

CENTRAL INTELLIGENCE AGENCY RETIREMENT

ACT OF 1963

H. R. 7216

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88TH CONGRESS
1ST SESSION

H. R. 7216

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

By Mr. VINSON

JUNE 24, 1963

Referred to the Committee on Armed Services

88TH CONGRESS
1ST SESSION

H. R. 7216

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1963

Mr. VINSON introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purpose.

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 "Central Intelligence
4 Agency Act Amendments of 1963".

5 SEC. 2. The Central Intelligence Agency Act of 1949,
6 as amended (50 U.S.C. 403 (a) et seq.), is further amended
7 as follows:

8 (1) Amend section 3 by deletion of subsections (a) and
9 (b) and substitute therefor:

10 “(a) In the performance of its functions, the Agency is
11 authorized to exercise the authorities contained in sections

1 2301; 2302 (2) and (3); 2303 (b) and (c); 2304 (a)
2 (1), (2), (3), (4), (5), (6), (10), (12), (15), and
3 (17); 2305; 2306; 2307; 2312; and 2383 of title 10,
4 United States Code.

5 “(b) In the exercise of the authorities granted in sub-
6 section (a) of this section, the term ‘Agency head’ shall
7 mean the Director and the Deputy Director.”

8 (2) Amend section 3 (d) by deletion of the wording
9 “section 2 (c) and section 5 (a) of the Armed Services Pro-
10 curement Act of 1947” from the first sentence and substitute
11 therefor, “section 2304 (a) and section 2307 of title 10,
12 United States Code.” Further amend section 3 (d) by
13 deletion of the wording “section 2 (c), by section 4 or by
14 section 5 (a) of the Armed Services Procurement Act of
15 1947” from the second sentence and substitute therefor,
16 “section 2304 (a), by section 2306 or by section 2307 of title
17 10, United States Code”.

18 (3) Amend section 4 by adding the following new
19 paragraphs (1) (G) and (1) (II), and (8), and further
20 amend section 4 by deletion of the words “Under such
21 regulations as the Director may prescribe, the Agency, with
22 respect to its officers and employees assigned to duty stations
23 outside the several States of the United States of America,
24 excluding Alaska and Hawaii, but including the District of

1 Columbia, shall—” and substitute therefor, “Under such
2 regulations as the Director may prescribe, the Agency, with
3 respect to its officers and employees assigned abroad to duty
4 stations outside the several States of the United States of
5 America, excluding Alaska and Hawaii, but including the
6 District of Columbia, may—”.

7 “(1) (G) Pay the travel expenses of officers and em-
8 ployees of the Agency and members of their families, while
9 serving at posts specifically designated by the Director for
10 purposes of this paragraph, for rest and recuperation to other
11 locations abroad having different environmental conditions
12 than those at the post at which such officers and employees
13 are serving, provided that such travel expenses shall be
14 limited to the cost for each officer or employee and members
15 of his family of one round trip during any continuous two-
16 year tour unbroken by home leave and two round trips
17 during any continuous three-year tour unbroken by home
18 leave;

19 “(1) (II) Pay the travel expenses of members of the
20 family accompanying, preceding, or following an officer or
21 employee if, while he is enroute to his post of assignment, he
22 is ordered temporarily for orientation and training or is
23 given other temporary duty.”

24 “(8) Provide appropriate orientation and language

1 training to members of family of officers and employees of
2 the Agency in anticipation of the assignment abroad of
3 such officers and employees, or while abroad.”

4 (4) Amend section 4 (3) (A) to read as follows:

5 “(3) (A) Order to any of the several States of the
6 United States of America (including the District of Colum-
7 bia, the Commonwealth of Puerto Rico, and any territory
8 or possession of the United States) on leave of absence
9 authorized in section 203 (f) of the Annual and Sick Leave
10 Act of 1951, as amended, each officer or employee of the
11 Agency who was a resident of the United States (as de-
12 scribed above) at the time of employment, upon completion
13 of three years' continuous service abroad or as soon as pos-
14 sible thereafter and may so order after completion of eight-
15 een months such service without regard to the limitation
16 contained in section 203 (f) of the Annual and Sick Leave
17 Act of 1951, as amended.”

18 (5) Amend section 4 (5) by striking out subsections
19 (A) and (C) and inserting in lieu thereof the following
20 new paragraphs (A) and (C) :

21 “(A) In the event an officer or employee of the Agency
22 or one of his dependents, requires medical care, for illness or
23 injury not the result of vicious habits, intemperance, or mis-
24 conduct, while on assignment abroad in a locality where there
25 is no qualified person or facility to provide such care, pay

1 the travel expenses of such officer, employee, or dependent
2 by whatever means deemed appropriate by the Agency, in-
3 cluding the furnishing of transportation, and without regard
4 to the Standardized Government Travel Regulations and sec-
5 tion 10 of the Act of March 3, 1933, as amended (60 Stat.
6 808; 5 U.S.C. 73b), to the nearest locality where suitable
7 medical care can be obtained and on his recovery pay for
8 the travel expenses of his return to his post of duty. If any
9 such person is too ill to travel unattended, or in the case of
10 a dependent too young to travel alone, the Agency may also
11 pay the round-trip travel expenses of an attendant or
12 attendants;”.

13 “(C) (i) In the event of illness or injury requiring
14 hospitalization or similar treatment incurred by an officer or
15 employee of the Agency who is assigned abroad, not the
16 result of vicious habits, intemperance, or misconduct on his
17 part, pay for the cost of treatment of such illness or injury;

18 “(ii) In the event a dependent of an officer or em-
19 ployee of the Agency who is assigned abroad, incurs an ill-
20 ness or injury while such dependent is located abroad, which
21 requires hospitalization or similar treatment, and which is
22 not the result of vicious habits, intemperance, or misconduct
23 on his part, pay for that portion of the cost of treatment of
24 each such illness or injury that exceeds \$35 up to a maximum
25 limitation of one hundred and twenty days of treatment for

1 each such illness or injury, except that such maximum limita-
2 tion shall not apply whenever the Agency, on the basis of
3 professional medical advice, shall determine that such illness
4 or injury clearly is caused by the fact that such dependent
5 is or has been located abroad;”.

6 (6) In section 5, add the following new paragraphs (g)
7 and (h) :

8 “(g) Upon the termination of the assignment of an
9 employee appointed from another Government agency with-
10 out a break in service for duty with the Agency for a
11 specific period of time agreed upon by both agencies, such
12 person will be entitled to reemployment in such other Gov-
13 ernment agency in the position occupied at the time of
14 assignment, or in a position of comparable salary, or, at the
15 volition of the other Government agency, to a position of
16 higher salary. Upon reemployment, the employee shall
17 receive the within-grade salary advancements and other
18 salary adjustments he would have been entitled to receive
19 had he remained in the position in which he was employed
20 prior to assignment to the Agency.

21 “(h) Settle and pay, whenever the Director determines
22 that payment will further the purposes of this Act, without
23 regard to any other provisions of law and under such regula-
24 tions as the Director may prescribe, in an amount not ex-
25 ceeding \$10,000, any claim against the United States for

1 loss of or damage to real or personal property (including loss
2 of occupancy or use thereof), belonging to, or for personal
3 injury or death of, any person not a citizen or resident of the
4 United States, where such claim arises abroad out of the act
5 or omission of any Agency employee or out of the act or
6 omission of any person acting on behalf of the Agency but
7 only if such claim is presented in writing to the Agency
8 activity involved within one year after it accrues.”

9 (7) Paragraph (4) of section 104 (a) of the Internal
10 Revenue Code of 1954 (26 U.S.C. 104 (a) (4)) (relating
11 to the exclusion from gross income of compensation for in-
12 juries and sickness) is hereby amended to read as follows:

13 “(4) amounts received as a pension, annuity, or
14 similar allowance for personal injuries or sickness re-
15 sulting from active service in the armed forces of any
16 country or in the Coast and Geodetic Survey or the
17 Public Health Service, or as a disability annuity payable
18 under the provisions of section 831 of the Foreign
19 Service Act of 1946, as amended (22 U.S.C. 1081;
20 60 Stat. 1021), or as a disability annuity payable under
21 title II of the Central Intelligence Agency Act of 1949,
22 as amended (50 U.S.C. 403 (a) et seq.).”

23 (8) Renumber section 7 to read section 8. Renumber
24 section 8 to read section 9, APPROPRIATIONS. Renumber
25 section 9 to read section 10, SEPARABILITY OF PROVISIONS.

1 Renumber section 10 to read section 11, **SHORT TITLE.** Add
2 a new section 7 as follows:

3 “7. (a) For the benefit of or for use in connection with
4 the Agency or for the benefit or welfare of employees of
5 the Agency or their dependents, the Director is authorized,
6 notwithstanding any other provisions of law—

7 “(1) to receive gifts to the Agency and in his dis-
8 cretion to accept, receive, hold, administer, and expend
9 or dispose of such gifts and bequests of property from
10 individuals or others;

11 “(2) to disburse gifts, bequests of money, interest,
12 profits, income, or proceeds from sales of other property
13 received as gifts in accordance with the terms and con-
14 ditions of the acceptance of any particular gift or
15 bequest;

16 “(3) to invest, reinvest or retain investments of
17 the money, property or securities and the interest,
18 profits, or proceeds accruing from such money, property
19 or securities;

20 *Provided, however,* That the Director is not authorized, as a
21 consequence of gifts or bequests of money, property, or
22 securities to the Agency, to engage in any business or to
23 exercise any voting privilege which may be incidental to
24 securities in his hands received as a gift to the Agency, nor

1 shall the Director make any investments other than securities
2 of the United States or other securities guaranteed as to
3 principal and interest by the United States, except that he
4 may make any investments directly authorized by the instru-
5 ment of gift, and may retain any investments accepted by
6 him; *Provided further*, That gifts, bequests of money, or
7 proceeds from other property are not utilized for the conduct
8 of activities by the Agency, as authorized in 50 U.S.C.
9 403 (d) et seq. through the augmentation or in lieu of
10 appropriations by the United States Congress; *And provided*
11 *further*, That the funds represented by the gifts, bequests
12 of money, or proceeds from other property are not com-
13 mingled with funds appropriated by the United States
14 Congress.

15 “(b) For the purpose of Federal income, estate, and
16 gift taxes, gifts and bequests accepted by the Director shall
17 be deemed to be a gift or bequest to or for the use of the
18 United States.”

19 SEC. 3. Insert the heading “TITLE I—DEFINITIONS
20 AND GENERAL AUTHORITIES” before the section title,
21 “DEFINITIONS”, of section 1 of the Central Intelligence
22 Agency Act of 1949, as amended.

23 SEC. 4. The Central Intelligence Agency Act of 1949,
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1 as amended, is further amended by the addition of title II
2 as follows:

3 "TITLE II—THE CENTRAL INTELLIGENCE
4 AGENCY RETIREMENT AND DISABILITY
5 SYSTEM

6 "PART A—ESTABLISHMENT OF SYSTEM

7 "RULES AND REGULATIONS

8 "SEC. 201. (a) The Director may prescribe rules and
9 regulations for the establishment and maintenance of a Cen-
10 tral Intelligence Agency retirement and disability system,
11 referred to hereafter as the system.

12 "(b) The Director shall administer the system in
13 accordance with such rules and regulations and with the
14 principles established by this Act.

15 "ESTABLISHMENT AND MAINTENANCE OF FUND

16 "SEC. 202. There is hereby created a fund to be known
17 as the Central Intelligence Agency retirement and disability
18 fund which shall be maintained by the Director. The Cen-
19 tral Intelligence Agency retirement and disability fund is
20 referred to hereafter in this title as the fund.

