

**AMENDMENT TO H.R. 5136, AS REPORTED
OFFERED BY MR. PERRIELLO OF VIRGINIA**

Page 92, after line 24, insert the following:

1 **SEC. 326. TREATMENT OF EMPLOYER CONTRIBUTIONS TO**
2 **HEALTH BENEFITS AND RETIREMENT PLANS**
3 **FOR PURPOSES OF COST-COMPARISONS OF**
4 **CONTRACTOR AND CIVILIAN EMPLOYEE PER-**
5 **FORMANCE OF DEPARTMENT OF DEFENSE**
6 **FUNCTIONS.**

7 Section 2463 of title 10, United States Code, is
8 amended—

9 (1) by redesignating subsection (e) as sub-
10 section (f); and

11 (2) by inserting after subsection (d) the fol-
12 lowing new subsection (f):

13 “(f) TREATMENT OF CONTRIBUTIONS TO HEALTH
14 AND RETIREMENT PLANS.—For purposes of conducting
15 a cost comparison to determine whether to convert a func-
16 tion from contractor performance to performance by De-
17 partment of Defense civilian employee, the costs of em-
18 ployer contributions made by the Department of Defense
19 or by a contractor towards employer-sponsored health ben-
20 efits and retirement benefits plans shall not be considered

1 unless, in the case of such contributions made by a con-
2 tractor, the contractor does not receive an advantage for
3 reducing costs for the Department of Defense by—

4 “(1) not making an employer-sponsored health
5 insurance plan available to the contractor employees
6 who perform the function under the contract;

7 “(2) offering to such employees an employer-
8 sponsored health benefits plan that requires the em-
9 ployer to contribute less towards the premium or
10 subscription share than the amount that is paid by
11 the Federal Government for health benefits for civil-
12 ian employees under chapter 89 of title 5, United
13 States Code; or

14 “(3) offering to such employees a retirement
15 benefit that, in any year, costs less than the annual
16 retirement cost factor applicable to Federal employ-
17 ees under chapter 84 of title 5, United States
18 Code.”.

