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THE WHITE HOUSE

WASHINGTON

February 6, 1986

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: H.R. 4027: Amendment of District of
Columbia Revenue Bond Act of 1985

Counsel's Office has reviewed the above-referenced bill and finds no objection to it from a legal perspective.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMING

Date Correspondence

Received (YY/MM/DD) 1 1Name of Correspondent: Walter Chiew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: H.R. 4027 - amendment to D.C. Revenue
Bond Act of 1985**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUITOLL</u>	ORIGINATOR	<u>86.02.06</u>			<u>1 1</u>
	Referral Note:				
<u>CUIT 18</u>	<u>B</u>	<u>86.02.06</u>		<u>586.02.06</u>	
	Referral Note:			<u>CAB</u>	
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

ACTION CODES:

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 to be used as Enclosure

I - Info Copy Only/No Action Necessary
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Comments: _____

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/6/86 ACTION/CONCURRENCE/COMMENT DUE BY: c.o.b. TODAY

SUBJECT: H.R. 4027 - AMENDMENT OF DISTRICT OF COLUMBIA REVENUE BOND ACT OF 1985

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	OGLESBY	☒	☐
REGAN	☐	☒	POINDEXTER	☐	☐
MILLER	☐	☐	RYAN	☐	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHAVEZ	☒	☐	SPRINKEL	☐	☐
CHEW	☐	☒	STEELMAN	☐	☐
DANIELS	☒	☐	SVAHN	☒	☐
FIELDING	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐
LACY	☐	☐		☐	☐

REMARKS: Please give your recommendations to my office by close of business today. Thanks.

RESPONSE:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 06 1986

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4027 - Amendment of District of
Columbia Revenue Bond Act of 1985
Sponsors - Rep. Fauntroy (D) District of Columbia
and 4 others

Last Day for Action

February 15, 1986 - Saturday

Purpose

To extend the waiver authority of the District of Columbia Revenue Bond Act of 1985 to certain additional revenue bond acts of the District of Columbia.

Agency Recommendations

Office of Management and Budget

Approval

District of Columbia

Approval

Department of the Treasury

No objection

Department of Justice

No objection

Discussion

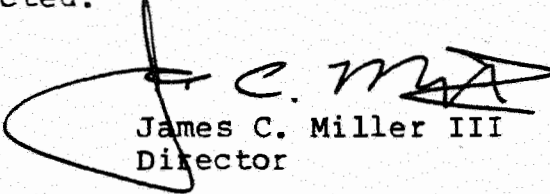
Under current law, legislation that is passed by the District of Columbia (DC) City Council and signed by the Mayor must be submitted to the Congress for a thirty-day review period. The legislation takes effect at the expiration of this thirty-day period, unless the Congress passes, and the President signs, a joint resolution of disapproval.

The purpose of the District of Columbia Revenue Bond Act of 1985, Public Law 99-216, was to waive the otherwise applicable thirty-day review period with respect to four DC bills authorizing the issuance and sale of revenue bonds for the benefit of Georgetown University, George Washington University, American University, and Sibley Hospital. Enactment of Public Law 99-216 was to have enabled the issuance of these bonds during 1985, thereby assuring that their Federal tax treatment would be consistent with current law, and not subject to the provisions of the House passed tax reform bill, which contemplates less

favorable tax treatment for certain revenue bonds issued after December 31, 1985.

According to the debate in the House, the final page of the DC Revenue Bond Act was inadvertently omitted from the enrolled bill, as transmitted to the White House by the House enrolling clerk. As a consequence, provisions of that legislation concerning revenue bonds for American University and George Washington University were not included in the bill that you signed and did not, for that reason, become part of Public Law 99-216.

H.R. 4027, which passed both Houses by voice vote, would correct this oversight by amending Public Law 99-216 to clarify that American University and George Washington University revenue bonds are to be treated as if they were included in Public Law 99-216, as originally enacted.



James C. Miller III
Director

Enclosures

Ninety-ninth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday, the twenty-first day of January,
one thousand nine hundred and eighty-six*

An Act

Extending the waiver authority of the District of Columbia Revenue Bond Act of 1985 to certain revenue bond acts of the District of Columbia, and for other purposes.

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

SECTION 1. GRANTING OF WAIVER.

Section 2(c) of the District of Columbia Revenue Bond Act of 1985 (Public Law 99-216) is amended by adding at the end thereof the following new paragraphs:

"(3) The American University Revenue Bond Act of 1985 (Series A), District of Columbia Act 6-111, transmitted to the Speaker of the House and the President of the Senate December 4, 1985.

"(4) The George Washington University Revenue Bond Act of 1985 (Series A), District of Columbia Act 6-114, transmitted to the Speaker of the House and the President of the Senate December 18, 1985."

SEC. 2. EFFECTIVE DATE OF ACTS; TREATMENT OF OBLIGATIONS.

(a) **EFFECTIVE DATE.**—The District of Columbia Acts referred to in the amendment made by section 1 shall take effect as if included in section 2(c) of the District of Columbia Revenue Bond Act of 1985 on the date of the enactment of such Act.

(b) **TREATMENT OF OBLIGATIONS.**—(1) Subject to paragraph (2), for purposes of any Act of Congress (and any amendments made by any Act of Congress) enacted after December 31, 1985, any obligation issued under the authority of the District of Columbia Acts made effective under subsection (a) shall be deemed to have been issued on December 31, 1985.

(2) Paragraph (1) shall apply only to obligations issued not more than sixty days after the date of the enactment of this Act.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 7, 1986

The President today signed H.R. 4027, a bill which extends the waiver authority of the District of Columbia Revenue Bond Act of 1985 to certain additional revenue bond acts of the District of Columbia.

#

THE WHITE HOUSE

WASHINGTON

February 11, 1986

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS *JGR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: S. 1831: Arms Export Control
Act Amendments

Counsel's Office has reviewed the above-referenced enrolled bill and finds no objection to it from a legal perspective.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ **O - OUTGOING**☐ **H - INTERNAL**☐ **I - INCOMING**Date Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: David Chew☐ **MI Mail Report**

User Codes: (A) _____ (B) _____ (C) _____

Subject: 5.1831 Arms export Control Act
Amendments**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CU HOLL</u>	ORIGINATOR	<u>86,02,11</u>			<u>1 1</u>
<u>CUnt 18</u>	Referral Note: <u>R</u>	<u>86,02,11</u>		<u>S</u>	<u>86,02,12</u> <u>9am</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>

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Comments: _____

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/11/86 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. 2/12/86

SUBJECT: S, 1831- ARMS EXPORT CONTROL ACT AMENDMENTS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	OGLESBY	☒	☐
REGAN	☐	☒	POINDEXTER	☒	☐
MILLER	☐	☐	RYAN	☐	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHAVEZ	☐	☐	SPRINKEL	☐	☐
CHEW	☐	☒	STEELMAN	☐	☐
DANIELS	☒	☐	SVAHN	☐	☐
FIELDING	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKS	☐	☐	_____	☐	☐
KINGON	☐	☐	_____	☐	☐
LACY	☐	☐	_____	☐	☐

REMARKS: Please give your recommendations to my office by 9:00 a.m. tomorrow. Thanks.

RESPONSE:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

100 FEB 11 PM 2

FEB 11 1986

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1831 - Arms Export Control Act
Amendments
Sponsors - Senator Cranston (D) California and nine
others

Last Day for Action

February 18, 1986 - Tuesday

Purpose

Amends the Arms Export Control Act (AECA) by substituting a joint resolution of disapproval mechanism for the unconstitutional concurrent resolution mechanism in four sections of the AECA that stipulate the procedure for congressional disapproval of certain arms transfers.