21 "PARTICIPANTS

22 "SEC. 203. The Director may designate from time to
23 time such Agency officers and employees, hereafter referred
24 to as participants, who shall be entitled to the benefits of
25 the system.

1 "ANNUITANTS

2 "SEC. 204. (a) Annuitants shall be persons who are re-
3 ceiving annuities from the fund and all persons, including
4 surviving wives and husbands, widows, dependent widowers,
5 children, and beneficiaries of participants or annuitants who
6 shall become entitled to receive annuities in accordance with
7 the provisions of this Act.

8 " (b) When used in this title the term—

9 " (1) 'Widow' means the surviving wife of a partici-
10 pant who was married to such participant for at least two
11 years immediately preceding his death or is the mother of
12 issue by such marriage.

13 " (2) 'Dependent widower' means the surviving hus-
14 band of a participant who was married to such participant
15 for at least two years immediately preceding her death or is
16 the father of issue by such marriage, and who is incapable
17 of self-support by reason of mental or physical disability, and
18 who received more than one-half of his support from such
19 participant.

20 " (3) 'Child' means an unmarried child, under the age
21 of eighteen years, or such unmarried child regardless of age
22 who, because of physical or mental disability incurred before
23 age eighteen, is incapable of self-support. In addition to the
24 offspring of the participant and his or her spouse, the term
25 includes (a) an adopted child, and (b) a stepchild or recog-

1 nized natural child who received more than one-half of his
2 support from the participant.

3 "PART B—COMPULSORY CONTRIBUTIONS

4 "SEC. 211. (a) Six and one-half per centum of the basic
5 salary received by each participant shall be contributed to
6 the fund for the payment of annuities, cash benefits, refunds,
7 and allowances. An equal sum shall also be contributed
8 from the respective appropriation or fund which is used
9 for payment of his salary. The amounts deducted and
10 withheld from basic salary together with the amounts so
11 contributed from the appropriation or fund, shall be deposited
12 by the Agency to the credit of the fund.

13 " (b) Each participant shall be deemed to consent and
14 agree to such deductions from basic salary, and payment
15 less such deductions shall be a full and complete discharge
16 and acquittance of all claims and demands whatsoever for
17 all regular services during the period covered by such pay-
18 ment, except the right to the benefits to which he shall be
19 entitled under this Act, notwithstanding any law, rule,
20 or regulation affecting the individual's salary.

21 "PART C—COMPUTATION OF ANNUITIES

22 "SEC. 221. (a) The annuity of a participant shall be
23 equal to 2 per centum of his average basic salary for the
24 highest five consecutive years of service, for which full con-
25 tributions have been made to the fund, multiplied by the

1 number of years, not exceeding thirty-five, of service credit
2 obtained in accordance with the provisions of sections 251,
3 252, and 253. In determining the aggregate period of
4 service upon which the annuity is to be based, the fractional
5 part of a month, if any, shall not be counted.

6 “(b) At the time of retirement, any married participant
7 may elect to receive a reduced annuity and to provide for an
8 annuity payable to his wife or her husband, commencing on
9 the date following such participant's death and terminating
10 upon the death of such surviving wife or husband. The an-
11 nuity payable to the surviving wife or husband after such
12 participant's death shall be 50 per centum of the amount of
13 the participant's annuity computed as prescribed in paragraph
14 (a) of this section, up to the full amount of such annuity
15 specified by him as the base for the survivor benefits. The
16 annuity of the participant making such election shall be re-
17 duced by $2\frac{1}{2}$ per centum of any amount up to \$2,400 he
18 specifies as the base for the survivor benefit plus 10 per
19 centum of any amount over \$2,400 so specified.

20 “(c) (1) If an annuitant dies and is survived by a wife
21 or husband and by a child or children, in addition to the an-
22 nuity payable to the surviving wife or husband, there shall
23 be paid to or on behalf of each child an annuity equal to the
24 smallest of: (i) 40 per centum of the annuitant's average
25 basic salary, as determined under paragraph (a) of this sec-

1 tion, divided by the number of children; (ii) \$600; or (iii)
2 \$1,800 divided by the number of children.

3 “(2) If an annuitant dies and is not survived by a wife
4 or husband but by a child or children, each surviving child
5 shall be paid an annuity equal to the smallest of: (i) 50 per
6 centum of the annuitant's average basic salary, as determined
7 under paragraph (a) of this section, divided by the number
8 of children; (ii) \$720; or (iii) \$2,160 divided by the num-
9 ber of children.

10 “(d) If a surviving wife or husband dies or the annuity
11 of a child is terminated, the annuities of any remaining
12 children shall be recomputed and paid as though such wife,
13 husband, or child had not survived the participant.

14 “(e) The annuity payable to a child under paragraph
15 (c) or (d) of this section shall begin on the first day of
16 the next month after the participant dies and such annuity
17 or any right thereto shall be terminated upon death, mar-
18 riage, or attainment of the age of eighteen years, except that,
19 if a child is incapable of self-support by reasons of mental or
20 physical disability, the annuity shall be terminated only when
21 such child dies, marries, or recovers from such disability.

22 “(f) At the time of retirement an unmarried participant
23 may elect to receive a reduced annuity and to provide for
24 an annuity equal to 50 per centum of the reduced annuity
25 payable after his or her death to a beneficiary whose name

1 shall be designated in writing to the Director. The annuity
2 payable to a participant making such election shall be re-
3 duced by 10 per centum of an annuity computed as provided
4 in paragraph (a) of this section and by 5 per centum of
5 an annuity so computed for each full five years the person
6 designated is younger than the retiring participant, but such
7 total reduction shall not exceed 40 per centum. No such
8 election of a reduced annuity payable to a beneficiary shall
9 be valid until the participant shall have satisfactorily passed
10 a physical examination as prescribed by the Director. The
11 annuity payable to a beneficiary under the provisions of this
12 paragraph shall begin on the first day of the next month
13 after the participant dies. Upon the death of the surviving
14 beneficiary all payments shall cease and no further annuity
15 payments authorized under this paragraph shall be due or
16 payable.

17 "PART D—BENEFITS ACCRUING TO CERTAIN

18 PARTICIPANTS

19 "RETIREMENT FOR DISABILITY OR INCAPACITY—PHYSICAL
20 EXAMINATION—RECOVERY

21 "SEC. 231. (a) Any participant who has five years of
22 service credit toward retirement under the system, excluding
23 military or naval service that is credited in accordance with
24 provisions of section 251 or 252 (a) (2), and who becomes
25 totally disabled or incapacitated for useful and efficient serv-

1 ice by reason of disease, illness, or injury not due to vicious
2 habits, intemperance, or willful misconduct on his part, shall,
3 upon his own application or upon order of the Director, be
4 retired on an annuity computed as prescribed in section
5 221. If the disabled or incapacitated participant has less
6 than twenty years of service credit toward his retirement
7 under the system at the time he is retired, his annuity shall
8 be computed on the assumption that he has had twenty
9 years of service, but the additional service credit that may
10 accrue to a participant under this provision shall in no case
11 exceed the difference between his age at the time of retire-
12 ment and the mandatory retirement age applicable to his
13 grade in the Agency.

14 “(b) In each case, the participant shall be given a
15 physical examination by one or more duly qualified phy-
16 sicians or surgeons designated by the Director to conduct
17 examinations, and disability shall be determined by the
18 Director on the basis of the advice of such physicians or
19 surgeons. Unless the disability is permanent, like exam-
20 inations shall be made annually until the annuitant has
21 reached the statutory mandatory retirement age for his
22 grade in the Agency. If the Director determines, on the
23 basis of the advice of one or more duly qualified physicians
24 or surgeons conducting such examinations that an annuitant
25 has recovered to the extent that he can return to duty,
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1 the annuitant may apply for reinstatement or reappointment
2 in the Agency within one year from the date his recovery
3 is determined. Upon application the Director may rein-
4 state any such recovered disability annuitant in the grade
5 in which he was serving at time of retirement, or the Di-
6 rector may, taking into consideration the age, qualifications,
7 and experience of such annuitant, and the present grade
8 of his contemporaries in the Agency, appoint him to a
9 grade higher than the one in which he was serving prior
10 to retirement. Payment of the annuity shall continue until
11 a date six months after the date of the examination showing
12 recovery or until the date of reinstatement or reappoint-
13 ment in the Agency, whichever is earlier. Fees for exam-
14 inations under this provision, together with reasonable
15 traveling and other expenses incurred in order to submit
16 to examination, shall be paid out of the fund. If the an-
17 nuitant fails to submit to examination as required under
18 this section, payment of the annuity shall be suspended
19 until continuance of the disability is satisfactorily established.

20 “(c) If a recovered disability annuitant whose annuity
21 is discontinued is for any reason not reinstated or reappointed
22 in the Agency, he shall be considered to have been separated
23 within the meaning of section 234 as of the date he was
24 retired for disability and he shall, after the discontinuance

1 of the disability annuity, be entitled to the benefits of that
2 section or of section 241 (a) except that he may elect volun-
3 tary retirement in accordance with the provisions of section
4 233 if he can qualify under its provisions.

5 “(d) No participant shall be entitled to receive an
6 annuity under this Act and compensation for injury or dis-
7 ability to himself under the Federal Employees’ Compensa-
8 tion Act of September 7, 1916, as amended, covering the
9 same period of time. This provision shall not bar the right
10 of any claimant to the greater benefit conferred by either
11 Act for any part of the same period of time. Neither this
12 provision nor any provision of the said Act of September
13 7, 1916, as amended, shall be so construed as to deny the
14 right of any person to receive an annuity under this Act by
15 reason of his own services and to receive concurrently any
16 payment under such Act of September 7, 1916, as amended,
17 by reason of the death of any other person.

18 “(e) Notwithstanding any provision of law to the con-
19 trary, the right of any person entitled to an annuity under
20 this Act shall not be affected because such person has re-
21 ceived an award of compensation in a lump sum under
22 section 14 of the Federal Employees’ Compensation Act of
23 September 7, 1916, as amended, except that where such
24 annuity is payable on account of the same disability for
25 which compensation under such section has been paid, so

1 much of such compensation as has been paid for any period
2 extended beyond the date such annuity becomes effective,
3 as determined by the Secretary of Labor, shall be refunded
4 to the Department of Labor, to be paid into the Federal
5 employees' compensation fund. Before such person shall
6 receive such annuity he shall (1) refund to the Department
7 of Labor the amount representing such computed payments
8 for such extended period, or (2) authorize the deduction of
9 such amount from the annuity payable to him under this
10 Act, which amount shall be transmitted to such Department
11 for reimbursement to such fund. Deductions from such
12 annuity may be made from accrued and accruing payments,
13 or may be prorated against and paid from accruing payments
14 in such manner as the Secretary of Labor shall determine,
15 whenever he finds that the financial circumstances of the
16 annuitant are such as to warrant such deferred refunding.

17 "DEATH IN SERVICE

18 "SEC. 232. (a) In case a participant dies and no claim
19 for annuity is payable under the provisions of this Act, his
20 contributions to the fund, with interest at the rates prescribed
21 in sections 241 (a) and 281 (a), shall be paid in the order
22 of precedence shown in section 241 (b).

23 "(b) If a participant, who has at least five years of
24 service credit toward retirement under the system, excluding
25 military or naval service that is credited in accordance with

1 the provisions of section 251 or 252 (a) (2), dies before
2 separation or retirement from the Agency and is survived by
3 a widow or a dependent widower, as defined in section 204,
4 such widow or dependent widower shall be entitled to an
5 annuity equal to 50 per centum of the annuity computed
6 in accordance with the provisions of paragraph (e) of this
7 section and of section 221 (a). The annuity of such widow
8 or dependent widower shall commence on the date follow-
9 ing death of the participant and shall terminate upon death
10 of the widow or dependent widower, or upon the dependent
11 widower's becoming capable of self-support.

