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Folder Title:
Gays in the Military - Benefits: Benefits Options - DOD [Department of Defense]

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INFORMATION PAPER

SUBJECT: Options for Separation of HIV - Positive Members

Prospective DoD Guidelines: (1) Servicemembers will not be separated before the last day of the sixth month unless the member so desires.

(2) Those eligible to retire under any provision of law, including the Temporary Early Retirement Authority (TERA), will be permitted to voluntarily retire.

Note: Program costs have not been calculated.

Significant Issue	Option 1: Admin Separation	Option 2: Disability Separation	Option 3: Disability Retirement
Pay/Entitlements Example: E6 over 10 years of service annual pay/benefits of \$31,682	Minimizes Benefits \$29,912 - lump sum	 \$34,854 - lump sum	Maximizes Benefits \$10,456 - annually upon VA approval to increase the rating of disability from 0% to 30%***
Survivor Protection	Serviceman's Group Life Insurance (SGLI) Veteran's Group Life Insurance (VGLI) Dependency Indemnity Compensation (VA Survivor Annuity)(DIC)	Same	Same plus Survivor Benefit Plan (SBP)
Health Care Coverage	Member - Yes Family - No (Temporary health care coverage to allow dependents to procure private insurance)	Member - Yes Family - No (Temporary health care coverage to allow dependents to procure private insurance)	Member - Yes Family - Yes
Transition Benefits *	Unemployment Compensation Separation/Retirement Counseling Employment Assistance Relocation Assistance Hiring Preference **	Same	Same

* and ** See attached papers

*** VA is reviewing the possibility of increasing the rating of individuals who are HIV Positive

INFORMATION PAPER*

Subject: Transition Assistance in the Department of Defense (DoD)

Since 1991 the Department of Defense (DoD) has developed "Operation Transition"-- an extensive proven array of services and benefits designed to equip service members who are separating or retiring voluntarily or involuntarily (to include medical disabilities associated with the HIV- infection) with 90 day preseparation counseling and the necessary basic job search skills, and self confidence necessary to secure successful employment in our nation's civilian work force. *No data is available on the employment success of our members who have been separated while HIV positive or symptomatic AIDS.*

Each of the military Services, in conjunction with DoD, the Departments of Labor and Veteran's Affairs, and state employment service agencies, has innovative transition program components designed to fit the needs of separating military members and their families. These programs include: educational benefits, information concerning government and private sector programs for job-search and job-placement assistance, and relocation assistance.

Additionally, DoD, in conjunction with the Department of Labor and the Department of Veterans Affairs also provides:

- 3 day transition assistance seminars
- job training assistance
- VA benefits and entitlements counseling
- financial counseling through workshops at 204 selected bases.

Sophisticated easy to use automated systems are a vital component of DoD's transition program. Available at 271 worldwide transition sites is the Defense Outplacement Referral System (DORS). DORS is an automated mini-resume registry and referral system that enables approximately 12,000 participating civilian employers to access departing service members and spouses who are actively seeking civilian employment. Included in the DORS program is the Transition Bulletin Board (TBB) that allows participating employers (13,500) to list job openings. These openings are electronically transmitted to military transition sites worldwide.

ISSUE PAPER **

SUBJECT: Placement of discharged HIV positive military members into civilian positions in the Department of Defense

BACKGROUND: The 1996 Defense Authorization Bill will require the discharge of military members who test HIV-positive. One proposed option would require placement of these discharged members into the civil service. Placement into permanent Appropriated Fund positions would provide Federal Health Benefits Coverage Act (FEHBA) to discharged members and their families without a "pre-existing condition" clause. There are two avenues for placement into civilian positions in the Department of Defense: Appropriated fund (AF) positions and Nonappropriated Fund (NAF) positions. Both are discussed below:

DISCUSSION:

The following laws and regulations would require change to accommodate the placement of discharged military members into civilian positions:

APPROPRIATED FUND POSITIONS:

Law or Executive Order

- Title 5, Section 3304, sets merit principles requiring open, competitive examinations for hire
- Title 5, Section 3326, which restricts hiring retired military for civil service and nonappropriated fund jobs within 180 days of retirement. (applicable only to members retiring from military service)
- The Veterans Preference Act of 1944 which provides veterans preference in employment and retention in Federal jobs
- Section 806, P.L. 99-145, The Military Family Act of 1985, which provides spouses of active duty military with employment preference within DoD (AF and NAF)
- Title 5, Section 3329 which provides placement entitlement to certain involuntarily separated military reserve technicians. (The FY 1996 Defense Authorization Bill limits the entitlement for those separating on or after enactment.)
- P.L. 101-510 provides NAF only preference for certain separated members and dependents

Administration, OPM, or DoD Policy Constraints

- Employment ceilings (as measured by Full Time Equivalents) allocated to agencies by the Office of Management and Budget.
- DoD Priority Placement Program policies which grant priority to civil service employees facing a reduction in force and family members returning with their military and civilian sponsors from overseas.
- 5 Code of Federal Regulations 330 which provides placement priority to separated Federal employees throughout the Federal service
- Continuing drawdown of over 100,000 DoD Civilian workforce through 2001

Bk of discharges
anticipated
from HIV
provision?

Concerns

- Placement priorities of other separated DoD and Federal employees
- Public perception of favoritism for a certain group
- Competitive hiring process may not permit selection of these candidates
- Limited funds to support positions even if FTE ceiling is raised

NON APPROPRIATED FUNDS:

BACKGROUND: There are about 170,000 DoD NAF jobs in exchanges, military clubs, bowling facilities, athletic programs, child care centers, and other miscellaneous positions in support of the Military Morale, Welfare, and Recreation (MWR) Program and resale activities. NAF salaries are paid from revenues generated from MWR and resale activities rather than from Congressional appropriations. Therefore, except for equal opportunity requirements, the title 5 civil service appointment rules do not apply to NAF jobs.

FACTORS BEARING ON EMPLOYMENT PREFERENCE:

Limited Number of Appropriate Vacancies. Most of the NAF employees are in lower level jobs such as waiter, food preparer, child care giver, clerk, and cashier. Also, the MWR program is undergoing a major drawdown. About half of all NAF positions are other than full-time. Many jobs are filled on an intermittent, part-time, or temporary basis that does not provide any benefits such as leave or insurance.

Interface with Current NAF Employment Preferences. Statutory military spousal and separated military NAF preferences take precedence over any administrative preferences that exist.

Health Insurance. The Federal Employees Health Benefits Act (FEHBA) does not cover NAFs. NAF employers contract with the private health benefits insurers for eligible NAF employees and pay the full employer share of the premium with NAF profits. Unlike FEHBA, most of the plans have "pre-existing condition" clauses that would deny benefits to HIV/AIDS patients. Where not excluded, HIV/AIDS treatments could substantially increase premium rates and the profitability of NAFs.

CONCLUSION:

- Current hiring authorities and the continuing drawdown offer limited civil service employment prospects.