

106TH CONGRESS  
1ST SESSION

# H. R. 208

To amend title 5, United States Code, to allow for the contribution of certain rollover distributions to accounts in the Thrift Savings Plan, to eliminate certain waiting-period requirements for participating in the Thrift Savings Plan, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mrs. MORELLA (for herself, Mr. FROST, Mr. HINCHEY, Mr. GOSS, Mr. SKEEN, Mr. BISHOP, and Mr. SANDLIN) introduced the following bill; which was referred to the Committee on Government Reform

---

## A BILL

To amend title 5, United States Code, to allow for the contribution of certain rollover distributions to accounts in the Thrift Savings Plan, to eliminate certain waiting-period requirements for participating in the Thrift Savings Plan, 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. ELIGIBLE ROLLOVER DISTRIBUTIONS.**

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

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

---

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

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

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

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

19 **SEC. 2. IMMEDIATE PARTICIPATION IN THE THRIFT SAV-**  
20 **INGS PLAN.**

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

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

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

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

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

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

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

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

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

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

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

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

○