12 “(c) If a participant who has at least five years of
13 service credit toward retirement under the system, excluding
14 military or naval service that is credited in accordance with
15 the provisions of section 251 or 252 (a) (2), dies before
16 separation or retirement from the Agency and is survived by
17 a wife or a husband and a child or children, each surviving
18 child shall be entitled to an annuity computed in accordance
19 with the provisions of section 221 (c) (1). The child's
20 annuity shall begin and be terminated in accordance with the
21 provisions of section 221 (e). Upon the death of the sur-
22 viving wife or husband or termination of the annuity of a
23 child, the annuities of any remaining children shall be
24 recomputed and paid as though such wife or husband or child
25 had not survived the participant.

21

1 “(d) If a participant who has at least five years of serv-
2 ice credit toward retirement under the system, excluding mili-
3 tary or naval service that is credited in accordance with the
4 provisions of section 251 or 252 (a) (2), dies before separa-
5 tion or retirement from the Agency and is not survived by a
6 wife or husband, but by a child or children, each surviving
7 child shall be entitled to an annuity computed in accordance
8 with the provisions of section 221 (c) (2). The child’s an-
9 nuity shall begin and terminate in accordance with the pro-
10 visions of section 221 (c). Upon termination of the annuity
11 of a child, the annuities of any remaining children shall be
12 recomputed and paid as though that child had never been
13 entitled to the benefit.

14 “(e) If, at the time of his or her death, the participant
15 had less than twenty years of service credit toward retirement
16 under the system, the annuities payable in accordance with
17 paragraph (b) of this section shall be computed in accord-
18 ance with the provisions of section 221 on the assumption
19 he or she has had twenty years of service, but the additional
20 service credit that may accrue to a deceased participant under
21 this provision shall in no case exceed the difference between
22 his or her age on the date of death and the mandatory retire-
23 ment age applicable to his or her grade in the Agency. In
24 all cases arising under paragraphs (b), (c), (d), or (e) of

1 this section, it shall be assumed that the deceased participant
2 was qualified for retirement on the date of his death.

3 "VOLUNTARY RETIREMENT

4 "SEC. 233. Any participant in the system who is at
5 least fifty years of age and has rendered twenty years of
6 service, including service within the meaning of section 253,
7 may on his own application and with the consent of the
8 Director be retired from the Agency and receive benefits
9 in accordance with the provisions of section 221.

10 "DISCONTINUED SERVICE RETIREMENT

11 "SEC. 234. (a) Any participant who separates from the
12 Agency after obtaining at least five years of service credit
13 toward retirement under the system, excluding military or
14 naval service that is credited in accordance with the provi-
15 sions of section 251 or 252 (a) (2), may, upon separation
16 from the Agency or at any time prior to becoming eligible
17 for an annuity, elect to have his contributions to the fund
18 returned to him in accordance with the provisions of section
19 241, or (except in cases where the Director determines that
20 separation was based in whole or in part on the ground of
21 disloyalty to the United States) to leave his contributions
22 in the fund and receive an annuity, computed as prescribed
23 in section 221, commencing at the age of sixty years.

24 "(b) If a participant who has qualified in accordance
25 with the provisions of paragraph (a) of this section to re-
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1 receive a deferred annuity commencing at the age of sixty dies
2 before reaching the age of sixty his contributions to the fund.
3 with interest, shall be paid in accordance with the provisions
4 of sections 241 and 281.

5 “(c) The Director may in his discretion retire partici-
6 pants in grade GS-14 and above to promote the efficiency
7 of the Agency and they shall receive retirement benefits in
8 accordance with the provisions of section 221.

9 “(d) The Director may in his discretion retire partici-
10 pants in grade GS-13 and below to promote the efficiency of
11 the Agency and each such officer shall receive—

12 “(1) one-twelfth of a year's salary at his then cur-
13 rent salary rate for each year of service and propor-
14 tionately for a fraction of a year, but not exceeding a total
15 of one year's salary at his then current salary rate, pay-
16 able without interest, from the fund, in three equal in-
17 stallments on the 1st day of January following the
18 officer's retirement and on the two anniversaries of this
19 date immediately following: *Provided*, That in special
20 cases, the Director may in his discretion accelerate or
21 combine the installments; and

22 “(2) a refund of the contributions made to the fund,
23 with interest as provided in section 241 (a), except that
24 in lieu of such refund such officer, if he has at least five
25 years of service credit toward retirement under the

1 system, excluding military or naval service that is
2 credited in accordance with the provisions of section
3 251 or 252 (a), may elect to receive retirement benefits
4 on reaching the age of sixty in accordance with the pro-
5 visions of section 221. In the event that an officer who
6 was separated from grade GS-13 or GS-12 and who has
7 elected to receive retirement benefits dies before reaching
8 the age of sixty, his death shall be considered a death in
9 service within the meaning of section 232. In the event
10 that an officer who was separated from grade GS-11 or
11 below and who has elected to receive retirement benefits
12 dies before reaching the age of sixty, the total amount
13 of his contributions made to the fund, with interest as
14 provided in section 241 (a), shall be paid in accordance
15 with the provisions of section 241 (b).

16 “(e) Notwithstanding the provisions of section 3477 of
17 the Revised Statutes, as amended (31 U.S.C. 203) or the
18 provisions of any other law, an Agency officer who is retired
19 in accordance with the provisions of section 234 (d) shall
20 have the right to assign to any person or corporation the
21 whole or any part of the benefits receivable by him pursuant
22 to paragraph (d) (1) of this section.

23 “MANDATORY RETIREMENT FOR AGE

24 “SEC. 235. (a) Any participant in the system in grade
25 GS-18 or above, shall upon reaching the age of sixty-five

1 be retired from the Agency and receive retirement benefits
2 in accordance with the provisions of section 221, but when-
3 ever the Director shall determine it to be in the public interest,
4 he may extend such an officer's service for a period not to
5 exceed five years.

6 " (b) Any participant in the system, other than in grade
7 GS-18 or above, shall upon reaching the age of sixty, be
8 retired from the Agency and receive retirement benefits in
9 accordance with the provisions of section 221, but whenever
10 the Director shall determine it to be in the public interest,
11 he may extend such an officer's service for a period not to
12 exceed five years.

13 "PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST
14 IN EXCESS OF BENEFITS RECEIVED

15 "SEC. 241. (a) Whenever a participant becomes sepa-
16 rated from the Agency without becoming eligible for an an-
17 nuity or a deferred annuity in accordance with the provisions
18 of this Act, the total amount of contributions from his salary
19 with interest thereon at 4 per centum per annum, com-
20 pounded annually as of December 31, and proportionately
21 for the period served during the year of separation including
22 all contributions made during or for such period, except as
23 provided in section 281, shall be returned to him.

24 " (b) In the event that the total contributions of a re-

1 tired participant, other than voluntary contributions made in
2 accordance with the provisions of section 281, with interest
3 at 4 per centum per annum compounded annually as is pro-
4 vided in paragraph (a) of this section added thereto, exceed
5 the total amount returned to such participant or to an an-
6 nuitant claiming through him, in the form of annuities,
7 accumulated at the same rate of interest up to the date the
8 annuity payments cease under the terms of the annuity, the
9 excess of the accumulated contributions over the accumulated
10 annuity payments shall be paid in the following order of
11 precedence, upon the establishment of a valid claim therefor,
12 and such payment shall be a bar to recovery by any other
13 person:

14 “(1) To the beneficiary or beneficiaries designated by
15 the retired participant in writing to the Director;

16 “(2) If there be no such beneficiary, to the surviving
17 wife or husband of such participant;

18 “(3) If none of the above, to the child or children of
19 such participant and descendants of deceased children by
20 representation;

21 “(4) If none of the above, to the parents of such par-
22 ticipant or the survivor of them;

23 “(5) If none of the above, the duly appointed executor
24 or administrator of the estate of such participant;

25 “(6) If none of the above, to other next of kin of
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1 such participant as may be determined by the Director in
2 his judgment to be legally entitled thereto.

3 “(c) No payment shall be made pursuant to para-
4 graph (b) (6) of this section until after the expiration of
5 thirty days from the death of the retired participant or his
6 surviving annuitant.

7 “PART F—PERIOD FOR SERVICE FOR ANNUITIES

8 “COMPUTATION OF LENGTH OF SERVICE

9 “SEC. 251. For the purposes of this title, the period of
10 service of a participant shall be computed from the date
11 he becomes a participant under the provisions of this Act,
12 but all periods of separation from the Agency and so much
13 of any leaves of absence without pay as may exceed six
14 months in the aggregate in any calendar year shall be ex-
15 cluded, except leaves of absence while receiving benefits
16 under the Federal Employees' Compensation Act of Sep-
17 tember 7, 1916, as amended, and leaves of absence granted
18 participants while performing active and honorable military
19 or naval service in the Army, Navy, Air Force, Marine
20 Corps, or Coast Guard of the United States.

21 “PRIOR SERVICE CREDIT

22 “SEC. 252. (a) A participant may, subject to the pro-
23 visions of this section, include in his period of service—

24 “(1) civilian service in the executive, judicial, and
25 legislative branches of the Federal Government and in

1 the District of Columbia government, prior to becoming
2 a participant; and

3 “(2) active and honorable military or naval service
4 in the Army, Navy, Marine Corps, Air Force, or Coast
5 Guard of the United States.

6 “(b) A person may obtain prior civilian service credit
7 in accordance with the provisions of paragraph (a) (1) of
8 this section by making a special contribution to the fund
9 equal to 5 per centum of his basic annual salary for each year
10 of service for which credit is sought prior to November 8,
11 1960, and at $6\frac{1}{2}$ per centum thereafter with interest com-
12 pounded annually at 4 per centum per annum to the date
13 of payment. Any such person may, under such conditions as
14 may be determined in each instance by the Director, pay
15 such special contributions in installments.

16 “(c) (1) If an officer or employee under some other
17 Government retirement system, becomes a participant in the
18 system by direct transfer, such officer or employee's total
19 contributions and deposits, including interest accrued thereon,
20 except voluntary contributions, shall be transferred to the
21 fund effective as of the date such officer or employee becomes
22 a participant in the system. Each such officer or employee
23 shall be deemed to consent to the transfer of such funds
24 and such transfer shall be a complete discharge and acquit-
25 tance of all claims and demands against the other Govern-

1 ment retirement fund on account of service rendered prior
2 to becoming a participant in the system.

3 “(2) No officer or employee, whose contributions are
4 transferred to the fund in accordance with the provisions of
5 paragraph (c) (1) of this section, shall be required to make
6 contributions in addition to those transferred, for periods of
7 service for which full contributions were made to the other
8 Government retirement fund, nor shall any refund be made
9 to any such officer or employee on account of contributions
10 made during any period to the other Government retirement
11 fund, at a higher rate than that fixed by section 211 of this
12 Act for contributions to the fund.

13 “(3) No officer or employee, whose contributions are
14 transferred to the fund in accordance with the provisions of
15 paragraph (c) (1) of this section, shall receive credit for
16 periods of service for which a refund of contributions has
17 been made, or for which no contributions were made to the
18 other Government retirement fund. A participant may,
19 however, obtain credit for such prior service by making a
20 special contribution to the fund in accordance with the
21 provisions of paragraph (b) of this section.

22 “(d) No participant may obtain prior civilian service
23 credit toward retirement under the system for any period
24 of civilian service on the basis of which he is receiving or
25 will in the future be entitled to receive any annuity under

1 another retirement system covering civilian personnel of the
2 Government.