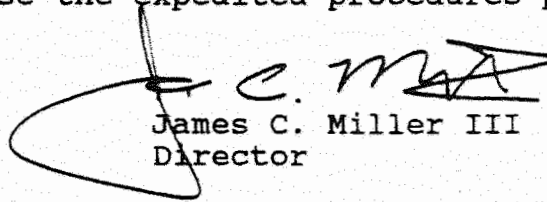
Agency Recommendations

Office of Management and Budget	Approval
Department of State	Approval
Department of Justice	Approval
National Security Counsel	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

The enrolled bill, which passed both Houses by voice vote, substitutes a constitutionally acceptable joint resolution of disapproval mechanism for the unconstitutional concurrent resolution of disapproval mechanism now contained in sections 3(d)(2), 36(b), 36(c), and 63 of the Arms Export Control Act, 22 U.S.C. 2753(d)(2), 2776(b), 2776(c), and 2796b. Those sections currently authorize Congress to disapprove certain arms transfers by concurrent resolution, and provide for expedited congressional consideration of such resolutions.

Following the Supreme Court's decision in INS v. Chadha, 462 U.S. 919 (1983), which invalidated legislative veto devices such as the concurrent resolution disapproval mechanism found in the Arms Export Control Act (AECA), Congress has used joint resolutions of disapproval as a means of opposing particular arms sales, but has been unable to use the expedited procedures provided in the AECA.



James C. Miller III
Director

Enclosures

Ninety-ninth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Tuesday, the twenty-first day of January, one thousand nine hundred and eighty-six

An Act

To amend the Arms Export Control Act to require that congressional vetoes of certain arms export proposals be enacted into law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(d)(2) of the Arms Export Control Act is amended—

(1) in subparagraph (A), by striking out “adopt, within such 30-day period, a concurrent resolution disapproving” and inserting in lieu thereof “enact, within such 30-day period, a law prohibiting”; and

(2) in subparagraph (B), by striking out “adopt, within such fifteen-day period, a concurrent resolution disapproving” and inserting in lieu thereof “enact, within such fifteen-day period, a law prohibiting”.

(b) Section 36(b) of the Arms Export Control Act is amended—

(1) in the fifth sentence of paragraph (1), by striking out “adopts a concurrent resolution stating that it objects to” and inserting in lieu thereof “enacts a joint resolution prohibiting”;

(2) in paragraph (2), by inserting “joint” before “resolution” each of the four places it appears; and

(3) in paragraph (3)—

(A) by striking out “adoption of concurrent resolutions” and inserting in lieu thereof “enactment of joint resolutions”; and

(B) by striking out “such resolution” and inserting in lieu thereof “such joint resolution”.

(c) Section 36(c) of the Arms Export Control Act is amended—

(1) in paragraph (2)(B), by striking out “adopts a concurrent resolution stating that it objects to” and inserting in lieu thereof “enacts a joint resolution prohibiting”;

(2) in paragraph (3)(A), by inserting “joint” before “resolution”; and

(3) in paragraph (3)(B)—

(A) by striking out “adoption of concurrent resolutions” and inserting in lieu thereof “enactment of joint resolutions”; and

(B) by striking out “such resolution” and inserting in lieu thereof “such joint resolution”.

(d) Section 63 of the Arms Export Control Act is amended—

(1) in subsection (a)(1), by striking out “adopts a concurrent resolution stating that it objects to” and inserting in lieu thereof “enacts a joint resolution prohibiting”;

(2) in subsection (b), by inserting “joint” before “resolution”; and

(3) in subsection (c)—

S. 1831—2

(A) by striking out "adoption of concurrent resolutions" and inserting in lieu thereof "enactment of joint resolutions"; and

(B) by striking out "such resolution" and inserting in lieu thereof "such joint resolution".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

*file w/ my
enrolled bill
memo*

THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

For Immediate Release

February 13, 1986

The President has signed S. 1831, the Arms Export Control Act Amendments, which amends the Arms Export Control Act (AECA) by substituting a joint resolution of disapproval mechanism for the unconstitutional concurrent resolution mechanism in four sections of the AECA that stipulate the procedure for Congressional disapproval of certain arms transfers.

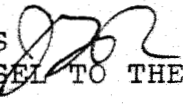
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THE WHITE HOUSE

WASHINGTON

February 25, 1986

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY AND DEPUTY ASSISTANT
TO THE PRESIDENT

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: H.R. 4061: Federal Employees
Benefits Improvement Act of 1986
and Signing Statement

Counsel's Office has reviewed the above-referenced enrolled bill and signing statement and finds no objection to them from a legal perspective.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1

Name of Correspondent: Anne Chew

☐ MI Mail Report

User Codes: (A) _____

(B) _____

(C) _____

Subject: H.R. 4061 -

Federal Employees Benefits
Improvement Act of 1986 & Signing
Statement

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CUHOLL	ORIGINATOR	86102124			1 1
	Referral Note:				
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	Referral Note:				12 N
		1 1			1 1
	Referral Note:				
		1 1			1 1
	Referral Note:				
		1 1			1 1
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Comments:

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WHITE HOUSE STAFFING MEMORANDUMDATE: 2/24/86 ACTION/CONCURRENCE/COMMENT DUE BY: 12:00 p.m. 2/25/86SUBJECT: H.R. 4061 - FEDERAL EMPLOYEES BENEFITS IMPROVEMENT ACT OF 1986
AND SIGNING STATEMENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	OGLESBY	☒	☐
REGAN	☐	☒	POINDEXTER	☐	☐
MILLER	☐	☐	RYAN	☐	☐
BUCHANAN	☒	☐	SPEAKES	☐	☒
CHAVEZ	☒	☐	SPRINKEL	☒	☐
CHEW	☐	☒	STEELMAN	☐	☐
DANIELS	☒	☐	SVAHN	☒	☐
FIELDING	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☒
HICKS	☒	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐
LACY	☐	☐	_____	☐	☐

REMARKS: Please give your recommendations to my office by 12:00 p.m. tomorrow. Thanks.

RESPONSE:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

1986 FEB

FEB 24 1986

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled H.R. 4061 - Federal Employees Benefits
Improvement Act of 1986
Sponsors - Rep. Oakar (D) Ohio and nine others

Last Day for Action

March 4, 1986 - Tuesday

Purpose

(1) Allows Federal employee health insurance rebates to be paid to retired as well as active employees and makes other changes in the Federal Employees Health Benefits program; (2) expands coverage and application of, and makes technical corrections in, the Spouse Equity Act of 1984; and (3) includes several other civil service amendments.

Agency Recommendations

Office of Management and Budget

Approval (Signing
Statement Attached)

Office of Personnel Management

Approval (Signing
Statement Attached)

Discussion

The main purpose of H.R. 4061 is to authorize rebates of health insurance premiums to Federal annuitants under the Federal Employees Health Benefits (FEHB) program, which the Administration supports.

H.R. 4061 replaces H.R. 3384, which you vetoed on January 17, 1986. The two objectionable provisions of H.R. 3384 that were cited in your veto message have been omitted from H.R. 4061. These were (1) eliminating the 75% "cap" on the Government's contribution to the premium of any employee's health plan (so that under H.R. 4061 the "cap" is left unchanged), and (2) authorizing payment for the services of nurses and nurse-midwives without supervision or referral by another health practitioner (i.e., physician).

