

COMMITTEE ON GOVERNMENT REFORM
CONGRESSMAN TOM DAVIS, CHAIRMAN



NEWS RELEASE

For Immediate Release
September 25, 2003

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Government Reform Committee Approves Key Federal Employee, Computer Security Legislation

Washington, D.C. – The House Government Reform Committee today approved four bills critical to federal employees and retirees, District of Columbia police and firefighters, and all those concerned about the security of government computer networks.

The Committee approved:

- **H.R. 1151, to provide that transit pass transportation fringe benefits be made available to all qualified Federal employees in the National Capital Region;**
- **H.R. 1231, to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.**
- **H.R. 3054, “District of Columbia Military Retirement Equity Act of 2003.”**
- **H.R. 3159, “the Government Network Security Act of 2003”**

H.R. 3159, the “Government Network Security Act of 2003,” introduced by Chairman Tom Davis and Ranking Member Henry Waxman, would require federal agencies to develop and implement plans to protect the security and privacy of government computers from the risks posed by peer-to-peer file sharing. Federal agencies would have six months to develop and implement these plans and the General Accounting Office would have an additional year to review the plans and report to Congress on the results of the review together with any recommendations.

Peer-to-peer file sharing programs are Internet applications that allow users to download and directly share electronic files from other users on the same network. These programs can be downloaded free of charge and permit the sharing of files containing documents, music, or videos.

An investigation conducted by the Committee revealed that file sharing programs, such as Kazaa, Grokster, and iMesh, create security and privacy risks for computers and the information they contain.

Both the House of Representatives and the Senate have taken steps to restrict the use of file sharing programs in order to secure Congressional computers and networks from the privacy and security risks posed by these programs.

HR 1231, a Davis priority for five years now, would amend the Internal Revenue Code of 1986 to allow federal civilian and military retirees – as well as active duty military employees – to pay their health insurance premiums on a pretax basis.

For civilian retirees that are part of the FEHBP, recent jumps in prescription drug costs have seen their annual health insurance premiums surge by more than 10%. For active duty military and military retirees, the cost of supplemental insurance above and beyond TRICARE has jumped by nearly as much, with greater increases expected in the future.

“This legislation provides a means of relief from the rising health care premiums,” Davis said. “While we cannot directly lower the costs of health insurance premiums without significantly altering the plans, we can restructure how those payments are made to provide greater savings to the participant.”

H.R. 1231 allows participants to pay their health care premiums from pre-tax dollars. Under the bill, health care costs will be paid before federal, state, and local taxes. This means that when the taxman comes for his cut, there will be less in the pot for him to draw from. We anticipate that the average retiree could realize a savings of between \$400 and \$600 annually.

“For military and civilian retirees, many of whom are on fixed incomes, a savings of a few hundred dollars a year can have a significant impact. For active duty military, H.R. 2125 will restore pay raise and benefits equilibrium with current civilian employees. This is the right and fair thing to do. As of January of this year, every employee in the Judicial, Postal, Executive, and Legislative Branches of the federal government can pay their health care premiums from “pre-tax” dollars (that includes every Member of Congress). Active duty military are the last on the list - but are in need just as much as their civilian counterparts,” Davis said.

H.R. 3054, the District of Columbia Military Retirement Equity Act of 2003, is bipartisan legislation that will allow current and former D.C. Police Officers and Firefighters, U.S. Park Police Officers, and U.S. Secret Service Employees to “buy back” military service time to avoid costly reductions in their monthly benefit payments.

Under current law, retirees in the D.C. Police Officers’ and Firefighters’ Retirement Plan (Plan) may use the time that they served in the military as credit toward their retirement. However, retirees who are eligible to receive their Social Security benefits may not concurrently receive credit for the time they served in the military. This means that after the retiree reaches age 65, the amount of their annuity is significantly reduced. This bill would allow members and retirees to “buy back” the years of military service to avoid having the reduction in their monthly benefit payment.

“This is a simple matter of fairness and equity,” Davis said. “Hundreds of retirees now find themselves in the untenable position of having to ‘buy back’ their military time, or face a dramatic reduction in their annuity. We’re talking about retirees who served our country in the military and who returned from service to protect our communities as first

responders. It's our duty to provide a way for active duty members and retirees to be able to plan for and maintain a comfortable retirement.”

Like the Federal retirement programs, with this legislation members and retirees would be able to purchase their post-1956 military service and have it credited to their Plan benefits permanently.

Payment amounts will be seven percent of the annuitants' basic pay at the time of employment if they were hired before November 10, 1996. Those hired after this date will pay eight percent of their base pay. Members and retirees who elect to retain credit for service will have a grace period of two years to make payments. Deposits made after the 2-year grace period or October 1, 2006 will include interest.

H.R. 1151, introduced by Rep. Jim Moran (D-VA), expands the availability of transit benefits to employees of Congress and independent agencies of the federal government operating in the Washington metropolitan area.

An executive order signed in 2000 allows executive branch employees to receive transit vouchers. Congressional employees also have access to the “Metrochecks.” But the benefits to Congressional employees are a result of policy, not law, so – as is the case with the executive order – the benefits could be rescinded at any time. Under this law, transit benefits for legislative, judicial and executive employees would be mandatory.

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