3 “(e) A participant may obtain prior military or naval
4 service credit in accordance with the provisions of para-
5 graph (a) (2) of this section by applying for it to the
6 Director prior to retirement or separation from the Agency.
7 However, in the case of a participant who is eligible for and
8 receives retired pay on account of military or naval service,
9 the period of service upon which such retired pay is based
10 shall not be included, except that in the case of a participant
11 who is eligible for and receives retired pay on account of
12 a service-connected disability incurred in combat with an
13 enemy of the United States or caused by an instrumentality
14 of war and incurred in line of duty during a period of war
15 (as that term is used in chapter 11 of title 38, United States
16 Code), or is awarded under chapter 67 of title 10 of the
17 United States Code, the period of such military or naval
18 service shall be included. No contributions to the fund shall
19 be required in connection with military or naval service
20 credited to a participant in accordance with the provisions
21 of paragraph (a) (2) of this section.

22 “CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

23 “SEC. 253. The Director may from time to time estab-
24 lish a list of places which by reason of climatic or other
25 extreme conditions are to be classed as unhealthful posts,

1 and each year of duty at such posts inclusive of regular
2 leaves of absence, of participants hereafter retired, shall be
3 counted as one year and a half, and so on in like proportion
4 in reckoning the length of service for the purpose of retire-
5 ment, fractional months being considered as full months in
6 computing such service, but no such extra credit for serv-
7 ice at such unhealthful posts shall be credited to any par-
8 ticipant who shall have been paid a salary differential for
9 such service.

10 "CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

11 "SEC. 254. Contributions shall not be required covering
12 periods of leave of absence from the Agency granted a partici-
13 pant while performing active military or naval service in the
14 Army, Navy, Air Force, Marine Corps, or Coast Guard of
15 the United States.

16 "PART G—MONEYS

17 "ESTIMATE OF APPROPRIATIONS NEEDED

18 "SEC. 261. The Director shall prepare the estimates of
19 the annual appropriations required to be made to the fund,
20 and shall cause to be made actuarial valuations of the fund
21 at intervals of five years, or oftener if deemed necessary by
22 him.

23 "INVESTMENT OF MONEYS IN THE FUND

24 "SEC. 262. The Director may, with the approval of the
25 Secretary of the Treasury, invest from time to time in in-

1 terest-bearing securities of the United States such portions
2 of the fund as in his judgment may not be immediately re-
3 quired for the payment of annuities, cash benefits, refunds,
4 and allowances, and the income derived from such invest-
5 ments shall constitute a part of such fund.

6 "ATTACHMENT OF MONEYS

7 "SEC. 263. None of the moneys mentioned in this title
8 shall be assignable either in law or equity, or be subject to
9 execution, levy, attachment, garnishment, or other legal
10 process, except as provided in section 234 (e).

11 "PART H—ANNUITANTS RECALLED, REINSTATED, OR RE-
12 APPOINTED IN THE AGENCY, OR REEMPLOYED IN THE
13 GOVERNMENT

14 "RECALL

15 "SEC. 271. (a) The Director may recall any annuitant
16 to duty in the Agency whenever he shall determine such
17 recall is in the public interest.

18 "(b) Any annuitant recalled to duty in the Agency or
19 reinstated or reappointed in accordance with the provisions
20 of section 231 (b) shall, while so serving, be entitled in
21 lieu of his annuity to the full salary of the grade in which
22 he is serving. During such service, he shall make contri-
23 butions to the fund in accordance with the provisions of sec-

1 tion 211. When he reverts to his retired status, his an-
2 nuity shall be determined anew in accordance with the pro-
3 visions of section 221.

4 "REEMPLOYMENT COMPENSATION

5 "SEC. 272. (a) Notwithstanding any other provision
6 of law, any officer or employee of the Agency, who has re-
7 tired under this Act, as amended, and is receiving an annuity
8 pursuant thereto, and who is reemployed in the Federal
9 Government service in any appointive position either on a
10 part-time or full-time basis, shall be entitled to receive the
11 salary of the position in which he is serving plus so much
12 of his annuity payable under this Act, as amended, which
13 when combined with such salary does not exceed during any
14 calendar year the basic salary such officer or employee was
15 entitled to receive on the date of his retirement from the
16 Agency. Any such reemployed officer or employee who re-
17 ceives salary during any calendar year in excess of the maxi-
18 mum amount which he may be entitled to receive under this
19 paragraph shall be entitled to such salary in lieu of benefits
20 hereunder.

21 "(b) When any such retired officer or employee of
22 the Agency is reemployed, the employer shall send a notice
23 to the Agency of such reemployment together with all

1 pertinent information relating thereto, and shall pay directly
2 to such officer or employee the salary of the position in which
3 he is serving.

4 “(c) In the event of any overpayment under this sec-
5 tion, such overpayment shall be recovered by withholding
6 the amount involved from the salary payable to such re-
7 employed officer or employee, or from any other moneys,
8 including his annuity, payable in accordance with the pro-
9 visions of this title.

10 “REEMPLOYMENT

11 “SEC. 273. Notwithstanding the provisions of title 5,
12 United States Code, section 62, and title 5, United States
13 Code, section 715a, an Agency officer or employee retired
14 under the provisions of this Act shall not, by reason of his
15 retired status, be barred from employment in Federal Gov-
16 ernment service in any appointive position for which he
17 is qualified. An annuitant so reemployed shall serve at the
18 will of the appointing officer.

19 “PART I—VOLUNTARY CONTRIBUTIONS

20 “SEC. 281. (a) Any participant may, at his option and
21 under such regulations as may be prescribed by the Director,
22 deposit additional sums in multiples of 1 per centum of his
23 basic salary, but not in excess of 10 per centum of such
24 salary, which amounts together with interest at 3 per centum
25 per annum, compounded annually as of December 31, and

1 proportionately for the period served during the year of his
2 retirement, including all contributions made during or for
3 such period, shall, at the date of his retirement and at his
4 election, be—

5 “(1) returned to him in lump sum; or

6 “(2) used to purchase an additional life annuity; or

7 “(3) used to purchase an additional life annuity for
8 himself and to provide for a cash payment on his death
9 to a beneficiary whose name shall be notified in writing
10 to the Director by the participant; or

11 “(4) used to purchase an additional life annuity
12 for himself and a life annuity commencing on his death
13 payable to a beneficiary whose name shall be notified in
14 writing to the Director by the participant with a guar-
15 anteed return to the beneficiary or his legal representa-
16 tive of an amount equal to the cash payment referred to
17 in subparagraph (3) above.

18 “(b) The benefits provided by subparagraphs (2),
19 (3), or (4) of paragraph (a) of this section shall be actu-
20 arially equivalent in value to the payment provided for by
21 subparagraph (a) (1) of this section and shall be calculated
22 upon such tables of mortality as may be from time to time
23 prescribed for this purpose by the Director.

24 “(c) In case a participant shall become separated from
25 the Agency for any reason except retirement on an annuity,

1 the amount of any additional deposits with interest at 3 per
2 centum per annum, compounded as is provided in paragraph
3 (a) of this section, made by him under the provisions of
4 said paragraph (a) shall be refunded in the manner provided
5 in section 241 for the return of contributions and interest
6 in the case of death or separation from the Agency.

7 “(d) any benefits payable to an officer or to his bene-
8 ficiary in respect to the additional deposits provided under
9 this section shall be in addition to the benefits otherwise pro-
10 vided under this title.”

TAB

H. R. 7216

IN THE HOUSE OF REPRESENTATIVES

A BILL

To provide for the establishment and maintenance of a Central Intelligence Agency Retirement and Disability System for a limited number of employees and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United
2 States of America in Congress assembled,

3 TITLE I - SHORT TITLE AND DEFINITIONS

4 PART A - SHORT TITLE

5 SEC. 101. Titles I to III inclusive of this Act may be cited as the "Central
6 Intelligence Agency Retirement Act of 1963".

7 PART B - DEFINITIONS

8 SEC. 111. When used in this Act, the term --

- 9 (1) "Agency" means the Central Intelligence Agency; and
10 (2) "Director" means the Director of Central Intelligence or the Deputy
11 Director of Central Intelligence.

1 TITLE II -- THE CENTRAL INTELLIGENCE AGENCY RETIREMENT
2 AND DISABILITY SYSTEM

3 PART A -- ESTABLISHMENT OF SYSTEM

4 RULES AND REGULATIONS

5 SEC. 201. (a) The Director may prescribe rules and regulations for
6 the establishment and maintenance of a Central Intelligence Agency Retire-
7 ment and Disability System for a limited number of employees, referred
8 to hereafter as the system.

9 (b) The Director shall administer the system in accordance with such
10 rules and regulations and with the principles established by this Act.

11 (c) In the interests of the security of the foreign intelligence activities
12 of the United States and in order further to implement the proviso of section
13 102 (d) (3) of the National Security Act of 1947, as amended, (50 U. S. C.
14 403 (d) (3)) that the Director of Central Intelligence shall be responsible
15 for protecting intelligence sources and methods from unauthorized disclosure,
16 and notwithstanding the provisions of the Administrative Procedure Act
17 (5 U. S. C. 1001 et. seq.) or any other provisions of law, any determinations
18 by the Director authorized by the provisions of this title shall be deemed
19 to be final and conclusive and not subject to review by any court.

20 ESTABLISHMENT AND MAINTENANCE OF FUND

21 SEC. 202. There is hereby created a fund to be known as the Central
22 Intelligence Agency Retirement and Disability Fund which shall be main-
23 tained by the Director. The Central Intelligence Agency Retirement and
24 Disability Fund is referred to hereafter in this title as the fund.

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PARTICIPANTS

SEC. 203. The Director may designate from time to time such Agency officers and employees, hereafter referred to as participants, who shall be entitled to the benefits of the system. Any participant who has completed fifteen years of service with the Agency and whose career at that time is adjudged by the Director to be qualifying for the system may elect to remain a participant of such system for the duration of his employment by the Agency.

ANNUITANTS

SEC. 204. (a) Annuitants shall be participants who are receiving annuities from the fund and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act.

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or who is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or who is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who, because of physical

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1 or mental disability incurred before age eighteen, is incapable of self-
2 support. In addition to the offspring of the participant and his or her spouse,
3 the term includes (i) an adopted child, and (ii) a stepchild or recognized
4 natural child who received more than one-half of his support from the
5 participant.

6 PART B -- COMPULSORY CONTRIBUTIONS

7 SEC. 211. (a) Six and one-half per centum of the basic salary received
8 by each participant shall be contributed to the fund for the payment of
9 annuities, cash benefits, refunds, and allowances. An equal sum shall
10 also be contributed from the respective appropriation or fund which is used
11 for payment of his salary. The amounts deducted and withheld from basic
12 salary together with the amounts so contributed from the appropriation or
13 fund, shall be deposited by the Agency to the credit of the fund.

14 (b) Each participant shall be deemed to consent and agree to such
15 deductions from basic salary, and payment less such deductions shall be a
16 full and complete discharge and acquittance of all claims and demands what-
17 soever for all regular services during the period covered by such payment,
18 except the right to the benefits to which he shall be entitled under this Act,
19 notwithstanding any law, rule, or regulation affecting the individual's salary.

20 PART C -- COMPUTATION OF ANNUITIES

21 SEC. 221. (a) The annuity of a participant shall be equal to 2 per
22 centum of his average basic salary for the highest five consecutive years
23 of service, for which full contributions have been made to the fund, multiplied
24 by the number of years, not exceeding thirty-five, of service credit obtained
25 in accordance with the provisions of sections 251 and 252. In determining

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1 the aggregate period of service upon which the annuity is to be based, the
2 fractional part of a month, if any, shall not be counted.

