 8334 note.

District of
Columbia.

SEC. 109. CONTINUED COVERAGE UNDER CERTAIN FEDERAL EMPLOYEE BENEFIT PROGRAMS FOR CERTAIN EMPLOYEES OF SAINT ELIZABETHS HOSPITAL.

(a) IN GENERAL.—Section 207 of the Federal Employees’ Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 594) is amended by adding at the end the following:

“(o) An employee of Saint Elizabeths Hospital who is appointed to a position in the government of the District of Columbia on October 1, 1987, pursuant to the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act (Public Law 98-621; 98 Stat. 3369 and following) shall, for purposes of chapters 83, 87, and 89 of title 5, United States Code, be treated in the same way as an individual first employed by the government of the District of Columbia before October 1, 1987.”

5 USC 8331 note.

(b) The amendment made by this section shall be effective as of October 1, 1987.

SEC. 110. CREDITABILITY UNDER CSRS OF CERTAIN SERVICE PERFORMED UNDER A PERSONAL SERVICE CONTRACT WITH THE UNITED STATES.

5 USC 8332 note.

(a) IN GENERAL.—

(1) **CONDITIONS FOR RECEIVING CREDIT.**—Subject to the making of a deposit under section 8334(c) of title 5, United States Code, upon application to the Office of Personnel Management within 2 years after the date of the enactment of this Act, any individual who is an employee (as defined by section 8331(1) or 8401(11) of such title) on such date shall be allowed credit under subchapter III of chapter 83 of such title for any service if such service was performed—

(A) before November 5, 1985; and

(B) under a personal service contract with the United States, except as provided in paragraph (3).

(2) CERTIFICATION.—

(A) **IN GENERAL.**—The Office shall, with respect to any service for which credit is sought under this subsection, accept the certification of the head of the agency which was party to the contract referred to in paragraph (1)(B), but only if such certification—

(i) states that the agency had intended, through such contract, that the individual involved (or that persons like the individual involved) be considered as having been appointed to a position in which such individual would be subject to subchapter III of chapter 83 of title 5, United States Code; and

(ii) indicates the period of service which was performed under the contract by the individual involved, and includes copies of appropriate records or other documentation to support the determination as to the length of such period.

(B) **FINALITY.**—A decision by an agency head concerning whether or not to make a certification under this paragraph in any particular instance shall be at the sole discretion of the agency head, and shall not be subject to administrative or judicial review.

(3) **EXCEPTION.**—Nothing in this subsection shall apply with respect to any service performed under—

(A) a contract for which any appropriations, allocations, or funds were used under section 636(a)(3) of the Foreign Assistance Act of 1961;

(B) a contract entered into under section 10(a)(5) of the Peace Corps Act;

(C) a contract under which the services of an individual may be terminated by a person other than the individual or the Government; or

(D) a contract for a single transaction or a contract under which services are paid for in a single payment.

(b) APPLICABILITY TO ANNUITANTS.—

(1) **IN GENERAL.**—In the case of any individual who—

(A) performed service for which credit is allowable under subsection (a), and

(B) retired on an annuity payable under subchapter III of chapter 83 of title 5, United States Code, after January 23, 1980, and before the date of the enactment of this Act, any annuity under such subchapter based on the service of such individual shall be redetermined to take into account the amendment made by subsection (a) if application therefor is made, and the deposit requirement under such subsection is met, within 2 years after the date of the enactment of this Act.

(2) AMOUNTS TO WHICH APPLICABLE.—Any change in an annuity resulting from a redetermination under paragraph (1) shall be effective with respect to payments accruing for months beginning after the date of the enactment of this Act.

SEC. 111. EXCLUSION OF FOREIGN NATIONAL EMPLOYEES UNDER CSRS FROM PARTICIPATING IN THE THRIFT SAVINGS PLAN.

(a) IN GENERAL.—Section 8351 is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

“(c) A member of the Foreign Service described in section 103(6) of the Foreign Service Act of 1980 shall be ineligible to make any election under this section.”.

5 USC 8351 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as of March 31, 1987. Any refund which becomes payable as a result of the preceding sentence shall, to the extent that such refund involves an individual's contributions to the Thrift Savings Fund (established under section 8437 of title 5, United States Code), be adjusted to reflect any earnings attributable thereto.

SEC. 112. FOREIGN NATIONAL EMPLOYEES APPOINTED AFTER DECEMBER 1987 EXCLUDED FROM CSRS.

Section 8331(1) is amended—

(1) by striking “or” at the end of clause (x);

(2) by striking the period at the end of clause (xi) and inserting in lieu thereof “; or”; and

(3) by adding after clause (xi) the following:

“(xii) a member of the Foreign Service (as described in section 103(6) of the Foreign Service Act of 1980), appointed after December 31, 1987.”.

SEC. 113. EXCLUSION OF FOREIGN NATIONAL EMPLOYEES FROM FERS.

(a) NO ELECTION TO CONVERT FROM CSRS.—

(1) IN GENERAL.—Section 301(a) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 599) is amended by adding at the end the following:

5 USC 8331 note.

“(4) A member of the Foreign Service described in section 103(6) of the Foreign Service Act of 1980 shall be ineligible to make any election under this subsection.”.

5 USC 8331 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective as of June 30, 1987. Any refund which becomes payable as a result of the preceding sentence shall, to the extent that such refund involves an individual's contributions to the Thrift Savings Fund (established under section 8437 of title 5, United States Code), be adjusted to reflect any earnings attributable thereto.

(b) EXCLUSION FROM FERS.—

(1) IN GENERAL.—Section 8401(11) is amended—

- (A) by striking "or" at the end of clause (i)(III);
- (B) by inserting "or" after the semicolon in clause (ii); and
- (C) by adding at the end the following:

"(iii) a member of the Foreign Service described in section 103(6) of the Foreign Service Act of 1980;"

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall be effective as of January 1, 1987. Any refund which becomes payable as a result of the preceding sentence shall, to the extent that such refund involves an individual's contributions to the Thrift Savings Fund (established under section 8437 of title 5, United States Code), be adjusted to reflect any earnings attributable thereto.

5 USC 8401 note.

SEC. 114. EXCLUSION OF CERTAIN ONE-TIME GOVERNMENT CONTRIBUTIONS TO THRIFT SAVINGS PLAN.

Section 8432(d) is amended by adding at the end the following: "However, no contribution made under subsection (c)(3) shall be subject to, or taken into account, for purposes of the preceding sentence."

SEC. 115. GOVERNMENT'S 1 PERCENT THRIFT CONTRIBUTION NOT FORFEITABLE FOR DEATH IN SERVICE.

Section 8432(g) is amended—

- (1) in paragraph (1), by striking "Except as provided in paragraphs (2) and (3)," and inserting in lieu thereof "Except as otherwise provided in this subsection,"; and

- (2) by adding at the end the following:

"(4) Nothing in paragraph (2) or (3) shall cause the forfeiture of any contributions made for the benefit of an employee, Member, or Congressional employee under subsection (c)(1), or any earnings attributable thereto, if such employee, Member, or Congressional employee is not separated from Government employment as of date of death."

SEC. 116. CLARIFICATION RELATING TO AMOUNTS SUBJECT TO LEGAL PROCESS FOR CHILD SUPPORT OR ALIMONY.

Section 8437(e)(3) is amended by adding at the end the following: "For the purposes of this paragraph, an amount contributed for the benefit of an individual under section 8432(c)(1) (including any earnings attributable thereto) shall not be considered part of the balance in such individual's account unless such amount is non-forfeitable, as determined under applicable provisions of section 8432(g)."

SEC. 117. CLARIFICATION RELATING TO SOURCE OF FUNDING FOR ADMINISTRATIVE EXPENSES OF THE THRIFT SAVINGS PLAN.

(a) **IN GENERAL.**—Section 8437 is amended—

- (1) in subsection (d), by inserting a period after "earnings in such Fund" and by striking the matter thereafter; and

- (2) in subsection (e)(1), by inserting "subsection (d) and" before "paragraphs (2) and (3)."

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act.

5 USC 8437 note.

5 USC 8331 note. **SEC. 118. EXCLUSION FROM AGE-BASED REDUCTION UNDER CHAPTER 83 FOR CSRS PORTION OF ANNUITY MADE SUBJECT TO REDUCTION UNDER CHAPTER 84 FOLLOWING AN ELECTION INTO FERS.**

Section 302(a)(4) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 603) is amended by adding at the end the following: "Notwithstanding the preceding sentence, in computing accrued benefits under this paragraph for an individual retiring under section 8412(g) or 8413(b) of title 5, United States Code, section 8339(h) of such title (relating to reductions based on age at date of separation) shall not apply."

5 USC 8331 note. **SEC. 119. INTEREST ON REFUNDS OF CERTAIN EXCESS CONTRIBUTIONS BY INDIVIDUALS MAKING ELECTIONS UNDER TITLE III OF THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT OF 1986.**

(a) **FOR INDIVIDUALS ELECTING FERS COVERAGE.**—Section 302(c)(2) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 605), as amended by section 302(a) of the Federal Employees' Retirement System Technical Corrections Act of 1986 (Public Law 99-556; 100 Stat. 3136), is amended to read as follows:

"(2) In accordance with regulations prescribed by the Office of Personnel Management, a refund under this subsection shall be payable upon written application therefor filed with the Office and shall include interest at the rate provided in section 8334(e)(3) of title 5, United States Code. Interest on the refund shall accrue monthly and shall be compounded annually."

