AMENDMENT TO RULES COMMITTEE PRINT 118-10

OFFERED BY MR. LEVIN OF CALIFORNIA

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

SEC. 6. COORDINATION OF SEPARATION PAY UPON IN-VOLUNTARY DISCHARGE OR RELEASE FROM ACTIVE DUTY WITH RETIRED OR RETAINER PAY AND VETERANS DISABILITY COMPENSA-TION.

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

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

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

“(3) In the case of a member described in paragraphs (1) and (2), in lieu of a deduction under paragraph (1), a deduction shall be made from each payment of retired or retainer pay in an amount, in such schedule of monthly installments as the Secretary of Defense shall specify, taking into account the financial ability of the member to pay
and avoiding the imposition of undue financial hardship on the member and member’s dependents, until the total amount deducted is equal to the total amount of separation pay, severance pay, and readjustment pay so paid, less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986).”