Instead of the latter provision, H.R. 4061 requires the Office of Personnel Management (OPM) to study coverage of those and certain other health-related services and to report its findings to the House Post Office and Civil Service Committee and the Senate Governmental Affairs Committee before April 1, 1986. Rep. Oakar, in presenting H.R. 4061 on the House floor, indicated

that the House Subcommittee on Compensation and Employee Benefits will hold hearings immediately after OPM files its report, and "develop appropriate legislation."

The rebate provision of H.R. 4061 is discussed below. The bill's other changes in the FEHB program, the Spouse Equity Act, and other laws affecting the civil service -- virtually all of which were in H.R. 3384 -- are summarized in the attachment to this memorandum.

Before the House vote on H.R. 4061, the Administration indicated its support for the bill. H.R. 4061 passed both Houses by voice vote.

FEHB Rebates

Current law requires that FEHB carriers maintain sufficient reserves to meet contingencies. In the last several years, carrier reserves have built a surplus of \$1.4 billion, an estimated three times the recommended level.

To reduce its excess reserves, Blue Cross-Blue Shield, the largest carrier in the program, announced that it would refund the excess to the Government and to employees. Other FEHB carriers followed with similar announcements, so that now some 12 FEHB carriers are planning rebates, totaling an estimated \$1.1 billion. Rebates would be paid in the same proportion as the Government and employees contributed to particular health plans in 1985.

Current law permits use of excess reserves to reduce employee and Government contributions through rebates but, through an oversight, fails to mention annuitants, who also participate in the program. To remedy this, on July 18, 1985, the Administration submitted legislation to allow annuitants to share in the rebates. H.R. 4061 incorporates that proposal, revising current law to refer to "enrollees" so that the rebates will be payable to annuitants in the same way they may now be paid to employees and to the Government.

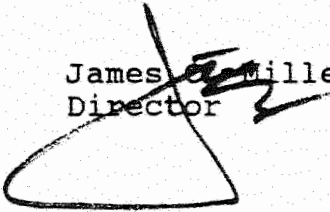
Conclusion

In your veto message on H.R. 3384, you urged the Congress to act as soon as possible to enact acceptable legislation that would permit Federal annuitants to receive rebates of health insurance premiums without further delay. The Congress has responded promptly by enacting H.R. 4061 without the objectionable features of the vetoed bill, and we join with OPM in recommending that you approve H.R. 4061.

OPM has proposed a signing statement for your consideration, which is enclosed with its views letter. Our draft signing statement, which is attached to this memorandum, is based largely

on the OPM draft, but, in addition, urges congressional action on the Administration's legislative proposal to reform the FEHB program.

James C. Miller III
Director



Enclosures

SUMMARY OF PROVISIONS OF H.R. 4061 NOT DISCUSSED
IN THE ENROLLED BILL MEMORANDUM

Other FEHB Amendments

H.R. 4061 includes several relatively minor FEHB program amendments that are desirable or not objectionable. These (1) permit plans to pay for the services of clinical social workers on referral but without supervision by a physician; (2) add a new type of comprehensive health plan to the program; (3) revise the standards for group-practice pre-payment plans; (4) allow waiver of eligibility requirements for annuitants; (5) mandate an annual "open season" for employees to change plans; (6) authorize payments by plans for non-physician services in medically underserved areas of the country; (7) direct that OPM study the adequacy of comparative information made available to employees about FEHB plans and coordination with Medicare; and (8) require an OPM-conducted demonstration project on health promotion and disease prevention among Federal employees.

Civil Service Retirement Act Changes

H.R. 4061 makes numerous necessary technical corrections and clarifications in the application of P.L. 98-615, the Civil Service Retirement Spouse Equity Act of 1984, which, among other features, granted Government-paid survivor benefits to certain former spouses of Federal employees divorced after 1978.

In addition to its perfecting amendments, some of the enrolled bill's amendments to the Spouse Equity Act would expand the classes of former spouses who would be entitled to its benefits. These amendments would (1) apply that Act, under specified conditions, to former spouses divorced prior to 1978; (2) eliminate the threshold requirement that, for benefits under the Act, the former spouse not be entitled to any other retirement or survivor annuity; and (3) give retroactive effect to some of the provisions affecting benefits upon remarriage.

H.R. 4061 also would:

- repeal the provision of current retirement law that guarantees a minimum annuity to participants in the Civil Service retirement system (the Administration has sought repeal of this provision for several years); and
- allow employees who fail to elect a survivor benefit when they retire a second chance to do so within 18 months of retirement; under current law, this decision must be made at the time the employee retires.

Miscellaneous Civil Service Amendments

The enrolled bill also includes five unrelated amendments that would:

- authorize OPM to incur reception and representation expenses, consistent with draft legislation submitted to the Congress by OPM last August;
- exempt OPM regulations establishing routine schedules of pay and allowances from the requirement for prior publication and notice in the Federal Register before they become effective;
- permit payment of temporary living expenses to Federal employees who transfer to foreign countries from duty stations in the territories and possessions, including transfers from areas of Panama covered by the Panama Canal Treaty of 1977 and related agreements;
- allow use of naval facilities for dental care of Federal employees in foreign countries and remote areas of Alaska, as proposed by the Department of Defense; and
- expand longevity credit for purposes of higher pay and annual leave accrual and retention in reduction-in-force to certain Federal employees with past non-Federal service with local Agricultural Stabilization and Conservation (ASC) county committees. Under current law, longevity credit for such purposes is allowed only when a former ASC employee goes to work for the Department of Agriculture, based on the direct connection of ASC and Agriculture work. H.R. 4061 would apply to work in any Federal department or agency, despite the absence of any connection with prior ASC work.

STATEMENT BY THE PRESIDENT

Today I am signing H.R. 4061, the Federal Employees Benefits Improvement Act of 1986. H.R. 4061 changes the Federal Employees Health Benefits law, as recommended by my Administration, to allow rebates of health insurance premiums to be paid by insurance carriers to Federal annuitants, as is already permitted for current employees.

It is gratifying for me to be able to sign this legislation so that Federal annuitants can receive their health insurance rebates without further delay.

I congratulate the Congress on enacting acceptable legislation to accomplish this change so quickly after my veto of H.R. 3384 last month. Like H.R. 4061, H.R. 3384 would have authorized premium rebates for Federal annuitants. However, I could not approve that bill, particularly because it contained a seriously objectionable provision which would have eliminated the current 75 percent limit on the Government contribution to any health insurance plan for Federal employees and annuitants. That provision would have been too costly over the next few years, contrary to our efforts to achieve a balanced budget by 1991.

I am very pleased that the Congress has dropped this expensive provision and I urge the Congress now to turn its attention to the structural reforms in the Federal Employees Health Benefits program proposed by the Administration. These changes would encourage greater competition and choice of health plans for employees, restructure the formula for determining the Government's share of enrollee premiums, and decrease Government intrusion in the program.

RONALD REAGAN

Ninety-ninth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday, the twenty-first day of January,
one thousand nine hundred and eighty-six*

An Act

To amend title 5, United States Code, to expand the class of individuals eligible for refunds or other returns of contributions from contingency reserves in the Employees Health Benefits Fund; to make miscellaneous amendments relating to the Civil Service Retirement System and the Federal Employees Health Benefits Program; and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees Benefits Improvement Act of 1986".

TITLE I—FEDERAL EMPLOYEE HEALTH BENEFITS

SEC. 101. AUTHORITY TO REFUND CERTAIN CONTRIBUTIONS TO ENROLLEES.