(b) **FOR INDIVIDUALS ELECTING COVERAGE UNDER CSRS WITH OFFSETS FOR SOCIAL SECURITY.**—The last sentence of section 303(a) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 605), as added by section 302(b) of the Federal Employees' Retirement System Technical Corrections Act of 1986 (Public Law 99-556; 100 Stat. 3136), is amended to read as follows: "A refund under this subsection shall be computed with interest in accordance with section 302(c)(2) and regulations prescribed by the Office of Personnel Management."

5 USC 8331 note.

District of Columbia.

SEC. 120. EFFECTIVE DATE OF FINAL MERIT INCREASE UNDER THE PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM FOR EMPLOYEES OF SAINT ELIZABETHS HOSPITAL.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the effective date of any merit increase under section 5404 of title 5, United States Code, during calendar year 1987 shall, in the case of any individual employed in or under Saint Elizabeths Hospital on September 1, 1987, be considered to be the first day of the first applicable pay period commencing on or after September 1 (rather than October 1) of such year.

(b) **DEFINITION.**—For purposes of this section, "Saint Elizabeths Hospital" refers to the institution identified under section 3(1) of the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act (Public Law 98-621; 98 Stat. 3371).

SEC. 121. DEADLINE FOR AGENCY CONTRIBUTIONS TO THRIFT SAVINGS PLAN.

(a) **THE 1-PERCENT CONTRIBUTION.**—Section 8432(c)(1)(A) is amended—

(1) by striking "At the end of" and inserting in lieu thereof "At the time prescribed by the Executive Director, but no later than 12 days after the end of"; and

(2) by striking "at the end of each succeeding pay period," and inserting in lieu thereof "within such time as the Executive Director may prescribe with respect to succeeding pay periods (but no later than 12 days after the end of each such pay period)."

(b) AMOUNTS BASED ON INDIVIDUAL CONTRIBUTIONS.—The second sentence of section 8432(c)(2)(A) is amended by striking "at the end of such pay period." and inserting in lieu thereof "within such time as the Executive Director may prescribe, but no later than 12 days after the end of each such pay period."

SEC. 122. AMENDMENTS RELATING TO DISABILITY ANNUITIES.

(a) INITIAL DISABILITY ANNUITY OFFSET TO BE BASED ON ACTUAL SOCIAL SECURITY DISABILITY INSURANCE BENEFIT; AMOUNT OF OFFSET NOT SUBJECT TO ADJUSTMENT UNTIL AFTER THE FIRST YEAR.—Section 8452(a)(2)(B)(i) of title 5, United States Code, is amended to read as follows:

"(B)(i) For purposes of this paragraph, the assumed disability insurance benefit of an annuitant for any month shall be equal to—

"(I) the amount of the disability insurance benefit to which the annuitant is entitled under section 223 of the Social Security Act for the month in which the annuity under this subchapter commences, or is restored, or, if no entitlement to such disability insurance benefits exists for such month, the first month thereafter for which the annuitant is entitled both to an annuity under this subchapter and disability insurance benefits under section 223 of the Social Security Act, adjusted by

"(II) all adjustments made under section 8462(b) after the end of the period referred to in paragraph (1)(A)(i) (or, if later, after the end of the month preceding the first month for which the annuitant is entitled both to an annuity under this subchapter and disability insurance benefits under section 223 of the Social Security Act) and before the start of the month involved (without regard to whether the annuitant's annuity was affected by any of those adjustments)."

(b) REVISED METHOD FOR REDETERMINING A DISABILITY ANNUITY AT AGE 62.—Section 8452(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) Except as provided in subsection (d), if an annuitant is entitled to an annuity under this subchapter as of the day before the date of the sixty-second anniversary of the annuitant's birth (hereinafter in this section referred to as the annuitant's 'redetermination date'), such annuity shall be redetermined by the Office in accordance with paragraph (2). Effective as of the annuitant's redetermination date, the annuity (as so redetermined) shall be in lieu of any annuity to which such annuitant would otherwise be entitled under this subchapter.

"(2)(A) An annuity redetermined under this subsection shall be equal to the amount of the annuity to which the annuitant would be entitled under section 8415, taking into account the provisions of subparagraph (B).

"(B) In performing a computation under this paragraph—

"(i) creditable service of an annuitant shall be increased by including any period (or periods) before the annuitant's redeter-

mination date during which the annuitant was entitled to an annuity under this subchapter; and

“(ii) the average pay which would otherwise be used shall be adjusted to reflect all adjustments made under section 8462(b) with respect to any period (or periods) referred to in clause (i) (without regard to whether the annuitant's annuity was affected by any of those adjustments).”.

(C) METHOD FOR APPLYING COST-OF-LIVING ADJUSTMENTS TO CERTAIN DISABILITY ANNUITY PROVISIONS.—

(1) MINIMUM DISABILITY ANNUITY AMOUNT SUBJECT TO ADJUSTMENT AFTER THE FIRST YEAR.—Section 8452 is amended—

(A) by redesignating subsection (d) as subsection (d)(1); and

(B) by adding after subsection (d)(1), as so redesignated, the following:

“(2) In applying this subsection with respect to any annuitant, the amount of an annuity so computed under section 8415 shall be adjusted under section 8462 (including subsection (c) thereof)—

“(A) to the same extent, and otherwise in the same manner, as if it were an annuity—

“(i) subject to adjustment under such section; and

“(ii) with a commencement date coinciding with the date the annuitant's annuity commenced or was restored under this subchapter, as the case may be; and

“(B) whether the amount actually payable to the annuitant under this section in any month is determined under this subsection or otherwise.”.

(2) DISABILITY ANNUITY COLAS.—

(A) **IN GENERAL.—**Section 8452(a)(1)(B) of title 5, United States Code, is amended to read as follows:

“(B) An annuity computed under this paragraph—

“(i) shall not, during any period referred to in subparagraph (A)(i), be adjusted under section 8462; but

“(ii) shall, after the end of any period referred to in subparagraph (A)(i), be adjusted to reflect all adjustments made under section 8462(b) after the end of the period referred to in subparagraph (A)(i), whether the amount actually payable to the annuitant under this section in any month is determined under this subsection or otherwise.”.

(B) **CLARIFYING AMENDMENT.—**Section 8452(a) of title 5, United States Code, is amended by adding at the end the following:

“(3) Section 8462 shall apply with respect to amounts under this subsection only as provided in paragraphs (1) and (2).”.

5 USC 8452 note.

(d) **EFFECTIVE DATE.—**The amendments made by this section shall be effective as of January 1, 1987, as if they had been enacted as part of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 514 and following).

SEC. 123. CLARIFYING AMENDMENTS RELATING TO FUNDING.

FUND BALANCE.—Section 8331(18) is amended by adding at the end the following:

“but does not include any amount attributable to—

“(i) the Federal Employees' Retirement System; or

“(ii) contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of

1983 by or on behalf of any individual who became subject to the Federal Employees' Retirement System;”.

SEC. 124. CONCURRENT ENTITLEMENT TO BENEFITS UNDER CHAPTER 81 AND CHAPTER 83 OR 84 OF TITLE 5, UNITED STATES CODE.

(a) IN GENERAL.—

(1) AMENDMENTS.—

(A) CSRS.—Section 8337 is amended by striking subsections (f) and (g) and inserting in lieu thereof the following:

“(f)(1) An individual is not entitled to receive—

“(A) an annuity under this subchapter, and

“(B) compensation for injury to, or disability of, such individual under subchapter I of chapter 81, other than compensation payable under section 8107,

covering the same period of time.

“(2) An individual is not entitled to receive an annuity under this subchapter and a concurrent benefit under subchapter I of chapter 81 on account of the death of the same person.

“(3) Paragraphs (1) and (2) do not bar the right of a claimant to the greater benefit conferred by either this subchapter or subchapter I of chapter 81.

“(g) If an individual is entitled to an annuity under this subchapter, and the individual receives a lump-sum payment for compensation under section 8135 based on the disability or death of the same person, so much of the compensation as has been paid for a period extended beyond the date payment of the annuity commences, as determined by the Department of Labor, shall be refunded to that Department for credit to the Employees' Compensation Fund. Before the individual may receive the annuity, the individual shall—

“(1) refund to the Department of Labor the amount representing the commuted compensation payments for the extended period; or

“(2) authorize the deduction of the amount from the annuity. Deductions from the annuity may be made from accrued or accruing payments. The amounts deducted and withheld from the annuity shall be transmitted to the Department of Labor for reimbursement to the Employees' Compensation Fund. When the Department of Labor finds that the financial circumstances of an individual entitled to an annuity under this subchapter warrant deferred refunding, deductions from the annuity may be prorated against and paid from accruing payments in such manner as the Department determines appropriate.”.

