

104TH CONGRESS
2D SESSION

S. 1576

To provide that Federal employees who are furloughed or are not paid for performing essential services during a period of a lapse in appropriations, may receive a loan, paid at their standard rate of compensation, from the Thrift Savings Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27 (legislative day, FEBRUARY 23), 1996

Ms. MIKULSKI (for herself and Mr. SARBANES) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To provide that Federal employees who are furloughed or are not paid for performing essential services during a period of a lapse in appropriations, may receive a loan, paid at their standard rate of compensation, from the Thrift Savings Fund, 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. LOANS FROM THRIFT SAVINGS FUND TO FUR-**
4 **LOUGHED FEDERAL EMPLOYEES.**

5 (a) IN GENERAL.—During any period of a lapse of
6 appropriations in fiscal year 1996, an employee described
7 under subsection (b) may borrow an amount from such

1 employee's account in the Thrift Savings Fund established
2 under section 8437 of title 5, United States Code.

3 (b) ELIGIBLE EMPLOYEES.—An employee referred to
4 under subsection (a) is any Federal employee who—

5 (1) is furloughed as a result of a lapse in ap-
6 propriations; or

7 (2)(A) performs emergency services involving
8 the safety of human life or the protection of prop-
9 erty during a period of a lapse in appropriations;
10 and

11 (B) does not receive compensation for such
12 services during such period as a result of such lapse.

13 (c) LOAN CONDITIONS.—A loan under this section—

14 (1) may not exceed the amount in the account
15 of an employee in the Thrift Saving Fund attrib-
16 utable to contributions made by such employee;

17 (2) subject to paragraph (1), shall be paid at
18 the rate of the employee's standard rate of com-
19 pensation in installments applicable to each pay pe-
20 riod of the employee; and

21 (3) shall not be subject to any processing
22 charge, interest, or penalty.

23 (d) APPLICATION AND APPROVAL OF LOAN.—(1) An
24 employee may file a loan application under this section
25 with the Federal Retirement Thrift Investment Board and

1 shall simultaneously submit written notification to his em-
2 ploying agency of such application. The application shall
3 be immediately approved.

4 (2) The first loan installment shall be paid to the em-
5 ployee at the beginning of the earliest practical pay period
6 following receipt of a loan application by the Board.

7 (3) Subject to subsection (c)(1), loan installment pay-
8 ments shall terminate on the date that the period of the
9 lapse of appropriations ends.

10 (e) LOAN PAYBACK.—(1) Beginning with the first
11 applicable pay period following the date on which the pe-
12 riod of a lapse of appropriations ends, the employing agen-
13 cy of an employee who received a loan under this section
14 shall withhold the full amount of the loan from the pay
15 of the employee, after making other withholdings applica-
16 ble to the employee. Such withholdings may continue for
17 each pay period until the full amount of the loan is with-
18 held.

19 (2) The employing agency shall transmit all amounts
20 withheld under this subsection to the Federal Retirement
21 Thrift Investment Board for deposit in the employee's ac-
22 count in the Thrift Savings Fund.

23 (f) TAX TREATMENT.—A loan under this section
24 shall not be treated as a taxable distribution under section
25 72(p) of the Internal Revenue Code of 1986.

1 (g) SECRETARY OF THE TREASURY.—Notwithstand-
2 ing any other provision of law, the Secretary of the Treas-
3 ury shall take such actions as necessary to implement the
4 provisions of this section.

5 (h) REGULATIONS.—The Executive Director ap-
6 pointed by the Federal Retirement Thrift Investment
7 Board shall prescribe regulations to implement the provi-
8 sions of this section.

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