The last sentence of section 8909(b) of title 5, United States Code, is amended by striking out "employees" and inserting in lieu thereof "enrollees".

SEC. 102. ELIMINATION OF REQUIREMENT OF THREE MEDICAL SPECIALTIES FOR GROUP-PRACTICE PREPAYMENT PLANS.

The second sentence of section 8903(4)(A) of title 5, United States Code, is amended to read as follows: "The group shall include at least 3 physicians who receive all or a substantial part of their professional income from the prepaid funds and who represent 1 or more medical specialties appropriate and necessary for the population proposed to be served by the plan."

SEC. 103. AUTHORITY TO WAIVE CERTAIN ELIGIBILITY REQUIREMENTS.

Section 8905(b) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "The Office may, in its sole discretion, waive the requirements of this subsection in the case of an individual who fails to satisfy such requirements if the Office determines that, due to exceptional circumstances, it would be against equity and good conscience not to allow such individual to be enrolled as an annuitant in a health benefits plan under this subchapter."

SEC. 104. ANNUAL OPEN SEASON.

(a) IN GENERAL.—Section 8905(f) of title 5, United States Code, is amended to read as follows:

"(f)(1) Under regulations prescribed by the Office, the Office shall, before the start of any contract term in which—

"(A) an adjustment is made in any of the rates charged or benefits provided under a health benefits plan described by section 8903 or 8903a of this title,

"(B) a newly approved health benefits plan is offered, or

“(C) an existing plan is terminated, provide a period of not less than 3 weeks during which any employee, annuitant, or former spouse enrolled in a health benefits plan described by such section shall be permitted to transfer that individual’s enrollment to another such plan or to cancel such enrollment.

“(2) In addition to any opportunity afforded under paragraph (1) of this subsection, an employee, annuitant, or former spouse enrolled in a health benefits plan under this chapter shall be permitted to transfer that individual’s enrollment to another such plan, or to cancel such enrollment, at such other times and subject to such conditions as the Office may prescribe in regulations.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall be effective with respect to contracts entered into or renewed for calendar years beginning after December 31, 1986.

SEC. 105. AUTHORITY TO PAY CERTAIN HEALTH CARE PROFESSIONALS.

(a) **DEFINITIONS.**—Section 8901 of title 5, United States Code, is amended—

(1) by striking out “and” at the end of paragraph (9);

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof “; and”; and

(3) by adding at the end thereof the following new paragraph:

“(11) ‘qualified clinical social worker’ means an individual—

“(A) who is licensed or certified as a clinical social worker by the State in which such individual practices; or

“(B) who, if such State does not provide for the licensing or certification of clinical social workers—

“(i) is certified by a national professional organization offering certification of clinical social workers; or

“(ii) meets equivalent requirements (as prescribed by the Office).”

(b) **CLINICAL SOCIAL WORKERS.**—Section 8902(k) of title 5, United States Code, is amended—

(1) by striking out “(k)” and inserting in lieu thereof “(k)(1)”;

(2) by striking out the last sentence; and

(3) by inserting at the end thereof the following:

“(2) When a contract under this chapter requires payment or reimbursement for services which may be performed by a qualified clinical social worker, an employee, annuitant, family member, or former spouse covered by the contract shall be entitled under the contract to have payment or reimbursement made to him or on his behalf for the services performed. As a condition for the payment or reimbursement, the contract—

“(A) may require that the services be performed pursuant to a referral by a psychiatrist; but

“(B) may not require that the services be performed under the supervision of a psychiatrist or other health practitioner.

“(3) The provisions of this subsection shall not apply to group practice prepayment plans.”.

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall be effective with respect to contracts entered into or renewed for calendar years beginning after December 31, 1986.

SEC. 106. HEALTH SERVICES FOR MEDICALLY UNDERSERVED POPULATIONS.

(a) **IN GENERAL.**—(1) Section 3 of the Act entitled “An Act to amend chapter 89 of title 5, United States Code, to establish uniformity in Federal employee health benefits and coverage by preempting certain State or local laws which are inconsistent with such contracts, and for other purposes”, approved September 17, 1978 (Public Law 95-368; 92 Stat. 606; 5 U.S.C. 8902 note), is amended by striking out “; except that such provisions shall not apply to services provided after December 31, 1984”.

(2) Section 5(b) of the Act entitled “An Act to amend the provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children, and for other purposes”, approved January 2, 1980 (Public Law 96-179; 93 Stat. 1300; 5 U.S.C. 8902 note), is amended by striking out “and before January 1, 1985,”.

(3) Section 8902(m)(2)(A) of title 5, United States Code, is amended by adding at the end thereof the following: “This paragraph shall apply with respect to a qualified clinical social worker covered by subsection (k)(2) of this section without regard to whether such contract contains the requirement authorized by clause (i) of the second sentence of subparagraph (A) of such subsection (k)(2).”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect with respect to services provided after December 31, 1984.

SEC. 107. MENTAL HEALTH, ALCOHOLISM, AND DRUG ADDICTION BENEFITS.

(a) **FINDINGS.**—The Congress finds that—

(1) the treatment of mental illness, alcoholism, and drug addiction are basic health care services which are needed by approximately 40,000,000 Americans each year;

(2) treatment of mental illness, alcoholism, and drug addiction is increasingly successful;

(3) timely and appropriate treatment of mental illness, alcoholism, and drug addiction is cost effective in terms of restored productivity, reduced utilization of other health services, and reduced social dependence; and

(4) mental illness is a problem of grave concern to the people of the United States and is widely but unnecessarily feared and misunderstood.

(b) **SENSE OF THE CONGRESS.**—It is the sense of the Congress—

(1) that participants in the Federal employees health benefits program should receive adequate benefits coverage for treatment of mental illness, alcoholism, and drug addiction; and

(2) that the Office of Personnel Management should encourage participating health benefits plans to provide adequate benefits relating to treatment of mental illness, alcoholism, and drug addiction (including benefits relating to coverage for inpatient and outpatient treatment and catastrophic protection benefits).

SEC. 108. STUDY RELATING TO EXPANDING THE CLASS OF PRACTITIONERS COVERED BY SECTION 8902(k)(1).

The Office of Personnel Management shall study and, before April 1, 1986, submit a written report to the Committee on Post Office and Civil Service of the House of Representatives and the

Committee on Governmental Affairs of the Senate with respect to extending section 8902(k)(1) of title 5, United States Code, as amended by this Act, to cover health practitioners not currently covered thereunder (such as nurse-midwives, nurse practitioners, chiropractors, and clinical social workers).

SEC. 109. STUDY OF THE ADEQUACY OF HEALTH BENEFITS PROGRAM INFORMATION.

(a) **IN GENERAL.**—Not later than June 1, 1986, the Office of Personnel Management shall (1) study the adequacy of any sources or methods currently provided under chapter 89 of title 5, United States Code, to assist individuals in making informed decisions concerning the choice of a health benefits plan under such chapter and the use of benefits available under any such plan, and (2) submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the findings and determinations of the Office resulting from such study.

(b) **REPORT REQUIREMENTS.**—The report required by subsection (a) shall include—

(1) an assessment of the adequacy of the sources and methods referred to in such subsection in advising individuals with respect to the coordination of benefits under chapter 89 of title 5, United States Code, with benefits available under other health insurance programs established by or under Federal law, including title XVIII of the Social Security Act; and

(2) the administrative actions and any recommendations for legislation which the Office considers necessary in order to improve the effectiveness of any such source or method.