3 (b) At the time of retirement, any married participant may elect to
4 receive a reduced annuity and to provide for an annuity payable to his wife
5 or her husband, commencing on the date following such participant's death
6 and terminating upon the death of such surviving wife or husband. The
7 annuity payable to the surviving wife or husband after such participant's
8 death shall be 50 per centum of the amount of the participant's annuity com-
9 puted as prescribed in paragraph (a) of this section, up to the full amount
10 of such annuity specified by him as the base for the survivor benefits. The
11 annuity of the participant making such election shall be reduced by 2 1/2 per
12 centum of any amount up to \$2,400 he specified as the base for the survivor
13 benefit plus 10 per centum of any amount over \$2,400 so specified.

14 (c) (1) If an annuitant dies and is survived by a wife or husband and by
15 a child or children, in addition to the annuity payable to the surviving wife
16 or husband, there shall be paid to or on behalf of each child an annuity
17 equal to the smallest of: (i) 40 per centum of the annuitant's average basic
18 salary, as determined under paragraph (a) of this section, divided by the
19 number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

20 (2) If an annuitant dies and is not survived by a wife or husband but by
21 a child or children, each surviving child shall be paid an annuity equal to
22 the smallest of: (i) 50 per centum of the annuitant's average basic salary,
23 as determined under paragraph (a) of this section, divided by the number of
24 children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

1 (d) If a surviving wife or husband dies or the annuity of a child is
2 terminated, the annuities of any remaining children shall be recomputed
3 and paid as though such wife, husband, or child had not survived the
4 participant.

5 (e) The annuity payable to a child under paragraph (c) or (d) of this
6 section shall begin on the first day of the next month after the participant
7 dies and such annuity or any right thereto shall be terminated upon death,
8 marriage, or attainment of the age of eighteen years, except that, if a
9 child is incapable of self-support by reasons of mental or physical disability,
10 the annuity shall be terminated only when such child dies, marries, or
11 recovers from such disability.

12 (f) Any unmarried participant retiring under the provisions of this
13 Act and found by the Director to be in good health may at the time of re-
14 tirement elect a reduced annuity, in lieu of the annuity as hereinbefore
15 provided, and designate in writing a person having an insurable interest
16 (as that term is used in 5 U. S. C. 2259(h)) in the participant to receive
17 an annuity after the participant's death. The annuity payable to the
18 participant making such election shall be reduced by 10 per centum of an
19 annuity computed as provided in paragraph (a) of this section, and by 5
20 per centum of an annuity so computed for each full five years the person
21 designated is younger than the participant, but such total reduction shall
22 not exceed 40 per centum. The annuity of a survivor designated under
23 this paragraph shall be 50 per centum of the reduced annuity computed as
24 prescribed above. The annuity payable to a beneficiary under the provisions

1 of this paragraph shall begin on the first day of the next month after the
2 participant dies. Upon the death of the surviving beneficiary all payments
3 shall cease and no further annuity payments authorized under this paragraph
4 shall be due or payable.

5 PART D -- BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

6 RETIREMENT FOR DISABILITY OR INCAPACITY -- MEDICAL

7 EXAMINATION -- RECOVERY

8 SEC. 231. (a) Any participant who has five years of service credit
9 toward retirement under the system, excluding military or naval service
10 that is credited in accordance with provisions of section 251 or 252(a)(2),
11 and who becomes totally disabled or incapacitated for useful and efficient
12 service by reason of disease, illness, or injury not due to vicious habits,
13 intemperance, or willful misconduct on his part, shall, upon his own applica-
14 tion or upon order of the Director, be retired on an annuity computed as
15 prescribed in section 221. If the disabled or incapacitated participant has
16 less than twenty years of service credit toward his retirement under the
17 system at the time he is retired, his annuity shall be computed on the
18 assumption that he has had twenty years of service, but the additional
19 service credit that may accrue to a participant under this provision shall
20 in no case exceed the difference between his age at the time of retirement
21 and the mandatory retirement age applicable to his grade in the Agency.

22 (b) In each case, the participant shall be given a medical examination
23 by one or more duly qualified physicians or surgeons designated by the
24 Director to conduct examinations, and disability shall be determined by

1 the Director on the basis of the advice of such physicians or surgeons.
2 Unless the disability is permanent, like examinations shall be made
3 annually until the annuitant has reached the statutory mandatory retirement
4 age for his grade in the Agency. If the Director determines, on the basis
5 of the advice of one or more duly qualified physicians or surgeons conducting
6 such examinations that an annuitant has recovered to the extent that he can
7 return to duty, the annuitant may apply for reinstatement or reappointment
8 in the Agency within one year from the date his recovery is determined.
9 Upon application the Director may reinstate any such recovered disability
10 annuitant in the grade in which he was serving at time of retirement, or the
11 Director may, taking into consideration the age, qualifications, and experi-
12 ence of such annuitant, and the present grade of his contemporaries in the
13 Agency, appoint him to a grade higher than the one in which he was serving
14 prior to retirement. Payment of the annuity shall continue until a date six
15 months after the date of the examination showing recovery or until the date
16 of reinstatement or reappointment in the Agency, whichever is earlier.
17 Fees for examinations under this provision, together with reasonable
18 traveling and other expenses incurred in order to submit to examination,
19 shall be paid out of the fund. If the annuitant fails to submit to examination
20 as required under this section, payment of the annuity shall be suspended
21 until continuance of the disability is satisfactorily established.

22 (c) If a recovered disability annuitant whose annuity is discontinued is
23 for any reason not reinstated or reappointed in the Agency, he shall be con-
24 sidered to have been separated within the meaning of paragraphs (a) and (b)

1 of section 234 as of the date he was retired for disability and he shall,
2 after the discontinuance of the disability annuity, be entitled to the bene-
3 fits of that section or of section 241(a) except that he may elect voluntary
4 retirement in accordance with the provisions of section 233 if he can
5 qualify under its provisions.

6 (d) No participant shall be entitled to receive an annuity under this
7 Act and compensation for injury or disability to himself under the Federal
8 Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C.
9 751 et seq.) covering the same period of time. This provision shall not
10 bar the right of any claimant to the greater benefit conferred by either
11 Act for any part of the same period of time. Neither this provision nor
12 any provision of the said Act of September 7, 1916, as amended, shall be
13 so construed as to deny the right of any participant to receive an annuity
14 under this Act by reason of his own services and to receive concurrently
15 any payment under such Act of September 7, 1916, as amended, by reason
16 of the death of any other person.

17 (e) Notwithstanding any provision of law to the contrary, the right
18 of any person entitled to an annuity under this Act shall not be affected
19 because such person has received an award of compensation in a lump
20 sum under section 14 of the Federal Employees' Compensation Act of
21 September 7, 1916, as amended, (5 U.S.C. 764) except that where such
22 annuity is payable on account of the same disability for which compensation
23 under such section has been paid, so much of such compensation as has
24 been paid for any period extended beyond the date such annuity becomes

1 effective, as determined by the Secretary of Labor, shall be refunded to
2 the Department of Labor, to be paid into the Federal employees' compensa-
3 tion fund. Before such person shall receive such annuity he shall (1) refund
4 to the Department of Labor the amount representing such commuted pay-
5 ments for such extended period, or (2) authorize the deduction of such
6 amount from the annuity payable to him under this Act, which amount shall
7 be transmitted to such Department for reimbursement to such fund.
8 Deductions from such annuity may be made from accrued and accruing
9 payments, or may be prorated against and paid from accruing payments in
10 such manner as the Secretary of Labor shall determine, whenever he finds
11 that the financial circumstances of the annuitant are such as to warrant such
12 deferred refunding.

13 DEATH IN SERVICE

14 SEC. 232. (a) In case a participant dies and no claim for annuity is
15 payable under the provisions of this Act, his contributions to the fund,
16 with interest at the rates prescribed in sections 241(a) and 281(a), shall
17 be paid in the order of precedence shown in section 241(b).

18 (b) If a participant, who has at least five years of service credit
19 toward retirement under the system, excluding military or naval service
20 that is credited in accordance with the provisions of section 251 or 252(a)(2),
21 dies before separation or retirement from the Agency and is survived by a
22 widow or a dependent widower, as defined in section 204, such widow or
23 dependent widower shall be entitled to an annuity equal to 50 per centum
24 of the annuity computed in accordance with the provisions of paragraph (e)

1 of this section and of section 221(a). The annuity of such widow or dependent
2 widower shall commence on the date following death of the participant and
3 shall terminate upon death of the widow or dependent widower, or upon the
4 dependent widower's becoming capable of self-support.

5 (c) If a participant who has at least five years of service credit toward
6 retirement under the system, excluding military or naval service that is
7 credited in accordance with the provisions of section 251 or 252(a)(2), dies
8 before separation or retirement from the Agency and is survived by a wife
9 or a husband and a child or children, each surviving child shall be entitled
10 to an annuity computed in accordance with the provisions of section 221(c)(1).
11 The child's annuity shall begin and be terminated in accordance with the
12 provisions of section 221(e). Upon the death of the surviving wife or
13 husband or termination of the annuity of a child, the annuities of any re-
14 maining children shall be recomputed and paid as though such wife or
15 husband or child had not survived the participant.

16 (d) If a participant who has at least five years of service credit
17 toward retirement under the system, excluding military or naval service
18 that is credited in accordance with the provisions of section 251 or 252(a)(2),
19 dies before separation or retirement from the Agency and is not survived
20 by a wife or husband, but by a child or children, each surviving child shall
21 be entitled to an annuity computed in accordance with the provisions of
22 section 221(c)(2). The child's annuity shall begin and terminate in accord-
23 ance with the provisions of section 221(e). Upon termination of the annuity
24 of a child, the annuities of any remaining children shall be recomputed and
25 paid as though such child had not survived the participant.

1 (e) If, at the time of his or her death, the participant had less than
2 twenty years of service credit toward retirement under the system, the
3 annuities payable in accordance with paragraph (b) of this section shall
4 be computed in accordance with the provisions of section 221 on the assump-
5 tion he or she has had twenty years of service, but the additional service
6 credit that may accrue to a deceased participant under this provision
7 shall in no case exceed the difference between his or her age on the date
8 of death and the mandatory retirement age applicable to his or her grade
9 in the Agency. In all cases arising under paragraphs (b), (c), (d), or
10 (e) of this section, it shall be assumed that the deceased participant was
11 qualified for retirement on the date of his death.

12 VOLUNTARY RETIREMENT

13 SEC. 233. Any participant in the system who is at least fifty years
14 of age and has rendered twenty years of service may on his own applica-
15 tion and with the consent of the Director be retired from the Agency and
16 receive benefits in accordance with the provisions of section 221 provided
17 he has not less than five years of service with the Agency.

18 DISCONTINUED SERVICE RETIREMENT

19 SEC. 234. (a) Any participant who separates from the Agency after
20 obtaining at least five years of service credit toward retirement under the
21 system, excluding military or naval service that is credited in accordance
22 with the provisions of section 251 or 252(a)(2), may, upon separation from
23 the Agency or at any time prior to becoming eligible for an annuity, elect
24 to have his contributions to the fund returned to him in accordance with

1 the provisions of section 241, or (except in cases where the Director deter-
2 mines that separation was based in whole or in part on the ground of dis-
3 loyalty to the United States) to leave his contributions in the fund and
4 receive an annuity, computed as prescribed in section 221, commencing
5 at the age of sixty years.

