

86TH CONGRESS
1ST SESSION

S. 2233

IN THE SENATE OF THE UNITED STATES

JUNE 23, 1959

Mr. FULBRIGHT (by request) introduced the following bill; which was read twice
and referred to the Committee on Foreign Relations

A BILL

To amend the Foreign Service Act of 1946, as amended and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Foreign Service Act
4 Amendments of 1959".

5 SEC. 2. Section 444 of such Act and the heading thereto
6 is amended to read as follows:

7 "COMPENSATION PLANS FOR ALIEN CLERKS AND
8 EMPLOYEES

9 "SEC. 444. (a) The Secretary shall, in accordance with
10 such regulations as he may prescribe, establish compensation
11 plans for local (alien) employees of the Service: *Provided,*

1 That such compensation plans for local employees shall be
2 based upon prevailing wage rates and compensation prac-
3 tices for corresponding types of positions in the locality, as
4 is consistent with the public interest.

5 “(b) For the purpose of performing functions abroad,
6 other departments and agencies of the Government are au-
7 thorized to administer local (alien) employee programs in
8 accordance with the applicable provisions of this Act.”

9 SEC. 3. (a) The heading to section 516 of such Act is
10 amended to read as follows: “ADMISSION TO CLASS 7 OR 8”.

11 (b) Section 516 of such Act is amended by striking
12 out “SEC. 516” and inserting in lieu thereof “SEC. 516. (a)”
13 and by adding at the end thereof an new paragraph (b)
14 which shall read as follows:

15 “(b) The Secretary may furnish the President with the
16 names of those persons who have passed such examinations
17 and are eligible for appointment as Foreign Service officers
18 of class 8, whom he recommends for appointment directly
19 to class 7 when in his opinion, their age, experience, or
20 other qualifications make such an appointment appropriate.”

21 SEC. 4. Section 517 of such Act is amended by inserting
22 in the first sentence after the phrase “classes 1 to 7, inclu-
23 sive,” the phrase “except as provided in section 516(b) of
24 this Act,” and by striking out the second and third sentences
25 thereof.

1 SEC. 5. (a) Subparagraphs (1) and (2) of paragraph
2 (b) of section 634 of such Act are amended to read as
3 follows:

4 “(1) one-twelfth of a year’s salary at his then cur-
5 rent salary rate for each year of service and proportion-
6 ately for a fraction of a year, but not exceeding a total
7 of one year’s salary at his then current salary rate, pay-
8 able without interest, from the Foreign Service Retirement
9 and Disability Fund, in three equal installments
10 on the 1st day of January following the officer’s separa-
11 tion and on the two anniversaries of this date immedi-
12 ately following: *Provided*, That in special cases, the
13 Secretary may in his discretion accelerate or combine
14 the installments; and

15 “(2) a refund of the contributions made to the
16 Foreign Service Retirement and Disability Fund, with
17 interest as provided in section 841 (a), except that in
18 lieu of such refund such officer may, if he has at least
19 five years of service credit toward retirement under this
20 system, excluding military or naval service that is
21 credited in accordance with the provisions of section
22 851 or 852 (a), elect to receive retirement benefits on
23 reaching the age of sixty in accordance with the pro-
24 visions of section 821. In the event that an officer who
25 was separated from classes 4 or 5 and who has elected

1 to receive retirement benefits dies before reaching the
2 age of sixty, his death shall be considered a death in
3 service within the meaning of section 832. In the event
4 that an officer who was separated from classes 6 and 7
5 and who has elected to receive retirement benefits dies
6 before reaching the age of sixty, the total amount of his
7 contributions made to the Foreign Service Retirement
8 and Disability Fund, with interest as provided in section
9 841 (a).”

10 (b) Paragraph (c) of section 634 of such Act shall be
11 amended by striking out the word “retired” in the first sen-
12 tence and inserting in lieu thereof the word “separated”.

13 SEC. 6. Section 635 of such Act and the heading thereto
14 are amended to read as follows:

15 “FOREIGN SERVICE OFFICERS RETIRED FROM CLASS 7 OR 8

16 “SEC. 635. Any Foreign Service officer in class 7 who is
17 appointed under the provisions of section 516 (b) and any
18 Foreign Service officer in class 8 shall occupy probationary
19 status. The Secretary may terminate his service at any
20 time.”

