

AMENDMENT TO RULES COMMITTEE PRINT 118-

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OFFERED BY MR. LEVIN OF CALIFORNIA

At the end of subtitle A of title VI, add the following
new section:

1 **SEC. 6___ . COORDINATION OF SEPARATION PAY UPON IN-**
2 **VOLUNTARY DISCHARGE OR RELEASE FROM**
3 **ACTIVE DUTY WITH RETIRED OR RETAINER**
4 **PAY AND VETERANS DISABILITY COMPENSA-**
5 **TION.**

6 Section 1174(h) of title 10, United States Code, is
7 amended—

8 (1) in paragraph (1), by striking “A member”
9 and inserting “Subject to paragraph (3), a mem-
10 ber”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(3) In the case of a member described in paragraphs
14 (1) and (2), in lieu of a deduction under paragraph (1),
15 a deduction shall be made from each payment of retired
16 or retainer pay in an amount, in such schedule of monthly
17 installments as the Secretary of Defense shall specify, tak-
18 ing into account the financial ability of the member to pay

1 and avoiding the imposition of undue financial hardship
2 on the member and member's dependents, until the total
3 amount deducted is equal to the total amount of separa-
4 tion pay, severance pay, and readjustment pay so paid,
5 less the amount of Federal income tax withheld from such
6 pay (such withholding being at the flat withholding rate
7 for Federal income tax withholding, as in effect pursuant
8 to regulations prescribed under chapter 24 of the Internal
9 Revenue Code of 1986).”.