SEC. 110. DEMONSTRATION PROJECT.

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

(1) “health protection” means activities to minimize environmental and other workplace conditions which cause or aggravate stress, illness, disability, or other health impairments, including such activities as—

- (A) accommodation of the handicapped;
- (B) review of plans for new or altered facilities;
- (C) routine inspections, surveys, studies of worksites;
- (D) inspections of worksites by a physician, nurse, or other licensed health professional with training in occupational safety and health;
- (E) evaluation and monitoring of worksite hazards; and
- (F) investigations of causes of occupational disease or injury;

(2) “health promotion” means activities to encourage the development of health enhancing habits and practices, including activities encouraging—

- (A) cessation of tobacco smoking;
- (B) reduction in the misuse of alcohol, drugs, and other chemical substances;
- (C) improvements in nutrition;
- (D) improvements in physical fitness, including weight reduction; and
- (E) control of stress;

(3) "disease prevention" means activities to prevent unnecessary illnesses, morbidity, disability, and medical treatment, including—

- (A) occupationally related examinations;
- (B) general health assessments;
- (C) biological monitoring;
- (D) immunizations, chemoprophylaxis, fitting respirators and hearing protectors, use of barrier creams, control of high blood pressure, control of sexually transmittable diseases, care to improve pregnancy outcome, control of toxic agents, control or elimination of hazards leading to accidental injuries, control of infectious agents, and other health intervention activities; and
- (E) referral to private physicians, dentists, and other licensed health professionals;

(4) "secondary prevention" means—

- (A) activities to provide on-the-job emergency health and dental care and assistance, and
- (B) rehabilitation or follow-up care after emergency care, to reduce morbidity, disability, lost productivity, and medical treatment.

(b) IN GENERAL.—The Director of the Office of Personnel Management, in consultation with the Secretary of Health and Human Services, shall establish and carry out at least one demonstration project to determine—

(1) the most effective (including cost-effective) means of—

- (A) furnishing health protection, health promotion, disease prevention, and secondary prevention services to Federal Government employees;
- (B) encouraging such employees to adopt good health habits;

(C) reducing health risks to such employees, particularly the risks of heart disease, cancer, stroke, diabetes, anxiety, depression, and lifestyle-related accidents;

(D) reducing medical expenses of such employees through health protection, health promotion, disease prevention, and secondary prevention activities;

(E) enhancing employee productivity and reducing health related liability of the Federal Government through a comprehensive occupational health program; and

(F) carrying out a program—

(i) to train employees under the jurisdiction of a Federal Government agency to furnish health protection, health promotion, disease prevention, and secondary prevention services to employees of such agency; and

(ii) to promote interagency agreements under which trained employees of an agency are available to furnish such services to employees of other Federal Government agencies, subject to reimbursement of the costs of the agency in making the trained employees available; and

(2) the cost effectiveness of organizational structures and of social and educational programs which may be useful in achieving the objectives described in clause (1).

(c)(1) **CONDUCT OF THE DEMONSTRATION PROJECT.**—The demonstration project described in subsection (b) shall be conducted in cooperation with at least one—

- (A) health profession school;
- (B) allied health profession or nurse training institution; or
- (C) public or private entity which provides health care.

(2)(A) The Director of the Office of Personnel Management, in consultation with the Secretary of Health and Human Services, may enter into contracts with, or make grants to, any school of medicine, school of osteopathy, school of public health, school of nursing, health maintenance organization, or other qualified health care provider for the purpose of carrying out the demonstration project described in subsection (b).

(B) The authority of the Director of the Office of Personnel Management to enter into contracts or to make grants under subparagraph (A) is effective for fiscal year 1986 and subsequent fiscal years only to such extent or in such amounts as are provided in appropriation Acts.

(C) For the purposes of this paragraph, the terms "school of medicine" and "school of osteopathy" have the same meanings as provided for such terms in section 701(4) of the Public Health Service Act (42 U.S.C. 292a(4)).

(d) **REPORT.**—Not later than 60 days after the date the demonstration project required by subsection (b) terminates, the Director of the Office of Personnel Management, in consultation with the Secretary of Health and Human Services, shall submit to Congress a report on the project.

(e) **ESTABLISHMENT AND TERMINATION REQUIREMENTS.**—The demonstration project required by subsection (b) shall be established not later than 6 months after the date of enactment of this Act and shall terminate on the date 2 years after such date of enactment.

SEC. 111. ADDITIONAL TYPE OF HEALTH BENEFITS PLAN.

Paragraph (4) of section 8903 of title 5, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(C) **MIXED MODEL PREPAYMENT PLANS.**—Mixed model prepayment plans which are a combination of the type of plans described in subparagraph (A) and the type of plans described in subparagraph (B).".

SEC. 112. RESTRICTIONS RELATING TO AMOUNTS REFUNDED TO THE EMPLOYEES HEALTH BENEFITS FUND FROM CARRIERS' SPECIAL RESERVES.

(a) **PROHIBITED TRANSFERS.**—(1) No amount in the Employees Health Benefits Fund may be transferred to the general fund of the Treasury of the United States or the United States Postal Service as a result of a refund described in paragraph (2).

(2) This subsection applies with respect to any refund made by a carrier during fiscal year 1986 or 1987 to the Employees Health Benefits Fund to the extent that such refund represents amounts in excess of the minimum level of financial reserves necessary to be held by such carrier to ensure the stable and efficient operation of its health benefits plan.

(b) **RESTRICTION RELATING TO USE OF CERTAIN AMOUNTS IN THE FUND.**—(1) Any amount which is in the Employees Health Benefits Fund, and which is described in paragraph (2), may be used solely

for the purpose of paying the Government contribution under chapter 89 of title 5, United States Code, for health benefits for annuitants enrolled in health benefits plans (without regard to the health benefits plan or plans from which the refunds were received).

(2) This subsection applies with respect to any amounts—

(A) which are referred to in subsection (a)(2); and

(B) which are attributable to Government contributions (other than contributions by the government of the District of Columbia, which shall be returned to such government) that were made under section 8906(b) of title 5, United States Code, as determined under regulations which the Office of Personnel Management shall prescribe.

(c) DEFINITIONS.—For the purpose of this section—

(1) the term “Employees Health Benefits Fund” refers to the fund described in section 8909(a) of title 5, United States Code;

(2) the term “carrier” has the meaning given such term by section 8901(7) of such title; and

(3) the term “health benefits plan” has the meaning given such term by section 8901(6) of such title.

TITLE II—CIVIL SERVICE SPOUSE AND FORMER SPOUSE EQUITY IMPROVEMENTS

SEC. 201. REVISION OF THE APPLICATION AND SPECIAL ELECTIONS PROVISIONS OF THE CIVIL SERVICE RETIREMENT SPOUSE EQUITY ACT OF 1984.

(a) APPLICATION.—Section 4(a) of the Civil Service Retirement Spouse Equity Act of 1984 (Public Law 98-615; 98 Stat. 3204) is amended to read as follows:

“(a)(1) Except as provided in paragraphs (3), (4), (5), and (6) and subsections (b) and (c), the amendments made by section 2 of this Act shall take effect May 7, 1985, and shall apply—

“(A) to any individual who, on or after such date, is married to an employee or Member who, on or after such date, retires, dies, or applies for a refund of contributions under subchapter III of chapter 83 of title 5, United States Code, and

“(B) to any individual who, as of such date, is married to a retired employee or Member,

unless (i) such employee or Member has waived, under the first sentence of section 8339(j)(1) of such title (or a similar prior provision of law), the right of that individual's spouse to receive a survivor annuity, or (ii) in the case of a post-retirement marriage or remarriage, an election has not been made before such date by such employee or Member with respect to such individual under the applicable provisions of section 8339(j)(1) or 8339(k)(2) of such title, as the case may be (or a similar prior provision of law).