(B) FERS.—Subchapter VI of chapter 84 is amended by inserting after section 8464 the following:

“§ 8464a. Relationship between annuity and workers' compensation 5 USC 8464a.

“(a)(1) An individual is not entitled to receive—

“(A) an annuity under subchapter II or V, and

“(B) compensation for injury to, or disability of, such individual under subchapter I of chapter 81, other than compensation payable under section 8107,

covering the same period of time.

“(2) An individual is not entitled to receive an annuity under subchapter IV and a concurrent benefit under subchapter I of chapter 81 on account of the death of the same person.

"(3) Paragraphs (1) and (2) do not bar the right of a claimant to the greater benefit conferred by either this chapter or subchapter I of chapter 81.

"(b) If an individual is entitled to an annuity under subchapter II, IV, or V, and the individual receives a lump-sum payment for compensation under section 8135 based on the disability or death of the same person, so much of the compensation as has been paid for a period extended beyond the date payment of the annuity commences, as determined by the Department of Labor, shall be refunded to that Department for credit to the Employees' Compensation Fund. Before the individual may receive the annuity, the individual shall—

"(1) refund to the Department of Labor the amount representing the commuted compensation payments for the extended period; or

"(2) authorize the deduction of the amount from the annuity. Deductions from the annuity may be made from accrued or accruing payments. The amounts deducted and withheld from the annuity shall be transmitted to the Department of Labor for reimbursement to the Employees' Compensation Fund. When the Department of Labor finds that the financial circumstances of an individual entitled to an annuity under subchapter II, IV, or V warrant deferred refunding, deductions from the annuity may be prorated against and paid from accruing payments in such manner as the Department determines appropriate."

(2) **CHAPTER ANALYSIS.**—The analysis for chapter 84 is amended by inserting after the item relating to section 8464 the following:

"8464a. Relationship between annuity and workers' compensation."

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Subchapter V of chapter 84 is amended—

(A) by striking section 8456; and

(B) by redesignating section 8457 as section 8456.

(2) The analysis for chapter 84 is amended—

(A) by striking the item relating to section 8456; and

(B) by striking "8457" and inserting in lieu thereof "8456".

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall be effective as of January 1, 1987, and shall apply with respect to benefits payable based on a death or disability occurring on or after that date.

(2) **EXCEPTION.**—The amendment made by subsection (a)(1)(A) shall take effect on the date of the enactment of this Act and shall apply with respect to benefits payable based on a death or disability occurring on or after that date.

5 USC 8337 note.

5 USC 8432 note.

SEC. 125. ELIGIBILITY OF CERTAIN INDIVIDUALS TO PARTICIPATE IN THE THRIFT SAVINGS PLAN.

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

(1) the term "Executive Director" means the Executive Director under section 8474 of title 5, United States Code; and

(2) the term "Thrift Savings Plan" refers to the program under subchapter III of chapter 84 of title 5, United States Code.

(b) **REGULATIONS.**—

(1) **IN GENERAL.**—The Executive Director shall prescribe regulations relating to participation in the Thrift Savings Plan by an individual described in subsection (c).

(2) **SPECIFIC MATTERS TO BE INCLUDED.**—Under the regulations—

(A) in computing a percentage of basic pay to determine an amount to be contributed to the Thrift Savings Fund, the rate of basic pay to be used shall be the same as that used in computing any amount which the individual involved is otherwise required, as a condition for participating in the Civil Service Retirement System or the Federal Employees' Retirement System (as the case may be), to contribute to the Civil Service Retirement and Disability Fund; and

(B) an employing authority which would not otherwise make contributions to the Thrift Savings Fund shall be allowed, with respect to any individual under subsection (c) who is serving under such authority, and at the sole discretion of such authority, to make any contributions on behalf of such individual which would be permitted or required under the provisions of section 8432(c) of title 5, United States Code, if such authority were the individual's employing agency under such provisions.

(c) **APPLICABILITY.**—This section applies with respect to—

(1) any individual participating in the Civil Service Retirement System or the Federal Employees' Retirement System as—

(A) an individual who has entered on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees (as defined by section 8331(1) or 8401(11) of title 5, United States Code);

(B) an individual assigned from a Federal agency to a State or local government under subchapter VI of chapter 33 of title 5, United States Code; or

(C) an individual appointed or otherwise assigned to one of the cooperative extension services, as defined by section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(5)); and

(2) any individual who is participating in the Civil Service Retirement System as a result of a provision of law described in section 8347(o).

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the regulations prescribed under this section shall become effective in accordance with the provisions of such regulations.

(2) **EXCEPTION.**—The regulations prescribed under this section shall, with respect to individuals under subsection (c)(1)(C), be effective as of January 1, 1987.

SEC. 126. SPECIAL PAY OF VETERANS' ADMINISTRATION PHYSICIANS INCLUDED IN AVERAGE SALARY UNDER FERS.

Section 4118(f) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking "81 or 83" and inserting in lieu thereof "81, 83, or 84"; and

(2) in paragraph (2)—

(A) in the first sentence, by striking "chapter 83 of title 5" and inserting in lieu thereof "chapter 83 or 84 of title 5, as the case may be";

(B) in the second sentence, by striking "section 8331(4)" and all that follows thereafter through "; or" and inserting in lieu thereof the following: "section 8331(4) or 8401(3) of such title (as applicable) only—

"(A) for the purposes of computing benefits paid under section 8337, 8341 (d) or (e), 8442(b), 8443, or 8451 of such title; or"; and

(C) in subparagraph (B), by inserting "if" at the beginning thereof.

SEC. 127. APPLICATION DEADLINE FOR CERTAIN FORMER SPOUSES.

5 USC 8341 note.

Section 4(b)(1)(B) of the Civil Service Retirement Spouse Equity Act of 1984 (Public Law 98-615; 98 Stat. 3205), as amended by section 201(b)(1)(C) of the Federal Employees Benefits Improvement Act of 1986 (Public Law 99-251; 100 Stat. 22), is amended—

(1) in clause (i), by inserting ", and before May 8, 1987" before the semicolon; and

(2) by amending clause (iv) to read as follows:

"(iv) the former spouse files an application for the survivor annuity with the Office on or before May 7, 1989; and"; and

(3) by amending clause (v) by striking out "at the time of filing such application" and inserting in lieu thereof "on May 7, 1987".

5 USC 8334 note.

SEC. 128. REFUNDS OF CERTAIN EXCESS DEDUCTIONS TAKEN AFTER 1983 TO OFFSET EMPLOYEES UNDER THE CIVIL SERVICE RETIREMENT SYSTEM.

(a) **REFUND ELIGIBILITY.**—An individual shall upon written application to the Office of Personnel Management, receive a refund under subsection (b), if such individual—

(1) was subject to section 8334(a)(1) of title 5, United States Code, for any period of service after December 31, 1983, because of an election under section 208(a)(1)(B) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note);

(2) is not eligible to make an election under section 301(b) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 599); and

(3) becomes subject to section 8334(k) of title 5, United States Code.

(b) **REFUND COMPUTATION.**—An individual eligible for a refund under subsection (a) shall receive a refund—

(1) for the period beginning on January 1, 1984, and ending on December 31, 1986, for the amount by which—

(A) the total amount deducted from such individual's basic pay under section 8334(a)(1) of title 5, United States Code, for service described in subsection (a)(1) of this section, exceeds

(B) 1.3 percent of such individual's total basic pay for such period; and

(2) for the period beginning on January 1, 1987, and ending on the day before such individual becomes subject to section 8334(k) of title 5, United States Code, for the amount by which—

(A) the total amount deducted from such individual's basic pay under section 8334(a)(1) of title 5, United States Code, for service described in subsection (a)(1) of this section, exceeds

(B) the total amount which would have been deducted if such individual's basic pay had instead been subject to section 8334(k) of title 5, United States Code, during such period.

(c) **INTEREST COMPUTATION.**—A refund under this section shall be computed with interest in accordance with section 8334(e) of title 5, United States Code, and regulations prescribed by the Office of Personnel Management.

SEC. 129. ADJUSTMENTS IN METHODS OF ANNUITY PAYMENTS FOR YEARS WITH ZERO OR NEGATIVE INFLATION.

Section 8434(a)(2) (C) and (D) of title 5, United States Code, is amended to read as follows:

“(C) a method described in subparagraph (A) which provides for automatic adjustments in the amount of the annuity payable so long as the amount of the annuity payable in any one year shall not be less than the amount payable in the previous year;

“(D) a method described in subparagraph (B) which provides for automatic adjustments in the amount of the annuity payable so long as the amount of the annuity payable in any one year shall not be less than the amount payable in the previous year; and”.

SEC. 130. COVERAGE UNDER THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM FOR INDIVIDUALS SUBJECT TO THE FOREIGN SERVICE PENSION SYSTEM WHO ENTER FEDERAL EMPLOYMENT OTHER THAN THE FOREIGN SERVICE.