6 (b) If a participant who has qualified in accordance with the provi-
7 sions of paragraph (a) of this section to receive a deferred annuity com-
8 mencing at the age of sixty dies before reaching the age of sixty his
9 contributions to the fund, with interest, shall be paid in accordance with
10 the provisions of sections 241 and 281.

11 (c) The Director may in his discretion retire participants in grade
12 GS-14 and above to promote the efficiency of the Agency. If so retired
13 they shall receive retirement benefits in accordance with the provisions
14 of section 221, provided they have in each case not less than five years of
15 qualifying and a total of ten years of service with the Agency. Any indi-
16 vidual so retired who does not meet these service requirements shall
17 receive the benefits provided for individuals in grade GS-13 as set out in
18 paragraph (d) of this section.

19 (d) The Director may in his discretion retire participants in grade
20 GS-13 and below to promote the efficiency of the Agency and each such
21 participant shall receive--

22 (1) one-twelfth of a year's salary at his then current salary
23 rate for each year of service and proportionately for a fraction of a
24 year, but not exceeding a total of one year's salary at his then

1 current salary rate, payable without interest, from the fund, in
2 three equal installments on the 1st day of January following the
3 participant's retirement and on the two anniversaries of this date
4 immediately following: Provided, That in special cases, the
5 Director may in his discretion accelerate or combine the installments;
6 and:

7 (2) a refund of the contributions made to the fund, with inter-
8 est as provided in section 241(a), except that in lieu of such refund
9 such participant, if he has at least five years of service credit
10 toward retirement under the system, excluding military or naval
11 service that is credited in accordance with the provisions of section
12 251 or 252(a)(2), may elect to receive retirement benefits on reaching
13 the age of sixty in accordance with the provisions of section 221. In
14 the event that a participant who was separated from grade GS-13 or
15 GS-12 and who has elected to receive retirement benefits dies before
16 reaching the age of sixty, his death shall be considered a death in
17 service within the meaning of section 232. In the event that a partici-
18 pant who was separated from grade GS-11 or below and who has
19 elected to receive retirement benefits dies before reaching the age
20 of sixty, the total amount of his contributions made to the fund, with
21 interest as provided in section 241(a), shall be paid in accordance
22 with the provisions of section 241(b).

23 (e) Notwithstanding the provisions of section 3477 of the Revised
24 Statutes, as amended, (31 U.S.C. 203) or the provisions of any other

1 law, a participant who is retired in accordance with the provisions of
2 paragraph (d) of this section shall have the right to assign to any person
3 or corporation the whole or any part of the benefits receivable by him
4 pursuant to paragraph (d)(1) of this section.

5 MANDATORY RETIREMENT FOR AGE

6 SEC. 235. (a) Any participant in the system in grade GS-18 or above
7 shall upon reaching the age of sixty-five be retired from the Agency and
8 receive retirement benefits in accordance with the provisions of section
9 221, but whenever the Director shall determine it to be in the public inter-
10 est, he may extend such a participant's service for a period not to exceed
11 five years.

12 (b) Any participant in the system, other than in grade GS-18 or above,
13 shall upon reaching the age of sixty be retired from the Agency and receive
14 retirement benefits in accordance with the provisions of section 221, but
15 whenever the Director shall determine it to be in the public interest, he
16 may extend such a participant's service for a period not to exceed five years.

17 PART E -- DISPOSITION OF CONTRIBUTIONS AND INTEREST IN EXCESS
18 OF BENEFITS RECEIVED

19 SEC. 241. (a) Whenever a participant becomes separated from the
20 Agency without becoming eligible for an annuity or a deferred annuity in
21 accordance with the provisions of this Act, the total amount of contribu-
22 tions from his salary with interest thereon at 4 per centum per annum,
23 compounded annually as of December 31, and proportionately for the
24 period served during the year of separation including all contributions made
25 during the year of separation shall be re-
26 turned to him.

1 (b) In the event that the total contributions of a retired participant,
2 other than voluntary contributions made in accordance with the provisions
3 of section 281, with interest at 4 per centum per annum compounded
4 annually as is provided in paragraph (a) of this section added thereto,
5 exceed the total amount returned to such participant or to an annuitant
6 claiming through him, in the form of annuities, accumulated at the same
7 rate of interest up to the date the annuity payments cease under the terms
8 of the annuity, the excess of the accumulated contributions over the ac-
9 cumulated annuity payments shall be paid in the following order of
10 precedence, upon the establishment of a valid claim therefor, and such
11 payment shall be a bar to recovery by any other person:

12 (1) To the beneficiary or beneficiaries designated by such participant
13 in writing to the Director;

14 (2) If there be no such beneficiary, to the surviving wife or husband
15 of such participant;

16 (3) If none of the above, to the child or children of such participant
17 and descendants of deceased children by representation;

18 (4) If none of the above, to the parents of such participant or the
19 survivor of them;

20 (5) If none of the above, to the duly appointed executor or administrator
21 of the estate of such participant;

22 (6) If none of the above, to other next of kin of such participant as
23 may be determined by the Director in his judgment to be legally entitled
24 thereto.

1 (c) No payment shall be made pursuant to paragraph (b)(6) of this
2 section until after the expiration of thirty days from the death of the re-
3 tired participant or his surviving annuitant.

4 PART F -- PERIOD OF SERVICE FOR ANNUITIES

5 COMPUTATION OF LENGTH OF SERVICE

6 SEC. 251. For the purposes of this title, the period of service of a
7 participant shall be computed from the date he becomes a participant under
8 the provisions of this Act, but all periods of separation from the Agency
9 and so much of any leaves of absence without pay as may exceed six months
10 in the aggregate in any calendar year shall be excluded, except leaves of
11 absence while receiving benefits under the Federal Employees' Compensa-
12 tion Act of September 7, 1916, as amended, (5 U. S. C. 751 et. seq.) and
13 leaves of absence granted participants while performing active and honor-
14 able military or naval service in the Army, Navy, Air Force, Marine
15 Corps, or Coast Guard of the United States.

16 PRIOR SERVICE CREDIT

17 SEC. 252. (a) A participant may, subject to the provisions of this
18 section, include in his period of service--

19 (1) civilian service in the executive, judicial, and legislative branches
20 of the Federal Government and in the District of Columbia government,
21 prior to becoming a participant; and

22 (2) active and honorable military or naval service in the Army, Navy,
23 Air Force, Marine Corps, or Coast Guard of the United States.

24 (b) A participant may obtain prior civilian service credit in accordance
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1 with the provisions of paragraph (a)(1) of this section by making a special
2 contribution to the fund equal to 5 per centum of his basic annual salary
3 for each year of service for which credit is sought prior to November 8,
4 1960, and at 6 1/2 per centum thereafter with interest compounded
5 annually at 4 per centum per annum to the date of payment. Any such
6 participant may, under such conditions as may be determined in each
7 instance by the Director, pay such special contributions in installments.

8 (c) (1) If an officer or employee under some other Government re-
9 tirement system becomes a participant in the system by direct transfer,
10 such officer or employee's total contributions and deposits, including
11 interest accrued thereon, except voluntary contributions, shall be trans-
12 ferred to the fund effective as of the date such officer or employee becomes
13 a participant in the system. Each such officer or employee shall be deemed
14 to consent to the transfer of such funds and such transfer shall be a com-
15 plete discharge and acquittance of all claims and demands against the
16 other Government retirement fund on account of service rendered prior
17 to becoming a participant in the system.

18 (2) No participant, whose contributions are transferred to the fund in
19 accordance with the provisions of paragraph (c)(1) of this section, shall be
20 required to make contributions in addition to those transferred for periods
21 of service for which full contributions were made to the other Government
22 retirement fund, nor shall any refund be made to any such participant on
23 account of contributions made during any period to the other Government
24 retirement fund at a higher rate than that fixed by section 211 of this Act
25 for contributions to the fund.

1 (3) No participant, whose contributions are transferred to the fund
2 in accordance with the provisions of paragraph (c)(1) of this section, shall
3 receive credit for periods of service for which a refund of contributions
4 has been made, or for which no contributions were made to the other
5 Government retirement fund. A participant may, however, obtain credit
6 for such prior service by making a special contribution to the fund in
7 accordance with the provisions of paragraph (b) of this section.

8 (d) No participant may obtain prior civilian service credit toward
9 retirement under the system for any period of civilian service on the
10 basis of which he is receiving or will in the future be entitled to receive
11 any annuity under another retirement system covering civilian personnel
12 of the Government.

13 (e) A participant may obtain prior military or naval service credit in
14 accordance with the provisions of paragraph (a)(2) of this section by applying
15 for it to the Director prior to retirement or separation from the Agency.
16 However, in the case of a participant who is eligible for and receives
17 retired pay on account of military or naval service, the period of service
18 upon which such retired pay is based shall not be included, except that in
19 the case of a participant who is eligible for and receives retired pay on
20 account of a service-connected disability incurred in combat with an
21 enemy of the United States or caused by an instrumentality of war and in-
22 curred in line of duty during a period of war (as that term is used in chapter
23 11 of title 38, United States Code), or is awarded under chapter 67

1 of title 10 of the United States Code, the period of such military or naval
2 service shall be included. No contributions to the fund shall be required
3 in connection with military or naval service credited to a participant in
4 accordance with the provisions of paragraph (a)(2) of this section.

5 CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

6 SEC. 253. Contributions shall not be required covering periods of
7 leave of absence from the Agency granted a participant while performing
8 active military or naval service in the Army, Navy, Air Force, Marine
9 Corps, or Coast Guard of the United States.

10 PART G--MONEYS

11 ESTIMATE OF APPROPRIATIONS NEEDED

12 SEC. 261. The Director shall prepare the estimates of the annual
13 appropriations required to be made to the fund, and shall cause to be
14 made actuarial valuations of the fund at intervals of five years, or oftener
15 if deemed necessary by him.

16 INVESTMENT OF MONEYS IN THE FUND

17 SEC. 262. The Director may, with the approval of the Secretary of
18 the Treasury, invest from time to time in interest-bearing securities of
19 the United States such portions of the fund as in his judgment may not be
20 immediately required for the payment of annuities, cash benefits, refunds,
21 and allowances, and the income derived from such investments shall con-
22 stitute a part of such fund.

23 ATTACHMENT OF MONEYS

24 SEC. 263. None of the moneys mentioned in this title shall be assignable

1 either in law or equity, or be subject to execution, levy, attachment,
2 garnishment, or other legal process, except as provided in section 234(e).

3 PART H -- RETIRED PARTICIPANTS RECALLED, REINSTATED, OR
4 REAPPOINTED IN THE AGENCY, OR REEMPLOYED IN THE GOVERNMENT

5 RECALL

6 SEC. 271. (a) The Director may recall any retired participant to duty
7 in the Agency whenever he shall determine such recall is in the public inter-
8 est.

9 (b) Any such participant recalled to duty in the Agency in accordance
10 with the provisions of paragraph (a) of this section or reinstated or reappointed
11 in accordance with the provisions of section 231(b) shall, while so serving, be
12 entitled in lieu of his annuity to the full salary of the grade in which he is
13 serving. During such service, he shall make contributions to the fund in
14 accordance with the provisions of section 211. When he reverts to his retired
15 status, his annuity shall be determined anew in accordance with the provisi-
16 sions of section 221.

17 REEMPLOYMENT

18 SEC. 272. Notwithstanding any other provision of law, a participant
19 retired under the provisions of this Act shall not, by reason of his retired
20 status, be barred from employment in Federal Government service in any
21 appointive position for which he is qualified. An annuitant so reemployed
22 shall serve at the will of the appointing officer.