21 SEC. 7. Paragraphs (b) and (c) of section 637 of such
22 Act are amended to read as follows:

23 “(b) Any participant in the Foreign Service Retire-
24 ment and Disability System separated under the provisions

1 of paragraph (a) of this section shall receive a refund of the
2 contributions made to the Foreign Service Retirement and
3 Disability Fund, with interest, as provided in section 841 (a)
4 except that in lieu of such refund such officer may, if he has
5 at least five years of service credit toward retirement under
6 this System, excluding military or naval service that is
7 credited in accordance with the provisions of sections 851
8 or 852 (a), elect to leave his contributions in the Fund and
9 receive an annuity, computed as prescribed in section 821
10 commencing at the age of sixty years. In the event that an
11 officer who has elected under the provisions of this section
12 to receive a deferred annuity dies before reaching the age of
13 sixty, his contributions to the Fund, with interest, shall be
14 paid in accordance with the provisions of sections 841 and
15 881.

16 “(c) Any officer or employee of the Service who is
17 not a participant in the Foreign Service Retirement and
18 Disability System shall be entitled only to such benefits as
19 shall accrue to him under the retirement system in which
20 he is a participant.”

21 SEC. 8. Section 912 of such Act is amended by changing
22 the heading thereto to read “LOAN OF HOUSEHOLD FUR-
23 NISHINGS AND EQUIPMENT” and by inserting between the

S. 2233—2

1 words "with household" the word "basic" and by inserting
2 between the words "household equipment" the phrase "fur-
3 nishings and".

4 SEC. 9. Section 913 of such Act and the heading thereto
5 is amended to read as follows:

6 "TRANSPORTATION OF MOTOR VEHICLES

7 "SEC. 913. The Secretary may, notwithstanding the
8 provisions of any other law, transport for or on behalf of
9 an officer or employee of the Service, a privately owned
10 motor vehicle or replacement thereof in any case where he
11 shall determine that water, rail, or air transportation of the
12 motor vehicle or replacement thereof is necessary or ex-
13 pedient for any part or of all the distance between points of
14 origin and destination."

15 SEC. 10. (a) Paragraph (4) of section 104 (a) of the
16 Internal Revenue Code of 1954 (26 U.S.C. 104 (a) (4))
17 (relating to the exclusion from gross income of compensa-
18 tion for injuries and sickness) is hereby amended to read as
19 follows:

20 "(4) amounts received as a pension, annuity, or
21 similar allowance for personal injuries or sickness result-
22 ing from active service in the armed forces of any coun-
23 try or in the Coast and Geodetic Survey or the Public
24 Health Service, or as a disability annuity payable under

1 the provisions of section 831 of the Foreign Service Act
2 of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021)."

3 (b) (1) Section 402 (a) of the Internal Revenue Code
4 of 1954 (relating to the taxability of a beneficiary of an em-
5 ployee's trust) is hereby amended as follows:

6 (a) By striking out in the first sentence of paragraph
7 (1) thereof "paragraph (2)" and inserting in lieu thereof
8 "paragraphs (2) and (3)", and

9 (b) By redesignating paragraph (3) thereof as para-
10 graph (4) and by inserting after paragraph (2) thereof the
11 following new paragraph:

12 "(3) The amount includible under this subsection as
13 the gross income of a nonresident alien individual with
14 respect to a distribution made by the United States in
15 respect of services performed by an employee of the
16 United States shall not exceed an amount which bears
17 the same ratio to the amount includible in gross income
18 without regard to this paragraph as the aggregate com-
19 pensation paid by the United States to such employee
20 for such services and includible in gross income under
21 this subtitle or prior income tax laws bears to the aggre-
22 gate compensation paid by the United States to such
23 individual whether or not includible in gross income."

24 (2) Section 871 of the Internal Revenue Code of 1954

1 (relating to the tax imposed on nonresident alien individuals)
2 is hereby amended by striking out subsection (d) thereof and
3 inserting in lieu thereof the following new subsection:

4 “(c) CROSS REFERENCE.—

(1) For doubling of tax on citizens of certain foreign countries, see section 891.

(2) For taxability of amounts paid by the United States to certain nonresident alien employees or their beneficiaries, see section 402(a)(3).”

5 SEC. 11. The amendment made by section 10 of this
6 Act shall be effective with respect to taxable years ending
7 after the date of enactment of this Act.

8 SEC. 12. Notwithstanding the provisions of this Act,
9 existing rules, regulations of or applicable to the Foreign
10 Service of the United States shall remain in effect until
11 revoked or rescinded or until modified or superseded by
12 regulations made in accordance with the provisions of this
13 Act, unless clearly inconsistent with the provisions of this
14 Act.

15 SEC. 13. The following section in the Foreign Service
16 Act of 1946, as amended, is hereby repealed:

17 (1) Section 637 (d) of such Act.

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