

SEC. 643. ELECTION TO RECEIVE RETIRED PAY FOR NON-REGULAR SERVICE UPON RETIREMENT FOR SERVICE IN AN ACTIVE RESERVE STATUS PERFORMED AFTER ATTAINING ELIGIBILITY FOR REGULAR RETIREMENT.

(a) Election Authority; Requirements- Subsection (a) of section 12741 of title 10, United States Code, is amended to read as follows:

`(a) Authority To Elect To Receive Reserve Retired Pay- (1) Notwithstanding the requirement in paragraph (4) of section 12731(a) of this title that a person may not receive retired pay under this chapter when the person is entitled, under any other provision of law, to retired pay or retainer pay, a person may elect to receive retired pay under this chapter, instead of receiving retired or retainer pay under chapter 65, 367, 571, or 867 of this title, if the person--

`(A) satisfies the requirements specified in paragraphs (1) and (2) of such section for entitlement to retired pay under this chapter;

`(B) served in an active status in the Selected Reserve of the Ready Reserve after becoming eligible for retirement under chapter 65, 367, 571, or 867 of this title (without regard to whether the person actually retired or received retired or retainer pay under one of those chapters); and

`(C) completed not less than two years of satisfactory service (as determined by the Secretary concerned) in such active status (excluding any period of active service).

`(2) The Secretary concerned may reduce the minimum two-year service requirement specified in paragraph (1)(C) in the case of a person who--

`(A) completed at least one year of service in a position of adjutant general required under section 314 of title 32 or in a position of assistant adjutant general subordinate to such a position of adjutant general; and

`(B) failed to complete the minimum years of service solely because the appointment of the person to such position was terminated or vacated as described in section 324(b) of title 32.'

(b) Actions To Effectuate Election- Subsection (b) of such section is amended by striking paragraph (1) and inserting the following new paragraph:

`(1) terminate the eligibility of the person to retire under chapter 65, 367, 571, or 867 of this title, if the person is not already retired under one of those chapters, and terminate entitlement of the person to retired or retainer pay under one of those chapters, if the person was already receiving retired or retainer pay under one of those chapters; and'

(c) *Conforming Amendment To Reflect New Variable Age Requirement for Retirement-* Subsection (d) of such section is amended--

(1) in paragraph (1), by striking `attains 60 years of age' and inserting `attains the eligibility age applicable to the person under section 12731(f) of this title'; and

(2) in paragraph (2)(A), by striking `attains 60 years of age' and inserting `attains the eligibility age applicable to the person under such section'.

(d) *Retired Pay Base-*

(1) *MEMBERS BECOMING MEMBERS BEFORE SEPTEMBER 8, 1980-* Section 1406(b)(2) of such title is amended by inserting after `when retired pay is granted' the following: `(or, in the case of a person entitled to retired pay by reason of an election under section 12741(a) of this title, at rates applicable on the date the person completes the service required under such section 12741(a))'.

(2) *MEMBERS BECOMING MEMBERS AFTER SEPTEMBER 7, 1980-* Section 1407(d)(4) of such title is amended by inserting after `became entitled to retired pay' the following: `or, in the case of a member or former member entitled to retired pay by reason of an election under section 12741(a) of this title, before the member or former member completes the service required under such section 12741(a),'.

(e) *Clerical Amendments-*

(1) *SECTION HEADING-* The heading for section 12741 of such title is amended to read as follows:

` Sec. 12741. Retirement for service in an active status performed in the Selected Reserve of the Ready Reserve after eligibility for regular retirement'.

(2) *TABLE OF SECTIONS-* The table of sections at the beginning of chapter 1223 of such title is amended by striking the item relating to section 12741 and inserting the following new item:

<p><i>` 12741. Retirement for service in an active status performed in the Selected Reserve of the Ready Reserve after eligibility for regular retirement.'.</i></p>
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