“(2) Except as provided in subsection (f), the amendments made by section 3 of this Act shall take effect May 7, 1985, and shall apply to any individual who, on or after such date, is married to an employee or annuitant.

“(3) The amendments made by subparagraphs (B)(iii) and (C)(ii) of section 2(4) of this Act (relating to the termination of survivor benefits for a widow or widower who remarries before age 55) and the amendments made by subparagraph (F) of such section 2(4) (relating to the restoration of a survivor annuity upon the dissolution of such a remarriage) shall apply—

“(A) in the case of a remarriage occurring on or after the date of the enactment of this Act; and

“(B) with respect to periods beginning on or after such date.

“(4)(A) Except as provided in subparagraph (B), the amendment made by section 2(3)(A) of this Act (but only to the extent that it amends title 5, United States Code, by adding a new section 8339(j)(5)(C)) and the amendment made by section 2(3)(C) of this Act (which relate to the election of a survivor annuity for a spouse in the case of a post-retirement marriage or remarriage) shall apply—

“(i) to an employee or Member who retires before, on, or after May 7, 1985; and

“(ii) in the case of a marriage occurring on or after May 7, 1985.

“(B) The amendments referred to in subparagraph (A) shall not apply in the case of a marriage of an employee or Member retiring before May 7, 1985, if the marriage occurred after May 6, 1985, and before the date of the enactment of the Federal Employees Benefits Improvement Act of 1985.

“(C) Any election by an employee or Member described in subparagraph (B) to provide a survivor annuity for that individual's spouse by a marriage described in such subparagraph shall be effective if made in accordance with the applicable provisions of section 8339(j)(1) or 8339(k)(2) of title 5, United States Code, as the case may be, as in effect on May 6, 1985.

“(5)(A) Paragraphs (2), (3), (4), and (5)(B) of section 8339(j) of title 5, United States Code (as added by section 2(3)(A) of this Act), shall apply in the case of a former spouse of an employee or Member whose marriage to such employee or Member terminated before May 7, 1985, if such employee or Member retires on or after such date.

“(B)(i) The requirement described in clause (ii) shall not apply to an election made by an employee or Member under section 8339(j)(3) of title 5, United States Code (as amended by section 2(3)(A) of this Act), in order to provide a survivor annuity under section 8341(h) of such title (as amended by section 2(4)(G) of this Act) in the case of a former spouse referred to in subparagraph (A) if the election meets the requirements of clause (iii).

“(ii) The requirement referred to in clause (i) is the requirement prescribed in section 8339(j)(3) of title 5, United States Code, for an employee or Member to make an election in the case of a former spouse under such section 8339(j)(3) at the time of retirement or, if later, within 2 years after the date on which the marriage of the former spouse to the employee or Member is dissolved.

“(iii) Clause (i) applies to an election which is made by an employee or Member who retires on or after May 7, 1985, and before the date of the enactment of the Federal Employees Benefits Improvement Act of 1985, and is received by the Office of Personnel Management within the 2-year period beginning on the date of the enactment of such Act.

“(C) A survivor annuity shall be paid a former spouse as provided in section 8341(h) of title 5, United States Code (as amended by section 2(4)(G) of this Act), pursuant to an election made in the case of such former spouse under this paragraph.

“(D) The amendments made by paragraphs (6) and (7) of section 2 of this Act shall apply in the case of survivor annuities and elections authorized by this paragraph.

“(6) The amendment made by section 2(4)(A) of this Act (relating to the definition of a widow or widower) and the amendment made by section 2(4)(G) of this Act (but only to the extent that it amends title 5, United States Code, by adding a new section 8341(i)) shall apply with respect to any marriage occurring on or after the date of the enactment of this Act.”

(b) ENTITLEMENT OF A FORMER SPOUSE IN CASE OF RETIREMENT OR DEATH OF AN EMPLOYEE OR MEMBER BEFORE THE EFFECTIVE DATE.—Section 4(b) of the Civil Service Retirement Spouse Equity Act of 1984 (Public Law 98-615; 98 Stat. 3205) is amended—

(1) in paragraph (1)—

(A) by striking out “the one hundred and eightieth day after the date of enactment of this Act” in the matter before subparagraph (A) and inserting in lieu thereof “May 7, 1985, or who died after becoming eligible to retire and before such date,”;

(B) by striking out “retired” in the matter before clause (i) in subparagraph (B); and

(C) by striking out clause (iii) in subparagraph (B) and by redesignating clauses (iv), (v), and (vi) of such subparagraph as clauses (iii), (iv), and (v), respectively; and

(2) by redesignating paragraph (4) as paragraph (5);

(3) by inserting after paragraph (3) the following new paragraph (4):

“(4)(A) A former spouse of an employee or Member referred to in the matter before subparagraph (A) in paragraph (1) of this section shall be entitled to a survivor annuity under subparagraph (B) of such paragraph if—

“(i) the former spouse satisfies the requirements of clauses (ii) through (v) of such subparagraph (B); and

“(ii) there is no surviving spouse of the employee or Member and no other former spouse of such employee or Member who is entitled to receive a survivor annuity under subchapter III of chapter 83 of title 5, United States Code, based on the service of such employee or Member which is creditable under such subchapter and there is no other person who has been designated to receive a survivor annuity under such subchapter by reason of an insurable interest in such employee or Member.

“(B) For the purposes of this paragraph, the term ‘surviving spouse’ means a widow or a widower as defined in paragraphs (1) and (2), respectively, of section 8341(a) of title 5, United States Code.”; and

(4) in paragraph (5), as redesignated by clause (2) of this subsection—

(A) by striking out “Member,” in the matter before subparagraph (A) and inserting in lieu thereof “Member (or of that portion of the annuity which such employee or Member may have designated for this purpose under paragraph (1)(A) of this subsection),”; and

(B) by striking out “section 8341(b)(4)” in the matter following subparagraph (B) and inserting in lieu thereof “section 8341(h)(2)”.

(c) ELIGIBILITY OF CERTAIN FORMER SPOUSES TO ENROLL IN A FEDERAL EMPLOYEES HEALTH BENEFITS PLAN.—(1) The first sentence of section 4(f) of the Civil Service Retirement Spouse Equity Act of 1984 is amended to read as follows: “Any individual—

"(1) who is entitled to a survivor annuity under subsection (b) of this section or pursuant to an election authorized by reason of the application of subsection (a)(5) of this section.

"(2) as to whom a court order or decree referred to in section 8345(j) of title 5, United States Code (or similar provision of law under a retirement system for Government employees other than the Civil Service Retirement System) has been issued before May 7, 1985, or

"(3) who is entitled (other than as described in paragraph (2)) to an annuity or any portion of an annuity as a former spouse under a retirement system for Government employees as of May 7, 1985,

shall be considered to have satisfied section 8901(10)(C) of title 5, United States Code, as amended by this Act."

(2) The second sentence of such section 4(f) is amended—

(A) by inserting ", within 12 months after the date of the enactment of the Federal Employees Benefits Improvement Act of 1985," before "enroll"; and

(B) by inserting before the period at the end the following: "(other than the conditions prescribed in subparagraphs (A) and (B) of paragraph (1) of such section 8905(c))".

