

**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.”.

