

Public Law 95-583  
95th Congress

An Act

Nov. 2, 1978

[H.R. 4319]

To amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 8706 of title 5, United States Code, is amended—

Federal employees, life and health insurance benefits.

(1) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

“(b) (1) If on the date the insurance would otherwise stop the employee retires on an immediate annuity and has been insured under this chapter throughout—

“(A) the 5 years of service immediately preceding such date,

or

“(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years, life insurance only may be continued, without cost to the employee, under conditions determined by the Commission.

“(2) If on the date the insurance would otherwise stop the employee is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this chapter throughout—

Compensation.  
5 USC 8101 *et seq.*

“(A) the 5 years of service immediately preceding such date, or

“(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years, life insurance only may be continued, without cost to the employee, under conditions determined by the Commission, during the period the employee is receiving compensation for work injuries and is held by the Secretary of Labor or his delegate to be unable to return to duty.

“(3) The amount of life insurance continued under paragraph (1) or paragraph (2) of this subsection shall be reduced by 2 percent at the end of each full calendar month after the date the employee becomes 65 years of age and is retired or is receiving such compensation for disease or injury. The Commission shall prescribe minimum amounts, not less than 25 percent of the amount of life insurance in force before the first reduction, to which the insurance may be reduced.”;

(2) by redesignating subsections (d) through (f) as subsections (c) through (e), respectively; and

(3) by striking out “(a)–(c)” in subsection (d), as redesignated by paragraph (2), and inserting in lieu thereof “(a) and (b)”.

(b) Section 8705(a) of title 5, United States Code, is amended by striking out “or (c)”.

(c) Section 8714a of title 5, United States Code, is amended—

(1) by striking out “8706(d)” in subsection (c) (1) and inserting in lieu thereof “8706(c)”;

(2) by amending subsection (c) (2) to read as follows:

Optional life insurance.

“(2) (A) In the case of any employee who retires on an immediate annuity and has been insured under this section throughout—

“(i) the 5 years of service immediately preceding the date of such retirement, or

“(ii) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years, the amount of optional life insurance only which has been in force throughout such period may be continued, under conditions determined by the Commission.

Compensation.  
5 USC 8101.

“(B) In the case of any employee who becomes entitled to receive compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this section throughout—

“(i) the 5 years of service immediately preceding the date such employee becomes entitled to such compensation, or

“(ii) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years, the amount of optional life insurance only which has been in force throughout such period may be continued, under conditions determined by the Commission, during the period the employee is receiving such compensation for disease or injury and is held by the Secretary of Labor or his delegate to be unable to return to duty.

“(C) The amount of optional life insurance continued under subparagraph (A) or subparagraph (B) of this paragraph shall be subject to the same monthly reductions as required for regular life insurance under section 8706(b)(3) of this title.”; and

(3) by striking out “or 8706(c)” in subsection (d).

Sec. 2. Section 8901(3)(A) of title 5, United States Code, is amended by striking out “12” and inserting in lieu thereof “5”.

Effective date.  
5 USC 8706 note.

Sec. 3. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Approved November 2, 1978.

#### LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-284 (Comm. on Post Office and Civil Service).

SENATE REPORT No. 95-1080 (Comm. on Governmental Affairs).

#### CONGRESSIONAL RECORD:

Vol. 123 (1977): July 18, considered and passed House.

Vol. 124 (1978): Aug. 18, considered and passed Senate, amended.

Oct. 10, House concurred in Senate amendment with an amendment.

Oct. 13, Senate concurred in House amendment.