(d) **ADDITIONAL ELECTION.**—(1) Notwithstanding the time limitation prescribed in subparagraph (A) of section 4(b)(1) of the Civil Service Retirement Spouse Equity Act of 1984, an election may be made under such subparagraph before the expiration of the 12-month period beginning on the date on which the regulations under paragraph (3) of this subsection first take effect.

(2) Any retired employee or Member who has made an election under section 4(b)(1)(A) of the Civil Service Retirement Spouse Equity Act of 1984 (as in effect at the time of such election) before the regulations under paragraph (3) of this subsection become effective may modify such election by designating, in writing, that only a portion of such employee or Member's annuity is to be used as the base for the survivor annuity for the former spouse for whom the election was made. A modification under this subparagraph shall be subject to the deadline under paragraph (1) of this subsection.

(3) The Office of Personnel Management shall prescribe regulations to carry out this subsection, including regulations under which an appropriate refund shall be made in the case of a modification under paragraph (2) of this subsection.

SEC. 202. CREDIT FOR MILITARY SERVICE.

Section 8332(j)(1) of title 5, United States Code, is amended by striking out "widow" each place it appears and inserting in lieu thereof "spouse, former spouse".

SEC. 203. ANNUITY REDUCTIONS.

(a) **IRREVOCABILITY OF A JOINT SPOUSAL WAIVER.**—Section 8339(j)(3) of title 5, United States Code, is amended by inserting ", unless all rights to survivor benefits for such former spouse under this subchapter based on marriage to such employee or Member were waived under paragraph (1) of this subsection" before the period at the end of the first sentence.

(b) **REPLACEMENT OF TERMINATED REDUCTION.**—Section 8339(j)(5)(B) of title 5, United States Code, is amended to read as follows:

"(B) Any reduction in an annuity for the purpose of providing a survivor annuity for a former spouse of a retired employee or Member shall be terminated for each full month after the former spouse remarries before reaching age 55 or dies. This reduction shall be replaced by an appropriate reduction or reductions under paragraph (4) of this subsection if the retired employee or Member has (i) another former spouse who is entitled to a survivor annuity under section 8341(h) of this title, (ii) a current spouse to whom the employee or Member was married at the time of retirement and with respect to whom a survivor annuity was not jointly waived under paragraph (1) of this subsection, or (iii) a current spouse whom the employee or Member married after retirement and with respect to whom an election has been made under subparagraph (C) of this paragraph or subsection (k)(2) of this section."

(c) ELECTIONS RELATING TO A SURVIVOR ANNUITY FOR A PERSON WHO HAS AN INSURABLE INTEREST IN AN ANNUITANT.—(1) Section 8339(j)(5)(C) of title 5, United States Code, is amended by adding at the end thereof the following:

"(v) An election to provide a survivor annuity to a person under this subparagraph—

"(I) shall prospectively void any election made by the employee or Member under subsection (k)(1) of this section with respect to such person; or

"(II) shall, if an election was made by the employee or Member under such subsection (k)(1) with respect to a different person, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this subparagraph.

"(vi) The deposit provisions of clauses (ii) and (iii) of this subparagraph shall not apply if—

"(I) the employee or Member makes an election under this subparagraph after having made an election under subsection (k)(1) of this section; and

"(II) the election under such subsection (k)(1) becomes void under clause (v) of this subparagraph."

(2) Section 8339(k)(1) of such title is amended by adding at the end thereof the following: "In the case of a married employee or Member, an election under this paragraph on behalf of the spouse may be made only if any right of such spouse to a survivor annuity based on the service of such employee or Member is waived in accordance with subsection (j)(1) of this section."

(3) Paragraph (2) of section 8339(k) of such title is amended—

(A) by striking out subparagraph (B)(i) and inserting in lieu thereof the following:

"(B)(i) The election and reduction shall take effect on the first day of the first month beginning after the expiration of the 9-month period beginning on the date of marriage. Any such election to provide a survivor annuity for a person—

"(I) shall prospectively void any election made by the employee or Member under paragraph (1) of this subsection with respect to such person; or

"(II) shall, if an election was made by the employee or Member under such paragraph with respect to a different person, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this paragraph.";

(B) by striking out "(other than an employee or Member who made a previous election under paragraph (1) of this subsection)" in subparagraph (B)(ii); and

(C) by adding at the end thereof the following new subparagraph (D):

"(D) Subparagraphs (B)(ii) and (C) of this paragraph shall not apply if—

"(i) the employee or Member makes an election under this paragraph after having made an election under paragraph (1) of this subsection; and

"(ii) the election under such paragraph (1) becomes void under subparagraph (B)(i) of this paragraph."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect May 7, 1985.

SEC. 204. PRORATED COST-OF-LIVING ADJUSTMENTS FOR THE FIRST YEAR.

Section 8340(c)(1) of title 5, United States Code, is amended—

(1) by striking out "or widower" the first time it appears and inserting in lieu thereof ", widower, or former spouse,"; and

(2) by striking out "or widower" the second and third time it appears and inserting in lieu thereof ", widower, former spouse, or insurable interest designee".

SEC. 205. SURVIVOR BENEFITS FOR CHILDREN.

(a) **EQUITABLE SURVIVOR ANNUITIES FOR SURVIVING CHILDREN.**—Section 8341(e) of title 5, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(2) by inserting before paragraph (2), as redesignated by clause (1), the following new paragraph:

"(1) For the purposes of this subsection, 'former spouse' includes a former spouse who was married to an employee or Member for less than 9 months and a former spouse of an employee or Member who completed less than 18 months of service covered by this subchapter."

(b) **INDIVIDUAL DETERMINATION OF SURVIVOR ANNUITY AMOUNT.**—Section 8341(e)(2) of title 5, United States Code, as redesignated by subsection (a)(1) of this section, is amended by striking out "each surviving child" both times it appears and inserting in lieu thereof "that surviving child".

SEC. 206. DEFERRED ANNUITIES FOR FORMER SPOUSES OF FORMER MEMBERS OF CONGRESS.

Section 8341(h)(1) of title 5, United States Code, is amended by striking out "or annuitant" and inserting in lieu thereof "annuitant, or former Member who was separated from the service with title to a deferred annuity under section 8338(b) of this title".

SEC. 207. CHANGES IN COURT ORDERS AFTER DEATH.

Section 8341(h)(4)(A) of title 5, United States Code, is amended by inserting "or death" after "retirement".

SEC. 208. EFFECT OF A SEPARATION AGREEMENT ON REFUND OF A LUMP-SUM CREDIT.

Section 8342(j)(1)(B) of title 5, United States Code, is amended to read as follows:

“(B) shall be subject to the terms of a court decree of divorce, annulment, or legal separation or any court order or court approved property settlement agreement incident to such decree if—

“(i) the decree, order, or agreement expressly relates to any portion of the lump-sum credit involved; and

“(ii) payment of the lump-sum credit would extinguish entitlement of the employee's or Member's spouse or former spouse to a survivor annuity under section 8341(h) of this title or to any portion of an annuity under section 8345(j) of this title.”.

TITLE III—MISCELLANEOUS CIVIL SERVICE AMENDMENTS

SEC. 301. RECEPTION AND REPRESENTATION EXPENSES OF THE OFFICE OF PERSONNEL MANAGEMENT.