Section 8402 of title 5, United States Code, is amended—

(1) in the matter following subparagraph (B) of paragraph (2) of subsection (b) by inserting “subsection (d) of this section or” before “title III”; and

(2) by inserting after subsection (c) the following new subsection (d):

“(d) Paragraph (2) of subsection (b) shall not apply to an individual who becomes subject to subchapter II of chapter 8 of title I of the Foreign Service Act of 1980 (relating to the Foreign Service Pension System) pursuant to an election and who subsequently enters a position in which, but for such paragraph (2), he would be subject to this chapter.”.

SEC. 131. ANNUITY COMPUTATIONS FOR THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) **SURVIVOR REDUCTION COMPUTATION.**—Section 8419(a) of title 5, United States Code, is amended—

(1) in paragraph (1) by striking out “, shall be reduced” and inserting in lieu thereof “or one-half of the annuity, if jointly designated for this purpose by the employee or Member and the spouse of the employee or Member under procedures prescribed by the Office of Personnel Management, shall be reduced”; and

(2) in paragraph (2)(A) by striking out “, shall be reduced” and inserting in lieu thereof “or one-half of the annuity, if jointly designated for this purpose by the employee or Member and the

spouse of the employee or Member under procedures prescribed by the Office of Personnel Management, shall be reduced".

(b) **SURVIVOR BENEFITS.**—Section 8442 of title 5, United States Code, is amended—

(1) in subsection (a)(1) by inserting after "with respect to the annuitant," the following: "(or one-half thereof, if designated for this purpose under section 8419 of this title)"; and

(2) in subsection (g)(1) by inserting after "paragraph (2)" the following: "(or one-half thereof if designated for this purpose under section 8419 of this title)".

SEC. 132. LOANS FROM EMPLOYEES' CONTRIBUTION TO THE THRIFT SAVINGS FUND.

Section 8433(i)(3) of title 5, United States Code, is amended to read as follows:

"(3) Loans under this subsection shall be available to all employees and Members on a reasonably equivalent basis, and shall be subject to such other conditions as the Board may by regulation prescribe. The restrictions of section 8477(c)(1) of this title shall not apply to loans made under this subsection."

SEC. 133. FIDUCIARY RESPONSIBILITIES AND LIABILITIES IN MANAGEMENT OF THRIFT SAVINGS FUND.

(a) **FIDUCIARY RESPONSIBILITIES AND LIABILITIES.**—Section 8477(e) of title 5, United States Code, is amended—

(1) in paragraph (1)(A) by inserting before the period at the end of the first sentence a comma and "except as provided in paragraphs (3) and (4) of this subsection";

(2) in paragraph (1)(B) by striking out "Internal Revenue Code of 1954" and inserting in lieu thereof "Internal Revenue Code of 1986";

(3) in paragraph (1)(D) by inserting "only" before "if" in the matter preceding clause (i);

(4) by redesignating paragraphs (4) and (5) as paragraphs (7) and (8), respectively; and

(5) by striking out paragraphs (2) and (3) and inserting in lieu thereof:

"(2) No civil action may be maintained against any fiduciary with respect to the responsibilities, liabilities, and penalties authorized or provided for in this section except in accordance with paragraphs (3) and (4).

"(3) A civil action may be brought in the district courts of the United States—

"(A) by the Secretary of Labor against any fiduciary other than a Member of the Board or the Executive Director of the Board—

"(i) to determine and enforce a liability under paragraph (1)(A);

"(ii) to collect any civil penalty under paragraph (1)(B);

"(iii) to enjoin any act or practice which violates any provision of subsection (b) or (c);

"(iv) to obtain any other appropriate equitable relief to redress a violation of any such provision; or

"(v) to enjoin any act or practice which violates subsection (g)(2) or (h) of section 8472 of this title;

"(B) by any participant, beneficiary, or fiduciary against any fiduciary—

“(i) to enjoin any act or practice which violates any provision of subsection (b) or (c);

“(ii) to obtain any other appropriate equitable relief to redress a violation of any such provision;

“(iii) to enjoin any act or practice which violates subsection (g)(2) or (h) of section 8472 of this title; or

“(C) by any participant or beneficiary—

“(i) to recover benefits of such participant or beneficiary under the provisions of subchapter III of this chapter, to enforce any right of such participant or beneficiary under such provisions, or to clarify any such right to future benefits under such provisions; or

“(ii) to enforce any claim otherwise cognizable under sections 1346(b) and 2671 through 2680 of title 28, if the remedy against the United States provided by sections 1346(b) and 2672 of title 28 for damages for injury or loss of property caused by the negligent or wrongful act or omission of any fiduciary while acting within the scope of his duties or employment is exclusive of any other civil action or proceeding by the participant or beneficiary for recovery of money by reason of the same subject matter against the fiduciary (or the estate of such fiduciary) whose act or omission gave rise to such action or proceeding, whether or not such action or proceeding is based on an alleged violation of subsection (b) or (c).

Claims.

“(4)(A) In all civil actions under paragraph (3)(A), attorneys appointed by the Secretary may represent the Secretary (except as provided in section 518(a) of title 28), however all such litigation shall be subject to the direction and control of the Attorney General.

“(B) The Attorney General shall defend any civil action or proceeding brought in any court against any fiduciary referred to in paragraph (3)(C)(ii) (or the estate of such fiduciary) for any such injury. Any fiduciary against whom such a civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such fiduciary (or an attested copy thereof) to the Executive Director of the Board, who shall promptly furnish copies of the pleading and process to the Attorney General and the United States Attorney for the district wherein the action or proceeding is brought.

“(C) Upon certification by the Attorney General that a fiduciary described in paragraph (3)(C)(ii) was acting in the scope of such fiduciary's duties or employment as a fiduciary at the time of the occurrence or omission out of which the action arose, any such civil action or proceeding commenced in a State court shall be—

“(i) removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division in which it is pending; and

“(ii) deemed a tort action brought against the United States under the provisions of title 28 and all references thereto.

“(D) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, and with the same effect. To the extent section 2672 of title 28 provides that persons other than the Attorney General or his designee may compromise and settle claims, and that payment of such claims may be made from agency appropria-

Claims.

tions, such provisions shall not apply to claims based upon an alleged violation of subsection (b) or (c).

Claims. "(E) For the purposes of paragraph (3)(C)(ii) the provisions of sections 2680(h) of title 28 shall not apply to any claim based upon an alleged violation of subsection (b) or (c).

Claims. "(F) Notwithstanding sections 1346(b) and 2671 through 2680 of title 28, whenever an award, compromise, or settlement is made under such sections upon any claim based upon an alleged violation of subsection (b) or (c), payment of such award, compromise, or settlement shall be made to the appropriate account within the Thrift Savings Fund, or where there is no such appropriate account, to the participant or beneficiary bringing the claim.

"(G) For purposes of paragraph (3)(C)(ii), fiduciary includes only the Members of the Board and the Board's Executive Director.

"(5) Any relief awarded against a Member of the Board or the Executive Director of the Board in a civil action authorized by paragraphs (3) and (4) may not include any monetary damages or any other recovery of money.

"(6) An action may not be commenced under paragraph (3) (A) or (B) with respect to a fiduciary's breach of any responsibility, duty, or obligation under subsection (b) or a violation of subsection (c) after the earlier of—

"(A) 6 years after (i) the date of the last action which constituted a part of the breach or violation, or (ii) in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation; or

Fraud. "(B) 3 years after the earliest date on which the plaintiff had actual knowledge of the breach or violation, except that, in the case of fraud or concealment, such action may be commenced not later than 6 years after the date of discovery of such breach or violation."

5 USC 8477 note. (b) **EFFECTIVE DATE.**—The provisions of section 8477(e) (1), (2), (3), (4), (5), and (6) of title 5, United States Code (as amended by subsection (a) of this section), shall apply to any civil action or proceeding arising from any act or omission occurring on or after October 1, 1986.

5 USC 8477 and note. (c) **REPEAL.**—The provisions of subsection (a) (and the amendments to section 8477(e) of title 5, United States Code, contained therein) and subsection (b) of this section are repealed effective on December 31, 1990. On and after December 31, 1990, the provisions of section 8477(e) of title 5, United States Code, shall be in effect as such provisions were in effect on the date immediately preceding the date of enactment of this section.

SEC. 134. AMENDMENTS CONCERNING REEMPLOYED ANNUITANTS.

(a) **AMENDMENT TO CHAPTER 84 OF TITLE 5, UNITED STATES CODE.**—Section 8468 is amended to read as follows:

5 USC 8468. "**§ 8468. Annuities and pay on reemployment**

"(a) If an annuitant, except a disability annuitant whose annuity is terminated because of the annuitant's recovery or restoration of earning capacity, becomes employed in an appointive or elective position, an amount equal to the annuity allocable to the period of actual employment shall be deducted from the annuitant's pay, except for lump-sum leave payment purposes under section 5551. Unless the annuitant's appointment is on an intermittent basis or is to a position as a justice or judge (as defined by section 451 of title

28) or as an employee subject to another retirement system for Government employees, or unless the annuitant is serving as President, deductions for the Fund shall be withheld from the annuitant's pay under section 8422(a) and contributions under section 8423 shall be made. The deductions and contributions referred to in the preceding provisions of this subsection shall be deposited in the Treasury of the United States to the credit of the Fund. The annuitant's lump-sum credit may not be reduced by annuity paid during the reemployment.