23 REEMPLOYMENT COMPENSATION

24 SEC. 273. (a) Notwithstanding any other provision of law, any

1 annuitant who has retired under this Act and who is reemployed in the
2 Federal Government service in any appointive position either on a part-
3 time or full-time basis shall be entitled to receive the salary of the posi-
4 tion in which he is serving plus so much of his annuity payable under this
5 Act which when combined with such salary does not exceed during any
6 calendar year the basic salary such annuitant was entitled to receive on
7 the date of his retirement from the Agency. Any such reemployed annui-
8 tant who receives salary during any calendar year in excess of the maxi-
9 mum amount which he may be entitled to receive under this paragraph
10 shall be entitled to such salary in lieu of benefits hereunder.

11 (b) When any such retired annuitant is reemployed, the employer
12 shall send a notice to the Agency of such reemployment together with all
13 pertinent information relating thereto, and shall pay directly to such
14 annuitant the salary of the position in which he is serving.

15 (c) In the event of any overpayment under this section, such overpay-
16 ment shall be recovered by withholding the amount involved from the salary
17 payable to such reemployed annuitant, or from any other moneys, including
18 his annuity, payable in accordance with the provisions of this title.

19 PART I -- VOLUNTARY CONTRIBUTIONS

20 SEC. 281. (a) Any participant may, at his option and under such
21 regulations as may be prescribed by the Director, deposit additional sums
22 in multiples of 1 per centum of his basic salary, but not in excess of 10
23 per centum of such salary, which amounts together with interest at 3 per
24 centum per annum, compounded annually as of December 31, and pro-

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portionately for the period served during the year of his retirement,

1 including all contributions made during or for such period, shall, at the
2 date of his retirement and at his election, be--

3 (1) returned to him in lump sum; or

4 (2) used to purchase an additional life annuity; or

5 (3) used to purchase an additional life annuity for himself and to pro-
6 vide for a cash payment on his death to a beneficiary whose name shall be
7 notified in writing to the Director by the participant; or

8 (4) used to purchase an additional life annuity for himself and a life
9 annuity commencing on his death payable to a beneficiary whose name
10 shall be notified in writing to the Director by the participant with a
11 guaranteed return to the beneficiary or his legal representative of an
12 amount equal to the cash payment referred to in subparagraph (3) above.

13 (b) The benefits provided by subparagraphs (2), (3), or (4) of para-
14 graph (a) of this section shall be actuarially equivalent in value to the
15 payment provided for by subparagraph (a)(1) of this section and shall be
16 calculated upon such tables of mortality as may be from time to time pre-
17 scribed for this purpose by the Director.

18 (c) In case a participant shall become separated from the Agency for
19 any reason except retirement on an annuity, the amount of any additional
20 deposits with interest at 3 per centum per annum, compounded as is pro-
21 vided in paragraph (a) of this section, made by him under the provisions
22 of said paragraph (a) shall be refunded in the manner provided in section
23 241 for the return of contributions and interest in the case of death or
24 separation from the Agency.

1 (d) Any benefits payable to a participant or to his beneficiary in
2 respect to the additional deposits provided under this section shall be
3 in addition to the benefits otherwise provided under this title.

4 TITLE III -- INTERNAL REVENUE CODE AMENDMENT

5 Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954,
6 as amended, (26 U. S. C. 104(a) (4)) (relating to the exclusion from
7 gross income of compensation for injuries and sickness) is hereby
8 amended to read as follows:

9 "(4) amounts received as a pension, annuity, or similar allowance for
10 personal injuries or sickness resulting from active service in the armed
11 forces of any country or in the Coast and Geodetic Survey or the Public
12 Health Service, or as a disability annuity payable under the provisions
13 of section 831 of the Foreign Service Act of 1946, as amended (22 U. S. C.
14 1081, 60 Stat. 1021), or as a disability annuity payable under the provisions
15 of section 231 of the Central Intelligence Agency Retirement Act of 1963."

COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
FOREIGN SERVICE, AND PROPOSED CIA RETIREMENT SYSTEMS

PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>General</u>		
Employee Contribution	6 1/2% of basic pay	Same
Basic Annuity Formula	Based on high 5-year-average salary: <u>1 1/2% of high 5 x 1st 5 yrs service</u> <u>+ 1 3/4% of high 5 x 2nd 5 yrs service</u> <u>+ 2% of high 5 x remaining yrs</u> <u>service</u>	Based on high-5-year average salary: <u>2% of high-5 x total years service</u>
Maximum Annuity	80% of high-5 salary	70% of high-5 salary
Mandatory Retirement	Age 70 with 15 years service	Career Ambassador and Career Minister or GS-18 and above: age 65 FSO Class 1 and below or GS-17 and below: age 60

COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
FOREIGN SERVICE, AND PROPOSED CIA RETIREMENT SYSTEMS

PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>Optional Retirement</u> (immediate annuity)	Age 60 - 30 years service Age 62 - 5 years service Age 55 - 30 years service-annuity is reduced by 5%	Age 50 - 20 years service (full earned annuity - not reduced)
<u>Discontinued Service - Selection Out</u>	Any age - 25 years service Age 50 - 20 years service (immediate, but annuity is reduced by 15%)	FSO Classes 1-3 or GS-14 and above: Immediate annuity at any age 5 years service (annuity not reduced) FSO Classes 4-7 or GS-13 and below: Separation pay at rate of one month's salary per year of service up to one year's salary; plus deferred annuity at age 60. Age 50 - 20 years service (full earned annuity - not reduced)
<u>Disability Retirement</u> Age and Service Minimum Annuity Taxability	Any age - 5 years service Lesser of: 40% high 5-year- average salary or annuity computed by extending service to age 60. Under Federal income tax "Sick Pay" exclusion, first \$100 per week tax exempt until optional retirement age.	Same Same Fully tax exempt.

COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
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PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>Survivor Annuity to Widow</u>		
Reduction of employee's annuity	2 1/2% of first \$3,600 plus 10% of balance	2 1/2% of first \$2,400 plus 10% of balance
Amount of widow's annuity	55% of employee's basic annuity	50% of employee's basic annuity
Termination of widow's annuity	Death or remarriage	Death only
<u>Reemployment of Annuitant</u>	Annuity offset against salary	Annuity plus salary cannot exceed basic pay at time of retirement

Committee Members do NOT have this statement.

CENTRAL I

They previously received the original unclassified and classified versions of the statement of Explanation and Justification.

EXPLANATION AND JUSTIFICATION

PART A. PURPOSE OF PROPOSED BILL

The proposed bill permits the Agency to improve its retirement program by authorizing the establishment of a retirement system corresponding in its main features to that of the Foreign Service. The Central Intelligence Agency needs to attract and retain a force of highly motivated careerists who are intensively trained in unique skills. Agency requirements demand that this group of careerists be composed of younger and more vigorous officers than are generally required in Government service. Consequently, the voluntary early retirement features of this bill will serve this end. Since the Agency is unable in fact to provide full-term careers for many individual officers, it is necessary to minimize the adverse effects of the required programs of managed attrition and to preserve its ability to recruit and retain the high-caliber personnel it needs. Therefore, the Agency must make reasonable provision for the futures of those individuals who must be separated before completing a full-term career of thirty or so years. Accordingly, the proposed bill establishes for a limited number of Agency employees a retirement and disability system modeled after that established for persons serving in the Foreign Service of the Department of State.

PART B. PROPOSED RETIREMENT SYSTEM

1. Need for a Separate Retirement System for Certain Employees

a. Summary

All regular employees of the Central Intelligence Agency are at present covered by the provisions of the Civil Service Retirement Act. Such coverage is appropriate for those whose conditions, obligations, and terms of service are comparable to those of federal employees generally. However, the Agency has a serious problem in its need to make more adequate provision for certain of its employees who should be retired at an earlier age and with a more equitable annuity than can be provided under the Civil Service Retirement Act. This need stems from the fact that the Agency cannot provide to or expect from many individuals in its service a full-term career of thirty or so years.

b. Background

(1) The nature of the Agency's mission requires people who are highly motivated and who develop unique and specialized abilities through their continuing training and service over the years. A substantial proportion of Agency personnel accept, as do members of the military service, the obligation to serve anywhere in the world at the Agency's direction -- not at their own will -- and to be available for duty on a 24-hour-a-day basis. Further, the stresses and strains of uneven and uncertain hours of

CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT

OF 1963

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All regular employees of the Central Intelligence Agency are at present covered by the provisions of the Civil Service Retirement Act. Such coverage is appropriate for those whose conditions, obligations, and terms of service are comparable to those of federal employees generally. However, the Agency has a serious problem in its need to make more adequate provision for certain of its employees who should be retired at an earlier age and with a more equitable annuity than can be provided under the Civil Service Retirement Act. This need stems from the fact that the Agency cannot provide to or expect from many individuals in its service a full-term career of thirty or so years.

b. Background

(1) The nature of the Agency's mission requires people who are highly motivated and who develop unique and specialized abilities through their continuing training and service over the years. A substantial proportion of Agency personnel accept, as do members of the military service, the obligation to serve anywhere in the world at the Agency's direction -- not at their own will -- and to be available for duty on a 24-hour-a-day basis. Further, the stresses and strains of uneven and uncertain hours of

work, of duty in unhealthful locations, and of arduous assignments require people who have a high degree of vigor, vitality, endurance, resilience, and adaptability.

(2) There are other factors pertaining to the individuals themselves which, over the years, limit their ability and desire to continue in overseas service.

(a) Our experience has shown that many officers or members of their families will in time incur physical impediments which limit or preclude their further assignment overseas. The extreme climates and inferior medical facilities of many foreign areas make living abroad less healthful than in the United States. Also, Americans, because of the advances of sanitation and public health in this country, have failed to develop the natural immunities which most foreigners develop. Consequently, Americans are more susceptible than local inhabitants to the diseases of an area.

(b) The wear and tear of repeated illness saps an individual's strength and resilience and affects his longevity. Moreover, ills which an employee encounters in one place often attach themselves permanently as chronic and sometimes disabling conditions. This contributes to the need for the earlier retirement provisions now proposed.

(c) Finally, there is "motivational exhaustion." This term is used to describe a gradual lessening of interest and enthusiasm of an officer as a result of impingements on his personal and family life. These stem from the transient nature of his assignments, the complications and restrictions of security requirements, and intrusions on his family life.

(3) The dynamic nature of intelligence work produces sudden and sometimes radical shifts in the types of personnel required and in their deployment. For example, the Agency's responsibility for covert cold war functions requires that much of its effort be directed to troubled areas, wherever they may be. Civil troubles often bring about a retrenchment of activity on the part of other U.S. Government agencies, but a reorientation and intensification of that of the Agency. Completion of a mission of a temporary nature or a shift in emphasis or direction of operations may result in an excess of officers who are skilled in a relatively narrow field. Their primary qualifications thus become obsolete or unneeded and they become "occupationally surplus."

c. Manpower Control

(1) The Agency finds it increasingly necessary to impose manpower controls to ensure appropriate alignment as to age, qualifications, and other characteristics of its employees engaged in conducting or supporting foreign intelligence activities. Insofar as possible, imbalances should be and are corrected by the reassignment of officers who cannot, or should not, continue in such work to other fields of work in the Agency. However, encouraged and induced attrition is feasible only if it is linked to a system of retirement benefits providing fair annuities to those who have earned early retirement.

(2) The proposed bill would provide these individuals with a more equitable annuity, beginning immediately upon their separation. This would place them in a better position to accept less demanding and probably lower-paid employment. It is often difficult for an Agency employee to obtain other employment. The special skills required for intelligence work, developed over the years by training and experience within the Agency, are not directly applicable to other fields. This situation is aggravated by security considerations which do not allow an Agency employee to describe to a prospective employer the substance of his Agency duties and responsibilities. There is also a reluctance on the part of other employers, both Governmental and private, who are engaged in business overseas to hire a former intelligence officer. This attitude reflects their concern that the attitude of foreign officials toward their enterprises might be adversely affected if they were known to employ former intelligence officers.