Section 1103(a) of title 5, United States Code, is amended—

(1) by striking out “and” after paragraph (7);

(2) by striking out the period after paragraph (8) and by inserting in lieu thereof “; and”; and

(3) by inserting after paragraph (8) the following:

“(9) incurring official reception and representation expenses of the Office subject to any limitation prescribed in any law.”.

SEC. 302. EXCEPTION TO NOTICE REQUIREMENTS FOR ROUTINE PAY MATTERS.

Section 1103(b) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

“(4) Paragraphs (1) and (2) of this subsection and section 1105 of this title shall not apply to the establishment of any schedules or rates of basic pay or allowances under subpart D of part III of this title. The preceding sentence does not apply to the establishment of the procedures, methodology, or criteria used to establish such schedules, rates, or allowances.”.

SEC. 303. PREDEPARTURE ALLOWANCE.

Section 5924(2)(A) of title 5, United States Code, is amended by inserting after “United States” the following: “, its territories or possessions, the Commonwealth of Puerto Rico, or the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements”.

SEC. 304. DENTAL CARE IN GOVERNMENT MEDICAL FACILITIES OVER- SEAS.

The second sentence of section 5 of the Act of May 10, 1943 (24 U.S.C. 35; 57 Stat. 81) is amended to read as follows: “Routine dental care, other than dental prosthesis and orthodontia, may be furnished to such persons who are outside the naval service under the same conditions as are prescribed in section 4 of this Act for hospital and dispensary care for such persons.”.

SEC. 305. MINIMUM ANNUITY UNDER THE CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) **REPEAL.**—Section 8345(f) of title 5, United States Code, is repealed.

(b) **SAVINGS PROVISION.**—An annuity payable from the Civil Service Retirement and Disability Fund as of the day before the date of enactment of this Act shall not be reduced—

(1) by reason of the repeal of section 8345(f) of title 5, United States Code; or

(2) if or to the extent that the reduction is to be made for the purpose of eliminating an overpayment resulting from the manner in which such section 8345(f) has been administered by the Office of Personnel Management.

(c) **RATIFICATION OF ERRONEOUS PAYMENTS.**—Any individual to whom an overpayment of an annuity has been made from the Civil Service Retirement and Disability Fund before the date of enactment of this Act shall be deemed to have been entitled to that overpayment if and to the extent that such overpayment resulted from the manner in which the Office of Personnel Management has administered section 8345(f) of title 5, United States Code.

(d) **ADJUSTMENTS OF CERTAIN REDUCTIONS.**—(1) Effective for any month after the date of enactment of this Act, the amount of any annuity which—

(A) is payable from the Civil Service Retirement and Disability Fund; and

(B) was reduced after June 30, 1985, and before the date of enactment of this Act, to eliminate any overpayment resulting from the manner in which the Office of Personnel Management administered section 8345(f) of title 5, United States Code,

shall not be less than the amount which would have been payable as of such date of enactment if the reduction described in clause (B) had not been made.

(2)(A) The Office shall make a lump-sum payment to each individual receiving an annuity to which paragraph (1) applies.

(B) The lump-sum payment made to any individual under this paragraph shall be equal to the excess of—

(i) the total amount of the annuity payments which would have been made to the individual for the period beginning with the first month in which the reduction described in paragraph (1)(B) was made and ending on the last day of the month in which this Act is enacted if the reduction had not been made, over

(ii) the total amount of the annuity payments which have been paid to such individual for that period.

SEC. 306. CIVIL SERVICE BENEFITS FOR FORMER EMPLOYEES OF COUNTY COMMITTEES.

(a) **RETENTION.**—Section 3502(a)(C) of title 5, United States Code, is amended by striking out “who is an employee in or under the Department of Agriculture”.

(b) **RATE OF PAY ON CHANGE OF POSITION.**—Section 5334(e) of title 5, United States Code, is amended—

(1) by inserting a comma after “may”; and

(2) by striking out “under the Department of Agriculture.”.

(c) **ACCRUAL AND ACCUMULATION OF LEAVE.**—The first sentence of section 6312 of title 5, United States Code, is amended by striking out “in the case of any officer or employee in or under the Department of Agriculture”.

SEC. 307. 18-MONTH PERIOD TO ELECT A SURVIVOR ANNUITY UNDER THE CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) **IN GENERAL.**—Section 8339 of title 5, United States Code, is amended by adding at the end thereof the following:

“(o)(1)(A) An employee or Member—

“(i) who, at the time of retirement, is married, and

“(ii) who notifies the Office at such time (in accordance with subsection (j)) that a survivor annuity under section 8341(b) of this title is not desired,

may, during the 18-month period beginning on the date of the retirement of such employee or Member, elect to have a reduction under subsection (i) made in the annuity of the employee or Member (or in such portion thereof as the employee or Member may designate) in order to provide a survivor annuity for the spouse of such employee or Member.

“(B) An employee or Member—

“(i) who, at the time of retirement, is married, and

“(ii) who at such time designates (in accordance with subsection (j)) that a limited portion of the annuity of such employee or Member is to be used as the base for a survivor annuity under section 8341(b) of this title,

may, during the 18-month period beginning on the date of the retirement of such employee or Member, elect to have a greater portion of the annuity of such employee or Member so used.

“(2)(A) An election under subparagraph (A) or (B) of paragraph (1) of this subsection shall not be considered effective unless the amount specified in subparagraph (B) of this paragraph is deposited into the Fund before the expiration of the applicable 18-month period under paragraph (1).

“(B) The amount to be deposited with respect to an election under this subsection is an amount equal to the sum of—

“(i) the additional cost to the System which is associated with providing a survivor annuity under subsection (b)(2) of this section and results from such election taking into account (I) the difference (for the period between the date on which the annuity of the participant or former participant commences and the date of the election) between the amount paid to such participant or former participant under this subchapter and the amount which would have been paid if such election had been made at the time the participant or former participant applied for the annuity, and (II) the costs associated with providing for the later election; and

“(ii) interest on the additional cost determined under clause (i) of this subparagraph computed using the interest rate specified or determined under section 8334(e) of this title for the calendar year in which the amount to be deposited is determined.

“(3) An election by an employee or Member under this subsection voids prospectively any election previously made in the case of such employee or Member under subsection (j).

“(4) An annuity which is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the employee or Member whose annuity is so reduced.

“(5) Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and

obligations which would have resulted had the employee or Member involved elected such annuity at the time of retiring.

“(6) The Office shall, on an annual basis, inform each employee or Member who is eligible to make an election under this subsection of the right to make such election and the procedures and deadlines applicable to such election.”

(b) EFFECTIVE DATE AND APPLICATION.—(1) The amendment made by subsection (a) shall take effect 3 months after the date of the enactment of this Act.

(2)(A) Subject to subparagraph (B), the amendment made by subsection (a) shall apply with respect to employees and Members who retire before, on, or after such amendment first takes effect.

(B) For the purpose of applying the provisions of paragraph (1) of section 8339(o) of title 5, United States Code (as added by subsection (a) of this section) to employees and Members who retire before the date on which the amendment made by subsection (a) first takes effect—

(i) the period referred to in subparagraph (A) or (B) of such paragraph (as the case may be) shall be considered to begin on the date on which such amendment first becomes effective; and

(ii) the amount referred to in paragraph (2) of such section 8339(o) shall be computed without regard to the provisions of subparagraph (B)(ii) of such paragraph (relating to interest).

(3) For purposes of this subsection, the terms “employee” and “Member” each has the meaning given that term in sections 8331(1) and 8331(2) of title 5, United States Code, respectively.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*