"(b)(1)(A) If an annuitant subject to deductions under the second sentence of subsection (a) serves on a full-time basis for at least 1 year, or on a part-time basis for periods equivalent to at least 1 year of full-time service, the annuitant's annuity on termination of reemployment shall be increased by an annuity computed under section 8415 (a) through (f) as may apply based on the period of reemployment and the basic pay, before deduction, averaged during the reemployment.

"(B)(i) If the annuitant is receiving a reduced annuity as provided in section 8419, the increase in annuity payable under subparagraph (A) is reduced by 10 percent and the survivor annuity or combination of survivor annuities payable under section 8442 or 8445 (or both) is increased by 50 percent of the increase in annuity payable under subparagraph (A), unless, at the time of claiming the increase payable under subparagraph (A), the annuitant notifies the Office in writing that the annuitant does not desire the survivor annuity to be increased.

"(ii) If an annuitant who is subject to the deductions referred to in subparagraph (A) dies while still reemployed, after having been reemployed for not less than 1 year of full-time service (or the equivalent thereof, in the case of full-time employment), the survivor annuity payable is increased as though the reemployment had otherwise terminated.

"(2)(A) If an annuitant subject to deductions under the second sentence of subsection (a) serves on a full-time basis for at least 5 years, or on a part-time basis for periods equivalent to at least 5 years of full-time service, the annuitant may elect, instead of the benefit provided by paragraph (1), to have such annuitant's rights redetermined under this chapter.

"(B) If an annuitant who is subject to the deductions referred to in subparagraph (A) dies while still reemployed, after having been reemployed for at least 5 years of full-time service (or the equivalent thereof in the case of part-time employment), any person entitled to a survivor annuity under section 8442 or 8445 based on the service of such annuitant shall be permitted to elect, in accordance with regulations prescribed by the Office of Personnel Management, to have such person's rights under subchapter IV redetermined. A redetermined survivor annuity elected under this subparagraph shall be in lieu of an increased annuity which would otherwise be payable in accordance with paragraph (1)(B)(ii).

"(3) If an annuitant subject to deductions under the second sentence of subsection (a) serves on a full-time basis for a period of less than 1 year, or on a part-time basis for periods equivalent to less than 1 year of full-time service, the total amount withheld under section 8422(a) from the annuitant's basic pay for the period or periods involved shall, upon written application to the Office, be payable to the annuitant (or the appropriate survivor or survivors, determined in the order set forth in section 8424(d)).

“(c) This section does not apply to an individual appointed to serve as a Governor of the Board of Governors of the United States Postal Service.

“(d) If an annuitant becomes employed as a justice or judge of the United States, as defined by section 451 of title 28, the annuitant may, at any time prior to resignation or retirement from regular active service as such a justice or judge, apply for and be paid, in accordance with section 8424(a), the amount (if any) by which the lump-sum credit exceeds the total annuity paid, notwithstanding the time limitation contained in such section for filing an application for payment.

“(e) A reference in this section to an ‘annuity’ shall not be considered to include any amount payable from a source other than the Fund.”.

5 USC 8331 note.

(b) AMENDMENT TO FERSA.—Section 302(a)(12) of the Federal Employees’ Retirement System Act of 1986 is amended to read as follows:

“(12)(A)(i) If the electing individual is a reemployed annuitant under section 8344 of title 5, United States Code, under conditions allowing the annuity to continue during reemployment, payment of the annuitant’s annuity shall continue after the effective date of the election, and an amount equal to the annuity allocable to the period of actual employment shall continue to be deducted from the annuitant’s pay and deposited as provided in subsection (a) of such section. Deductions from pay under section 8422(a) of such title and contributions under section 8423 of such title shall begin effective on the effective date of the election.

“(ii) Notwithstanding any provision of section 301, an election under such section shall not be available to any reemployed annuitant who would be excluded from the operation of chapter 84 of title 5, United States Code, under section 8402(c) of such title (relating to exclusions based on the temporary or intermittent nature of one’s employment).

“(B) If the annuitant serves on a full-time basis for at least 1 year, or on a part-time basis for periods equivalent to at least 1 year of full-time service, such annuitant’s annuity, on termination of reemployment, shall be increased by an annuity computed—

“(i) with respect to reemployment service before the effective date of the election, under section 8339 (a), (b), (d), (e), (h), (i), and (n) of title 5, United States Code, as may apply based on the reemployment in which such annuitant was engaged before such effective date; and

“(ii) with respect to reemployment service on or after the effective date of the election, under section 8415 (a) through (f) of such title, as may apply based on the reemployment in which such annuitant was engaged on or after such effective date; with the ‘average pay’ used in any computation under clause (i) or (ii) being determined (based on rates of pay in effect during the period of reemployment, whether before, on, or after the effective date of the election) in the same way as provided for in paragraph (6). If the annuitant is receiving a reduced annuity as provided in section 8339(j) or section 8339(k)(2) of title 5, United States Code, the increase in annuity payable under this subparagraph is reduced by 10 percent and the survivor annuity payable under section 8341(b) of such title is increased by 55 percent of the increase in annuity payable under this subparagraph, unless, at the time of claiming the increase payable under this subparagraph, the annuitant notifies

the Office of Personnel Management in writing that such annuitant does not desire the survivor annuity to be increased. If the annuitant dies while still reemployed, after having been reemployed for at least 1 full year (or the equivalent thereof, in the case of part-time employment), any survivor annuity payable under section 8341(b) of such title based on the service of such annuitant is increased as though the reemployment had otherwise terminated. In applying paragraph (7) to an amount under this subparagraph, any portion of such amount attributable to clause (i) shall be adjusted under subparagraph (A) of such paragraph, and any portion of such amount attributable to clause (ii) shall be adjusted under subparagraph (B) of such paragraph.

“(C)(i) If the annuitant serves on a full-time basis for at least 5 years, or on a part-time basis for periods equivalent to at least 5 years of full-time service, such annuitant may elect, instead of the benefit provided by subparagraph (B), to have such annuitant’s rights redetermined, effective upon separation from employment. If the annuitant so elects, the redetermined annuity will become payable as if such annuitant were retiring for the first time based on the separation from reemployment service, and the provisions of this section concerning computation of annuity (other than any provision of this paragraph) shall apply.

“(ii) If the annuitant dies while still reemployed, after having been reemployed for at least 5 full years (or the equivalent thereof, in the case of part-time employment), any person entitled to a survivor annuity under section 8341(b) of title 5, United States Code, based on the service of such annuitant shall be permitted to elect to have such person’s rights redetermined in accordance with regulations which the Office shall prescribe. Redetermined benefits elected under this clause shall be in lieu of any increased benefits which would otherwise be payable in accordance with the next to last sentence of subparagraph (B).

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“(D) If the annuitant serves on a full-time basis for less than 1 year (or the equivalent thereof, in the case of part-time employment), any amounts withheld under section 8422(a) of title 5, United States Code, from such annuitant’s pay for the period (or periods) involved shall, upon written application to the Office, be payable to such annuitant (or the appropriate survivor or survivors, determined in the order set forth in section 8342(c) of such title).

“(E) For purposes of determining the period of an annuitant’s reemployment service under this paragraph, a period of reemployment service shall not be taken into account unless—

“(i) with respect to service performed before the effective date of the election under section 301, it is service which, if performed for at least 1 full year, would have allowed such annuitant to elect under section 8344(a) of title 5, United States Code, to have deductions withheld from pay; or

“(ii) with respect to service performed on or after the effective date of the election under section 301, it is service with respect to which deductions from pay would be required to be withheld under the second sentence of section 8468(a) of title 5, United States Code.”.

(c) TECHNICAL AMENDMENT.—Section 302(a)(4) of the Federal Employees’ Retirement System Act of 1986 is amended by striking out all before “benefits” and inserting “Accrued”.

5 USC 8331 note.

(d) EFFECTIVE DATE.—

5 USC 8468 note.

(1) **GENERALLY.**—The amendments made by this section shall take effect on the date of the enactment of this Act, and as provided in paragraph (2), shall apply with respect to any individual who becomes a reemployed annuitant on or after such date.

(2) **EXCEPTION.**—The amendment made by subsection (b) shall apply with respect to any election made by a reemployed annuitant on or after the date of the enactment of this Act.

Texas.

SEC. 135. DESIGNATION OF UNITED STATES POST OFFICE BUILDING.

The United States Post Office Building located at 809 Nueces Bay Boulevard, Corpus Christi, Texas, shall be designated and hereafter known as the "Dr. Hector Perez Garcia Post Office Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "Dr. Hector Perez Garcia Post Office Building".

SEC. 136. CONTINUED COVERAGE FOR CERTAIN EMPLOYEES AND ANNUITANTS OF THE ALASKA RAILROAD IN FEDERAL HEALTH BENEFITS PLANS AND LIFE INSURANCE PLANS.

(a) **AMENDMENT TO ALASKA RAILROAD TRANSFER ACT OF 1982.**—Section 607 of the Alaska Railroad Transfer Act of 1982 (45 U.S.C. 1206) is amended by adding at the end thereof the following new subsection:

"(e)(1) Any person described under the provisions of paragraph (2) may elect life insurance coverage under chapter 87 of title 5, United States Code, and enroll in a health benefits plan under chapter 89 of title 5, United States Code, in accordance with the provisions of this subsection.

