

“(b) AMOUNT.—The amount of continuation pay payable to a full TSP member under subsection (a) shall be the amount that is equal to—

“(1) in the case of a member of a regular component—
“(A) the monthly basic pay of the member at 12 years of service multiplied by 2.5; plus

“(B) at the discretion of the Secretary concerned, the monthly basic pay of the member at 12 years of service multiplied by such number of months (not to exceed 13 months) as the Secretary concerned shall specify in the agreement of the member under subsection (a); and

“(2) in the case of a member of a reserve component—
“(A) the amount of monthly basic pay to which the member would be entitled at 12 years of service if the member were a member of a regular component multiplied by 0.5; plus

“(B) at the discretion of the Secretary concerned, the amount of monthly basic pay described in subparagraph (A) multiplied by such number of months (not to exceed 6 months) as the Secretary concerned shall specify in the agreement of the member under subsection (a).

“(c) ADDITIONAL DISCRETIONARY AUTHORITY.—In addition to the continuation pay required under subsection (a), the Secretary concerned may provide continuation pay under this subsection to a full TSP member described in subsection (a), and subject to the service agreement referred to in paragraph (2) of such subsection, in an amount determined by the Secretary concerned.

“(d) TIMING OF PAYMENT.—The Secretary concerned shall pay continuation pay under subsection (a) to a full TSP member when the member completes 12 years of service. If the Secretary concerned also provides continuation pay under subsection (c) to the member, that continuation pay shall be provided when the member completes 12 years of service.

“(e) LUMP SUM OR INSTALLMENTS.—A full TSP member may elect to receive continuation pay provided under subsection (a) or (c) in a lump sum or in a series of not more than four payments.

“(f) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Continuation pay under this section is in addition to any other pay or allowance to which the full TSP member is entitled.

“(g) REPAYMENT.—A full TSP member who receives continuation pay under this section (a) and fails to complete the obligated service required under such subsection shall be subject to the repayment provisions of section 373 of this title.

“(h) REGULATIONS.—Each Secretary concerned shall prescribe regulations to carry out this section.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by adding at the end the following new item:

“356. Continuation pay: full TSP members with 12 years of service.”

SEC. 635. EFFECTIVE DATE AND IMPLEMENTATION.

(a) EFFECTIVE DATE.—The amendments made by this part shall take effect on January 1, 2018.

(b) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretaries concerned, the Director of the Office of Personnel Management, and the Federal Retirement Thrift Investment Board shall each and jointly take appropriate actions to ensure the full and effective implementation of the amendments made by this part in order to ensure that members of the uniformed services will be able to participate in the modernized retirement plan provided by this part commencing on the date specified in subsection (a).

(2) IMPLEMENTATION PLAN.—Not later than March 1, 2016, the Secretaries concerned shall submit to the appropriate committees of Congress a report containing a plan to ensure the full and effective commencement and operational implementation of the amendments made by this part in accordance with paragraph (1).

(c) ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.—The report required by subsection (b) shall contain a draft of such legislation as may be necessary to make any additional technical and conforming changes to titles 10 and 37, United States Code, and other provisions of law that are required or should be made by reason of the amendments made by this part.

(d) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Committee on Armed Services, the Committee on Energy and Commerce, the Committee on Natural Resources, the Committee on Oversight and Government Reform, and the Committee on Transportation and Infrastructure of the House of Representatives; and

(B) the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Homeland Security and Governmental Affairs, and the Committee on Health, Education, Labor, and Pensions of the Senate.

(2) The term “Secretary concerned” has the meaning given that term in section 101 of title 37, United States Code.

PART II—OTHER MATTERS

SEC. 641. DEATH OF FORMER SPOUSE BENEFICIARIES AND SUBSEQUENT REMARRIAGES UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(7) EFFECT OF DEATH OF FORMER SPOUSE BENEFICIARY.—

“(A) TERMINATION OF PARTICIPATION IN PLAN.—A person who elects to provide an annuity to a former spouse under paragraph (2) or (3) and whose former spouse subsequently dies is no longer a participant in the Plan, effective on the date of death of the former spouse.

“(B) AUTHORITY FOR ELECTION OF NEW SPOUSE BENEFICIARY.—If a person’s participation in the Plan is discontinued by reason of the death of a former spouse beneficiary, the person may elect to resume participation in the Plan and to elect a new spouse beneficiary as follows:

“(i) MARRIED ON THE DATE OF DEATH OF FORMER SPOUSE.—A person who is married at the time of the death of the former spouse beneficiary may elect to