

105TH CONGRESS
1ST SESSION

H. R. 2526

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1997

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERCENTAGE LIMITATIONS ON CONTRIBU-**
4 **TIONS.**

5 (a) AMENDMENTS RELATING TO FERS.—

1 (1) IN GENERAL.—Subsection (a) of section
2 8432 of such title is amended by striking “10 per-
3 cent of”.

4 (2) JUSTICES AND JUDGES.—Subsection (b) of
5 section 8440a of such title is amended—

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

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

13 (3) BANKRUPTCY JUDGES AND MAG-
14 ISTRATES.—Subsection (b) of section 8440b of such
15 title is amended—

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

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

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

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

3 (4) COURT OF FEDERAL CLAIMS JUDGES.—
4 Subsection (b) of section 8440e of such title is
5 amended—

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

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

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

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

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

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

1 (c) EFFECTIVE DATE.—

2 (1) IN GENERAL.—The amendments made by
3 this section shall take effect on the date of the en-
4 actment of this Act.

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

10 (3) DEFINITIONS.—For purposes of this sec-
11 tion—

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

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

18 **SEC. 2. ELIGIBLE ROLLOVER DISTRIBUTIONS.**

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

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

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

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

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

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

16 **SEC. 3. IMMEDIATE PARTICIPATION IN THE THRIFT SAV-**
17 **INGS PLAN.**

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

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

24 “(A) Notwithstanding subparagraph (A) of
25 paragraph (2), an employee or Member described in

1 such subparagraph shall be afforded a reasonable
2 opportunity to first make an election under this sub-
3 section beginning on the date of commencing service
4 or, if that is not administratively feasible, beginning
5 on the earliest date thereafter that such an election
6 becomes administratively feasible, as determined by
7 the Executive Director.

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

18 “(C) Notwithstanding the preceding provisions
19 of this paragraph, contributions under paragraphs
20 (1) and (2) of subsection (c) shall not be payable
21 with respect to any pay period before the earliest
22 pay period for which such contributions would other-
23 wise be allowable under this subsection if this para-
24 graph had not been enacted.

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

6 “(E) Nothing in this paragraph shall affect
7 paragraph (3).”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

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

20 (2) Section 8432(b)(1)(B) of such title is amended
21 by inserting “(or any election allowable by virtue of para-
22 graph (4))” after “subparagraph (A)”.

23 (3) Section 8432(b)(3) of such title is amended by
24 striking “Notwithstanding paragraph (2)(A), an” and in-
25 serting “An”.

1 (4) Section 8432(i)(1)(B)(ii) of such title is amended
2 by striking “either elected to terminate individual con-
3 tributions to the Thrift Savings Fund within 2 months
4 before commencing military service or”.

5 (5) Section 8439(a)(1) of such title is amended by
6 inserting “who makes contributions or” after “for each
7 individual” and by striking “section 8432(c)(1)” and in-
8 serting “section 8432”.

9 (6) Section 8439(c)(2) of such title is amended by
10 adding at the end the following: “Nothing in this para-
11 graph shall be considered to limit the dissemination of in-
12 formation only to the times required under the preceding
13 sentence.”.

14 (7) Sections 8440a(a)(2) and 8440d(a)(2) of such
15 title are amended by striking all after “subject to” and
16 inserting “this chapter.”.

17 (c) EFFECTIVE DATE.—This section shall take effect
18 6 months after the date of the enactment of this Act or
19 such earlier date as the Executive Director (within the
20 meaning of section 8401(13) of title 5, United States
21 Code) may by regulation prescribe.

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