"(2) The provisions of paragraph (1) shall apply to any person who—

"(A)(i) retired from the State-owned railroad during the period beginning on or after January 4, 1985 through the date of enactment of this subsection; and

"(ii)(I) was covered under a life insurance policy pursuant to chapter 87 of title 5, United States Code, on January 4, 1985, for the purpose of electing life insurance coverage under the provisions of paragraph (1); or

"(II) was enrolled in a health benefits plan pursuant to chapter 89 of title 5, United States Code, on January 4, 1985, for the purpose of enrolling in a health benefits plan under the provisions of paragraph (1); or

"(B)(i) on the date of enactment of this subsection is an employee of the State-owned railroad; and

"(ii)(I) has 26 years or more of service (in the civil service as a Federal employee or as an employee of the State-owned railroad, combined) on the date of retirement from the State-owned railroad; and

"(II)(aa) was covered under a life insurance policy pursuant to chapter 87 of title 5, United States Code, on January 4, 1985, for the purpose of electing life insurance coverage under the provisions of paragraph (1); or

"(bb) was enrolled in a health benefits plan pursuant to chapter 89 of title 5, United States Code, on January 4, 1985, for the purpose of enrolling in a health benefits plan under the provisions of paragraph (1).

"(3) For purposes of this section, any person described under the provisions of paragraph (2) shall be deemed to have been covered under a life insurance policy under chapter 87 of title 5, United States Code, and to have been enrolled in a health benefits plan under chapter 89 of title 5, United States Code, during the period beginning on January 5, 1985 through the date of retirement of any such person.

"(4) The provisions of paragraph (1) shall not apply to any person described under paragraph (2)(B), until the date such person retires from the State-owned railroad."

(b) ADMINISTRATIVE PROVISIONS.—Within 180 days after the date of enactment of this section, the Director of the Office of Personnel Management shall notify any person described under the provisions of section 607(e)(2)(A) of such Act, for the purpose of the election of a life insurance policy or the enrollment in a health benefits plan pursuant to the provisions of section 607(e)(1) of the Alaska Railroad Transfer Act of 1982 (as amended by subsection (a) of this section).

45 USC 1206
note.

SEC. 137. Section 5402 of title 39, United States Code, is amended—

Alaska.

(1) in subsection (f) by striking out "January 1, 1989" and inserting in lieu thereof "January 1, 1999"; and

(2) by adding at the end thereof the following new subsection:

"(g)(1) The Postal Service, in selecting carriers of non-priority bypass mail to any point served by more than one carrier in the State of Alaska, shall, at a minimum, require that any such carrier shall—

Mail.
Aircraft and air
carriers.

"(A) hold a certificate of public convenience and necessity issued under section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371);

"(B) operate at least 3 scheduled flights each week to such point;

"(C) exhibit an adherence to such scheduled flights to the best of the abilities of such carrier; and

"(D) have provided scheduled service within the State of Alaska for at least 12 months before being selected as a carrier of non-priority bypass mail.

"(2) The Postal Service—

"(A) may provide direct mainline non-priority bypass mail service to any bush point in the State of Alaska, without regard to paragraph (1)(B), if such service is equal to or better than interline service in cost and quality; and

"(B) shall deduct the non-priority bypass mail poundage flown on direct mainline flights to bush points within the State of Alaska by any carrier, from such carrier's allocation of the total poundage of non-priority bypass mail transported to the nearest appropriate Postal Service hub point in any month.

"(3)(A) The Postal Service shall determine the bypass mail bush points and hub points described under paragraph (2)(B) after consultation with the State of Alaska and the affected local communities and air carriers.

"(B) Any changes in the determinations of the Postal Service under subparagraph (A) shall be made—

"(i) after consultation with the State of Alaska and the affected local communities and air carriers; and

"(ii) after giving 12 months public notice before any such change takes effect.

TITLE II—FOREIGN SERVICE RETIREMENT

PART A—GENERAL PROVISIONS

SEC. 201. REFERENCES.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment or repeal to a section or other provision, the reference shall be considered to be made to a section or other provision of the Foreign Service Act of 1980 (22 U.S.C. 4041 et seq.).

SEC. 202. FORMER SPOUSES MARRIED BETWEEN 9 MONTHS AND 10 YEARS.

(a) IN GENERAL.—Subchapter I of chapter 8 (22 U.S.C. 4041 et seq.) is amended by adding after section 829 the following new section:

“SEC. 830. QUALIFIED FORMER WIVES AND HUSBANDS.—(a) Notwithstanding section 4(h) of the Civil Service Retirement Spouse Equity Act of 1984, section 827 of this Act shall apply with respect to section 8339(j), section 8341(e), and section 8341(h) of title 5, United States Code, and section 4 (except for subsection (b)) of the Civil Service Retirement Spouse Equity Act of 1984 to the extent that those sections apply to a qualified former wife or husband. For the purposes of this section any reference in the Civil Service Retirement Spouse Equity Act of 1984 to the effective date of that Act shall be deemed to be a reference to the effective date of this section.

“(b)(1) Payments pursuant to this section which would otherwise be made to a participant or former participant based upon his service shall be paid (in whole or in part) by the Secretary of State to another person if and to the extent expressly provided for in the terms of any court order or spousal agreement. Any payment under this paragraph to a person bars recovery by any other person.

“(2) Paragraph (1) shall only apply to payments made by the Secretary of State under this chapter after the date of receipt by the Secretary of State of written notice of such court order or spousal agreement and such additional information and documentation as the Secretary of State may prescribe.

“(c) For the purposes of this section, the term ‘qualified former wife or husband’ means a former wife or husband of an individual if—

“(1) such individual performed at least 18 months of civilian service creditable under this chapter; and

“(2) the former wife or husband was married to such individual for at least 9 months but not more than 10 years.

“(d) Regulations issued pursuant to section 827 to implement this section shall be submitted to the Committee on Post Office and Civil Service and the Committee on Foreign Affairs of the House of Representatives and the Committee on Governmental Affairs and the Committee on Foreign Relations of the Senate. Such regulations shall not take effect until 60 days after the date on which such regulations are submitted to the Congress.”.

(b) CONFORMING AMENDMENT.—The table of contents in section 2 of the Foreign Service Act of 1980 is amended by inserting after the item relating to section 829 the following:

“Sec. 830. Qualified former wives and husbands.”.

22 USC 4069-1.

Regulations.
Effective date.

SEC. 203. ELECTION TO PROVIDE SURVIVOR ANNUITY FOR CERTAIN SPOUSES ACQUIRED BEFORE THE EFFECTIVE DATE OF THE FOREIGN SERVICE ACT OF 1980.

22 USC 4046
note.

(a) **ELECTION.**—A former participant who married his or her current spouse before the effective date of the Foreign Service Act of 1980 and who married such spouse after retirement under the Foreign Service Retirement and Disability System and who was unable to provide a survivor annuity for such spouse because—

(1) the participant was married at the time of retirement and elected not to provide a survivor annuity for that spouse at the time of retirement, or

(2) subject to subsection (e), the participant failed to notify the Secretary of State of the participant's post-retirement marriage within one year after the marriage,
may make the election described in subsection (b).

(b) **ELECTION DESCRIBED.**—

(1) The election referred to in subsection (a) is an election in writing—

(A) to provide for a survivor annuity for such spouse under section 806(g) of the Foreign Service Act of 1980 (22 U.S.C. 4046(g));

(B) to have his or her annuity reduced under section 806(b)(2) of such Act; and

(C) to deposit in the Foreign Service Retirement and Disability Fund an amount determined by the Secretary of State, as nearly as may be administratively feasible, to reflect the amount by which such participant's annuity would have been reduced had the election been continuously in effect since the annuity commenced, plus interest computed under paragraph (2).

(2) For the purposes of paragraph (1), the annual rate of interest shall be 6 percent for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced.

(c) **OFFSET.**—If the participant does not make the deposit referred to in subsection (b)(1)(C), the Secretary of State shall collect such amount by offset against such participant's annuity, up to a maximum of 25 percent of the net annuity otherwise payable to such participant. Such participant is deemed to consent to such offset.

(d) **NOTICE.**—The Secretary of State shall provide for notice to the general public of the right to make an election under this section.

(e) **PROOF OF ATTEMPTED ELECTION.**—In any case in which subsection (a)(2) applies, the retired employee or Member shall provide the Secretary of State with such documentation as the Secretary of State shall decide is appropriate, to show that such participant attempted to elect a reduced annuity with survivor benefit for his or her current spouse and that such election was rejected by the Secretary of State because it was untimely filed.

(f) **DEPOSIT.**—A deposit required by this subsection may be made by the surviving spouse of the participant.

(g) **LIMITATION.**—The election authorized in subsection (a) may only be made within one year after the date of enactment of this title in accordance with procedures prescribed by the Secretary of State.

(h) **DEFINITIONS.**—For the purposes of this section, the terms "participant" and "surviving spouse" have the same meaning given

such terms in subchapter I of chapter 8 of the Foreign Service Act of 1980.

SEC. 204. BENEFITS FOR CERTAIN FORMER SPOUSES OF MEMBERS OF THE FOREIGN SERVICE.

(a) **IN GENERAL.**—Subchapter I of chapter 8 (22 U.S.C. 3901 et seq.), as amended by section 202 of this title, is amended by inserting after section 830 the following:

22 USC 4069a-1.

“SEC. 831. RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES.

“(a) Any individual who was a former spouse of a participant or former participant on February 14, 1981, shall be entitled, to the extent of available appropriations, and except to the extent such former spouse is disqualified under subsection (b), to benefits—

“(1) if married to the participant throughout the creditable service of the participant, equal to 50 percent of the benefits of the participant; or

“(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 50 percent of such benefits.

“(b) A former spouse shall not be entitled to benefits under this section if—

“(1) the former spouse remarries before age 55; or

“(2) the former spouse was not married to the participant at least 10 years during service of the participant which is creditable under this chapter with at least 5 years occurring while the participant was a member of the Foreign Service.

“(c)(1) The entitlement of a former spouse to benefits under this section—

“(A) shall commence on the later of—

“(i) the day the participant upon whose service the benefits are based becomes entitled to benefits under this chapter; or

“(ii) the first day of the month in which the divorce or annulment involved becomes final; and

“(B) shall terminate on the earlier of—

“(i) the last day of the month before the former spouse dies or remarries before 55 years of age; or

“(ii) the date of the benefits of the participant terminates.

“(2) Notwithstanding paragraph (1), in the case of any former spouse of a disability annuitant—

“(A) the benefits of the former spouse shall commence on the date the participant would qualify on the basis of his or her creditable service for benefits under this chapter (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

“(B) the amount of benefits of the former spouse shall be calculated on the basis of benefits for which the participant would otherwise so qualify.

“(3) Benefits under this section shall be treated the same as an annuity under section 814(a)(7) for purposes of section 806(h) or any comparable provision of law.

“(4)(A) Benefits under this section shall not be payable unless appropriate written application is provided to the Secretary, complete with any supporting documentation which the Secretary may by regulation require, within 30 months after the effective date of this section. The Secretary may waive the 30-month application

requirement under this subparagraph in any case in which the Secretary determines that the circumstances so warrant.

“(B) Upon approval of an application provided under subparagraph (A), the appropriate benefits shall be payable to the former spouse with respect to all periods before such approval during which the former spouse was entitled to such benefits under this section, but in no event shall benefits be payable under this section with respect to any period before the effective date of this section.

“(d) For the purpose of this section, the term ‘benefits’ means—

“(1) with respect to a participant or former participant subject to this subchapter, the annuity of the participant or former participant; and

“(2) with respect to a participant or former participant subject to subchapter II, the benefits of the participant or former participant under that subchapter.

“(e) Nothing in this section shall be construed to impair, reduce, or otherwise affect the annuity or the entitlement to an annuity of a participant or former participant under this chapter.

“SEC. 832. SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES.

22 USC 4069b-1.

“(a) Any individual who was a former spouse of a participant or former participant on February 14, 1981, shall be entitled, to the extent of available appropriations, and except to the extent such former spouse is disqualified under subsection (b), to a survivor annuity equal to 55 percent of the greater of—

“(1) the full amount of the participant’s or former participant’s annuity, as computed under this chapter; or

“(2) the full amount of what such annuity as so computed would be if the participant or former participant had not withdrawn a lump-sum portion of contributions made with respect to such annuity.

“(b) If an election has been made with respect to such former spouse under section 2109 or 806(f), then the survivor annuity under subsection (a) of such former spouse shall be equal to the full amount of the participant’s or former participant’s annuity referred to in subsection (a) less the amount of such election.

“(c) A former spouse shall not be entitled to a survivor annuity under this section if—

“(1) the former spouse remarries before age 55; or

“(2) the former spouse was not married to the participant at least 10 years during service of the participant which is creditable under this chapter with at least 5 years occurring while the participant was a member of the Foreign Service.

“(d)(1) The entitlement of a former spouse to a survivor annuity under this section—

“(A) shall commence—

“(i) in the case of a former spouse of a participant or former participant who is deceased as of the effective date of this section, beginning on such date; and

“(ii) in the case of any other former spouse, beginning on the later of—

“(I) the date that the participant or former participant to whom the former spouse was married dies; or

“(II) the effective date of this section; and

“(B) shall terminate on the last day of the month before the former spouse’s death or remarriage before attaining the age 55.

"(2)(A) A survivor annuity under this section shall not be payable unless appropriate written application is provided to the Secretary, complete with any supporting documentation which the Secretary may by regulation require, within 30 months after the effective date of this section. The Secretary may waive the 30-month application requirement under this subparagraph in any case in which the Secretary determines that the circumstances so warrant.

"(B) Upon approval of an application provided under subparagraph (A), the appropriate survivor annuity shall be payable to the former spouse with respect to all periods before such approval during which the former spouse was entitled to such annuity under this section, but in no event shall a survivor annuity be payable under this section with respect to any period before the effective date of this section.

"(e) The Secretary shall—

Regulations.

"(1) as soon as possible, but not later than 60 days after the effective date of this section, issue such regulations as may be necessary to carry out this section; and

"(2) to the extent practicable, and as soon as possible, inform each individual who was a former spouse of a participant or former participant on February 14, 1981, of any rights which such individual may have under this section.

"(f) Nothing in this section shall be construed to impair, reduce, or otherwise affect the annuity or the entitlement to an annuity of a participant or former participant under this chapter.

22 USC 4069c-1.

"SEC. 833. HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES.

"(a) Except as provided in subsection (c)(1), any individual—

"(1) formerly married to an employee or former employee of the Foreign Service, whose marriage was dissolved by divorce or annulment before May 7, 1985;

"(2) who, at any time during the 18-month period before the divorce or annulment became final, was covered under a health benefits plan as a member of the family of such employee or former employee; and

"(3) who was married to such employee for not less than 10 years during periods of government service by such employee, is eligible for coverage under a health benefits plan in accordance with the provisions of this section.

Regulations.

"(b)(1) Any individual eligible for coverage under subsection (a) may enroll in a health benefits plan for self alone or for self and family if, before the expiration of the 6-month period beginning on the effective date of this section, and in accordance with such procedures as the Director of the Office of Personnel Management shall by regulation prescribe, such individual—

"(A) files an election for such enrollment; and

"(B) arranges to pay currently into the Employees Health Benefits Fund under section 8909 of title 5, United States Code, an amount equal to the sum of the employee and agency contributions payable in the case of an employee enrolled under chapter 89 of such title in the same health benefits plan and with the same level of benefits.

"(2) The Secretary shall, as soon as possible, take all steps practicable—

"(A) to determine the identity and current address of each former spouse eligible for coverage under subsection (a); and

“(B) to notify each such former spouse of that individual’s rights under this section.

“(3) The Secretary shall waive the 6-month limitation set forth in paragraph (1) in any case in which the Secretary determines that the circumstances so warrant.

“(c)(1) Any former spouse who remarries before age 55 is not eligible to make an election under subsection (b)(1).

“(2) Any former spouse enrolled in a health benefits plan pursuant to an election under subsection (b)(1) may continue the enrollment under the conditions of eligibility which the Director of the Office of Personnel Management shall by regulation prescribe, except that any former spouse who remarries before age 55 shall not be eligible for continued enrollment under this section after the end of the 31-day period beginning on the date of remarriage.

Regulations.

“(d) No individual may be covered by a health benefits plan under this section during any period in which such individual is enrolled in a health benefits plan under any other authority, nor may any individual be covered under more than one enrollment under this section.

“(e) For purposes of this section the term ‘health benefits plan’ means an approved health benefits plan under chapter 89 of title 5, United States Code.”.

(b) CONFORMING AMENDMENT.—The table of contents in section 2 of the Foreign Service Act of 1980 is amended by inserting after the item relating to section 830 the following:

“Sec. 831. Retirement benefits for certain former spouses.

“Sec. 832. Survivor benefits for certain former spouses.

“Sec. 833. Health benefits for certain former spouses.”.

PART B—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

SEC. 211. DEFINITION OF SURVIVING SPOUSE.

Paragraph (13) of section 804 (22 U.S.C. 4044) is amended—

(1) by striking out “, in the case of death in service or marriage after retirement,”;

(2) by striking out “one year” and inserting in lieu thereof “9 months”; and

(3) by inserting before the semicolon the following: “, except that the requirement for at least 9 months of marriage shall be deemed satisfied in any case in which the participant or annuitant dies within the applicable 9-month period, if—

“(A) the death of such participant or annuitant was accidental; or

“(B) the surviving spouse of such individual had been previously married to the individual and subsequently divorced and the aggregate time married is at least 9 months”.

SEC. 212. CONTRIBUTIONS FOR PRIOR SERVICE.

Paragraph (1) of section 805(d) (22 U.S.C. 4045(d)) is amended—

(1) by striking out “equal to” and inserting in lieu thereof “Special contributions for purposes of subparagraph (A) shall equal”; and

(2) by adding at the end thereof the following: “Special contributions for refunds under subparagraph (B) shall equal the amount of the refund received by the participant.”.

SEC. 213. COMPUTATION OF ANNUITIES.

(a) **JOINT ELECTION TO WAIVE SURVIVOR ANNUITY WITH RESPECT TO A FORMER SPOUSE.**—Subparagraph (C) of section 806(b)(1) (22 U.S.C. 4046(b)(1)) is amended by striking out “12-month” and inserting in lieu thereof “24-month”.

(b) **RECALL SERVICE.**—Paragraph (2) of section 806(i) (22 U.S.C. 4046 (i)) is amended by striking out “section 814(b)” and inserting in lieu thereof “this subchapter”.

SEC. 214. SURVIVOR BENEFITS FOR CHILDREN.

(a) **SURVIVOR BENEFITS FOR CHILDREN.**—Section 806 of chapter 8 (22 U.S.C. 4046) (as amended by section 213 of this Act) is amended—

(1) in subsection (c), by inserting “or a former spouse who is the natural or adoptive parent of a surviving child of the annuitant” after “survived by a spouse” each place it appears; and

(2) in subsection (d), by amending the first sentence to read as follows: “On the death of the surviving spouse or former spouse or termination of the annuity of a child, the annuity of any other child or children shall be recomputed and paid as though the spouse, former spouse, or child had not survived the participant.”.

(b) **DEATH IN SERVICE.**—Section 809 (22 U.S.C. 4049) is amended—

(1) in subsection (c), by inserting “or a former spouse who is the natural or adoptive parent of a surviving child of the annuitant,” after “spouse”; and

(2) in subsection (d), by inserting “or a former spouse who is the natural or adoptive parent of a surviving child of the annuitant,” after “spouse”.

SEC. 215. MINIMUM AGE REQUIREMENT.

(a) **DISABILITY ANNUITY.**—Subsections (a) and (b) of section 808 (22 U.S.C. 4048) are each amended by striking out “65” each place it appears and inserting in lieu thereof “60”.

(b) **DEATH IN SERVICE.**—Subsection (e) of section 809 (22 U.S.C. 4049) is amended by striking out “65” and inserting in lieu thereof “60”.

SEC. 216. VOLUNTARY RETIREMENT.

Section 811 of chapter 8 (22 U.S.C. 4051) is amended by adding at the end thereof the following: “The Secretary shall withhold consent for retirement under this section by any participant who has not been a member of the Service for 5 years. Any participant who voluntarily separates from the Service before completing 5 years in the System and who, on the date of separation, would be eligible for an annuity, based on a voluntary separation, under section 8336 or 8338 of title 5, United States Code, if the participant had been covered under the Civil Service Retirement System rather than subject to this chapter while a member of the Service, may receive an annuity under section 8336 or 8338, notwithstanding section 8333(b) of title 5, United States Code, if all contributions transferred to the Fund under section 805(c)(1) of this Act, as well as all contributions withheld from the participant’s pay or contributed by the employer, and deposited into the Fund during the period he or she was subject to this chapter, including interest on these amounts, are transferred to the Civil Service Retirement and Disability Fund effective on the date the participant separates from the Service.”.

SEC. 217. FORMER SPOUSES.

(a) **5 YEAR FOREIGN SERVICE REQUIREMENT.**—Paragraph (1) of section 814(a) is amended by inserting “if such former spouse was married to the participant for at least 10 years during service of the participant which is creditable under this chapter with at least 5 of such years occurring while the participant was a member of the Foreign Service and” after “annuity”. 22 USC 4054.

(b) **COURT ORDER EFFECTIVE 24 MONTHS AFTER MARRIAGE IS DISSOLVED.**—Paragraph (4) of section 814(a) (22 U.S.C. 4054(a)) is amended by striking out “12” and inserting in lieu thereof “24”.

(c) **MONTHLY RATE OF ANNUITY NOT APPLICABLE IN CERTAIN SITUATION.**—

(1) Subsection (1) of section 806 (22 U.S.C. 4046) is repealed.

(2) Subsection (d) of section 814 (22 U.S.C. 4054) is repealed.

SEC. 218. LUMP SUM PAYMENTS.

(a) **REQUIREMENTS FOR PAYMENT.**—Subsection (a) of section 815 (22 U.S.C. 4055) is amended to read as follows:

“(a)(1) A participant is entitled to be paid a lump-sum credit if the participant—

“(A) is separated from the Service for at least 31 consecutive days, or is transferred to a position in which the participant is not subject to this chapter and remains in such a position for at least 31 consecutive days;

“(B) files an application with the Secretary of State for payment of the lump-sum credit;

“(C) is not reemployed in a position in which the participant is subject to this chapter at the time the participant files the application;

“(D) will not become eligible to receive an annuity under this subchapter within 31 days after filing the application; and

“(E) has notified any spouse or former spouse the participant may have of the application for payment in accordance with regulations prescribed by the Secretary of State.

Such regulations may provide for waiver of subparagraph (E) under circumstances described in section 806(b)(1)(D).

“(2) Such lump-sum credit shall be paid to the participant and to any former spouse of the participant in accordance with subsection (i).”.

SEC. 219. COST OF LIVING ADJUSTMENTS.

Paragraph (1) of section 826(c) (22 U.S.C. 4066(c)) is amended to read as follows:

“(1) The first increase (if any) made under this section to an annuity which is payable from the Fund to a participant or to the surviving spouse or former spouse of a deceased participant who died in service or a deceased annuitant whose annuity was not increased under this section, shall be equal to the product (adjusted to the nearest $\frac{1}{10}$ of 1 percent) of—

“(A) $\frac{1}{12}$ of the applicable percent change computed under subsection (b) of this section, multiplied by

“(B) the number of months (counting any portion of a month as a month)—

“(i) for which the annuity was payable from the Fund before the effective date of the increase, or

“(ii) in the case of a surviving spouse or former spouse of a deceased annuitant whose annuity has not

been so increased, since the annuity was first payable to the deceased annuitant.”

PART C—FOREIGN SERVICE PENSION SYSTEM

SEC. 241. DEFINITION OF LUMP-SUM CREDIT.

Section 852 of chapter 8 (22 U.S.C. 4071a) is amended—

(1) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (4), (5), (6), (7), and (8), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

“(3) the term ‘lump-sum credit’ means the unrefunded amount consisting of—

“(A) retirement deductions made from the basic pay of a participant under section 856 of this chapter (or under section 204 of the Federal Employees’ Retirement Contribution Temporary Adjustment Act of 1983);

“(B) amounts deposited by a participant under section 854 to obtain credit under this System for prior civilian or military service; and

“(C) interest on the deductions and deposits which, for any calendar year, shall be equal to the overall average yield to the Fund during the preceding fiscal year from all obligations purchased by the Secretary of the Treasury during such fiscal year under section 819, as determined by the Secretary of the Treasury (compounded annually); but does not include interest—

“(i) if the service covered thereby aggregates 1 year or less; or

“(ii) for a fractional part of a month in the total service;”.

SEC. 242. CONTRIBUTION FOR CREDITABLE SERVICE OF EMPLOYEE OF A MEMBER OR OFFICE OF THE CONGRESS.

The second sentence of subsection (e) of section 854 (22 U.S.C. 4071c) is amended—

(1) by striking out “matching”; and

(2) by inserting “determined under section 857(a)” after “participant”.

SEC. 243. CONFORMING AMENDMENT, HEALTH CARE.

Subsection (b) of section 904 (22 U.S.C. 4084) is amended by inserting “or Foreign Service Pension System” after “Foreign Service Retirement and Disability System”.

PART D—SAVINGS PROVISIONS AND EFFECTIVE DATE

SEC. 261. EFFECTIVE DATE.

(a) **IN GENERAL.**—Except as provided in subsection (b), this title and the amendments made by this title shall take effect 90 days after the date of enactment of this title.

(b) **EXCEPTIONS.**—

(1) The amendments made by section 202 shall apply to any individual who, on or after the date of enactment of this title, is married to a participant or former participant.

(2) The amendment made by section 217(a) shall not apply with respect to the former spouse of a participant or former

participant who is subject to subchapter I of chapter 8 of the Foreign Service Act of 1980 if, on the date of enactment of this title, that former spouse—

(A) was the spouse of that participant or former participant; or

(B) is entitled to an annuity under section 814 of the Foreign Service Act of 1980 pursuant to the divorce or annulment of the marriage to that participant or former participant.

(c) **DEFINITIONS.**—For the purpose of this section, the terms “participant” and “former participant” have the same meaning as such terms in chapter 8 of the Foreign Service Act of 1980.

Approved January 8, 1988.

LEGISLATIVE HISTORY—H.R. 3395:

HOUSE REPORTS: No. 100-374 (Comm. on Post Office and Civil Service).
CONGRESSIONAL RECORD, Vol. 133 (1987):

Oct. 19, considered and passed House.

Dec. 19, considered and passed Senate, amended.

Dec. 21, House concurred in Senate amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 24 (1988):

Jan. 8, Presidential statement.