(3) During the past year, the Agency has separated some 125 individuals as surplus to its needs because of the several factors described above. These people had given years of competent and faithful service to the Agency and to the Government. The process of terminating their employment was made the more painful because of the relatively inadequate assistance which the Agency could offer them in making occupational transfers or in retiring prematurely.

2. Proposed Retirement System

a. In order to minimize the adverse effects of such programs on the Agency's ability to recruit and retain the caliber of personnel needed, and particularly to minimize their effects on the dedicated personnel already in the service of the Agency, better provision must be made for the futures of those individuals who are separated before completing a full-term career. An important means for doing so is to establish a retirement system permitting earlier retirement with a more nearly adequate and equitable annuity than is possible under the Civil Service retirement system.

b. Careful study has been devoted to this matter. Recognizing the difficulties in developing an entirely new retirement system, the Agency examined existing systems. It was determined that the basic features of the Foreign Service system fulfill Agency requirements and are appropriate for those Agency employees whose careers involve conditions of service comparable to those of Foreign Service personnel. Further, by adopting a system based on that of the Foreign Service, the Agency can take advantage of the considerable study and experience which have gone into its development.

c. Appendix I compares the pertinent provisions of the proposed Agency retirement system and the Foreign Service and the Civil Service retirement systems. In format, this chart is similar to one appearing in the Report of the House Committee on Foreign Affairs in the second session of the 86th Congress. It was prepared at that time in connection with proposed amendments to the Foreign Service Act of 1946, as amended, relating to the retirement system, which proposals were subsequently enacted into law.

d. All of the Agency's employees do not serve under conditions warranting other than the normal retirement considerations. Consequently, the Agency does not intend to place all of its personnel under the proposed new system. Those who are to be designated for coverage will undergo a rigid selection process, the essential criteria for coverage being as follows:

(1) Career employees whose duties and responsibilities are predominantly concerned with the conduct and support of intelligence activities in foreign countries.

(2) Career employees whose duties are so specialized that they are placed at an unusual disadvantage when required to seek other employment.

e. It is estimated that a maximum of only 30% of our total employees will qualify for coverage under the proposed system; civil service retirement will remain the retirement system for all other employees. During the past year, the average age of Agency personnel who retired under the Civil Service retirement system was 66. We plan in time to lower the average retirement age of those covered under the proposed system to about 55 years, which is comparable to the average retirement age in the Foreign Service.

f. The specific provisions of the proposed retirement system and explanatory notes are contained in Appendix II, Sectional Analysis and Explanation.

3. Cost Estimates

a. There will be certain increased costs for the administration of the retirement system. For reasons of efficiency and security, it is considered essential that full administration of the program be accomplished within the Agency. It is estimated that this cost would approximate \$85,000 per year by the end of the first five years.

b. Program costs cannot be precisely estimated. However, the additional annuity costs under the proposed system would be partially offset by payroll savings resulting from the time lapse in completing the chain of recruitment, reassignment, and promotion actions created by retirements. It is estimated that the net additional cost after the first five years would average approximately \$580,000 per year.

ATTACHMENTS OMITTED BECAUSE THEY
ARE INCLUDED WITH CLASSIFIED
STATEMENT OF EXPLANATION AND
JUSTIFICATION IN BRIEFING BOOKS

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Order is reversed, however:

Appendix I is Appendix II (Comparison of Pertinent Pro-
visions of the Civil Service, Foreign Service, and
Proposed CIA Retirement and Disability Systems)

Appendix II is Appendix I (Sectional Analysis)

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CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT OF 1963

SECTIONAL ANALYSIS AND EXPLANATION

(NOTE: Except for such changes as are necessary to reflect terminology applicable to the Central Intelligence Agency, most of the proposed provisions are substantively the same as, or identical with, the corresponding provisions of the Foreign Service Act of 1946, as amended. For convenient reference, the corresponding section number under the Foreign Service Act of 1946, as amended, is furnished at the end of each explanatory statement below (for example, "Section 801, FSA") where applicable.

* * * * *

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I - SHORT TITLE AND DEFINITIONS

PART A - SHORT TITLE

Sec. 101. Titles I to III inclusive of this Act may be cited as the "Central Intelligence Agency Retirement Act of 1963".

Explanation: This section provides a short title for this bill.

PART B - DEFINITIONS

Sec. 111. When used in this Act, the term--

- (1) "Agency" means the Central Intelligence Agency; and
- (2) "Director" means the Director of Central Intelligence or the Deputy Director of Central Intelligence.

Explanation: This section defines the terms "Agency" and "Director" as these terms are used throughout the bill.

TITLE II - THE CENTRAL INTELLIGENCE AGENCY RETIREMENT
AND DISABILITY SYSTEM

PART A - ESTABLISHMENT OF SYSTEM

Rules and Regulations

Sec. 201. (a) The Director may prescribe rules and regulations for the establishment and maintenance of a Central Intelligence Agency Retirement and Disability System for a limited number of employees, referred to hereafter as the system.

(b) The Director shall administer the system in accordance with such rules and regulations and with the principles established by this Act.

(c) In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947, as amended, (50 U.S.C. 403(d)(3)) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, and notwithstanding the provisions of the Administrative Procedure Act (5 U.S.C. 1001 et. seq.) or any other provisions of law, any determinations by the Director authorized by the provisions of this title shall be deemed to be final and conclusive and not subject to review by any court.

Explanation: This section gives the Director of Central Intelligence the authority necessary to establish and maintain a retirement system for a limited number of employees and to prescribe rules and regulations governing its administration. (Section 801, FSA)

In view of the security classification of information concerning the service of Agency employees, the facts pertinent to determinations made under this Act will ordinarily be of such a nature that they cannot be publicly disclosed. Accordingly the section provides that determinations of the Director under this Act are final and conclusive and not subject to review. Legislative precedent for this provision is contained in the Civil Service Retirement Act which provides in section 16(c) that determinations by the Commission of questions of dependency and disability under that Act are not reviewable. Other precedents are contained in the Atomic Energy Act which provides that where Restricted Data are involved determinations of the Commission will not be subject to judicial review and in the Foreign Claims Settlement Act of 1949. (See 42 U.S.C. 2231 and 22 U.S.C. 1623(h).)

Establishment and Maintenance of Fund

Sec. 202. There is hereby created a fund to be known as the Central Intelligence Agency Retirement and Disability Fund which shall be maintained by the Director. The Central Intelligence Agency Retirement and Disability Fund is referred to hereafter in this title as the fund.

Explanation: This section provides for establishment and maintenance of the Central Intelligence Agency Retirement and Disability Fund by the Director. (Section 802, FSA, and 43 Stat. 144)

Participants

Sec. 203. The Director may designate from time to time such Agency officers and employees, hereafter referred to as participants, who shall be entitled to the benefits of the system. Any participant who has completed fifteen years of service with the Agency and whose career at that time is adjudged by the Director to be qualifying for the system may elect to remain a participant of such system for the duration of his employment by the Agency.

Explanation: This section necessarily deviates from the comparable provision of the Foreign Service Act of 1946, as amended, since Foreign Service Officers are automatically covered by virtue of their appointments under the Foreign Service Act. However, only a limited number of Agency employees will serve under conditions which will warrant other than normal retirement considerations and those who are to be designated as participants pursuant to this section will undergo a rigid selection process. (Sec. 803, FSA)

This retirement system is designed for those officers whose careers over the years are predominantly concerned with the conduct and support of intelligence activities in foreign countries. It is intended to designate an employee as a participant in this system at the earliest time after he has gained full career employee status in the Agency that it can be determined that his career field of work is in the conduct and support of intelligence activities in foreign countries. Thereafter, his service record will be reviewed periodically to verify that his career has remained in this field and that he is in fact performing qualifying service. If on such review it should be determined that an officer's career specialization has permanently shifted to a different field, he will be transferred to the civil service retirement system. However, when an employee who has been designated as a participant has met all of the minimum requirements for retirement under this system and then shifts to another field of career specialization, he would ordinarily be viewed as having acquired a right to the benefits he has already earned under this system and would be permitted to remain in it. Consequently, the section provides that an employee who has completed fifteen years of service in the Agency and whose career at that time is adjudged to be qualifying for this system may elect to remain in this system for the duration of his employment by the Agency.

Sec. 204. (a) Annuitants shall be participants who are receiving annuities from the fund and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act.

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or who is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or who is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who, because of physical or mental disability incurred before age eighteen, is incapable of self-support. In addition to the offspring of the participant and his or her spouse, the term includes (i) an adopted child, and (ii) a stepchild or recognized natural child who received more than one-half of his support from the participant.

Explanation: This section defines annuitants who may be eligible for benefits under the retirement system. (Section 804, FSA)

PART B - COMPULSORY CONTRIBUTIONS

Sec. 211. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Agency to the credit of the fund.

(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

Explanation: This section provides for contributions to the retirement fund by the employee and by the Agency at the rate of six and one-half per cent of basic salary, which is the same under both the Foreign Service retirement system and the civil service retirement system. (Section 811, FSA)

Sec. 221. (a) The annuity of a participant shall be equal to two per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 251 and 252. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall be not be counted.

(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2 1/2 per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

(c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section, shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

(f) Any unmarried participant retiring under the provisions of this Act and found by the Director to be in good health may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest (as that term is used in 5 U. S. C.

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2259(h)) in the participant to receive an annuity after the participant's death. The annuity payable to the participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section, and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the participant, but such total reduction shall not exceed 40 per centum. The annuity of a survivor designated under this paragraph shall be 50 per centum of the reduced annuity computed as prescribed above. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

Explanation: This section defines annuitants who may be eligible for benefits under the retirement system. Comparable provision is made in section 804 of the Foreign Service Act except that the first sentence of paragraph (f), regarding the designation of a beneficiary by an unmarried participant, uses language employed for the comparable provision in the Civil Service Retirement Act (section 9(h)) which provides that such individual must have an insurable interest in the participant.

PART D - BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

Retirement for Disability or Incapacity -- Medical
Examination -- Recovery

Sec. 231. (a) Any participant who has five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with provisions of section 251 or 252(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Director, be retired on an annuity computed as prescribed in section 221. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the system at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his grade in the Agency.

(b) In each case, the participant shall be given a medical examination by one or more duly qualified physicians or surgeons designated by the Director to conduct examinations, and disability shall be determined by the Director on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his grade in the Agency. If the Director determines on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Agency within one year from the date his recovery is determined. Upon application the Director may reinstate any such recovered disability annuitant in the grade in which he was serving at time of retirement, or the Director may, taking into consideration the age, qualifications, and experience of such annuitant, and the present grade of his contemporaries in the Agency, appoint him to a grade higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Agency, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

(c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Agency, he shall be considered to have been separated within the meaning of paragraphs (a) and (b) of section 234 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 241(a) except that he may elect voluntary retirement in accordance with the provisions of section 233 if he can qualify under its provisions.

(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C. 751 et. seq.) covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the said Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C. 764) except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

Explanation: This section makes provision for retirement of employees who become disabled or incapacitated for duty. It establishes procedures for physical examinations and subsequent return to duty when an annuitant has recovered to the extent that he can return to duty. The section further bars payment of a disability annuity if the employee is given an award of compensation for the same disability under the Federal Employees' Compensation Act. (Section 831, FSA)

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Death in Service

Sec. 232. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the fund, with interest at the rates prescribed in sections 241(a) and 281(a), shall be paid in the order of precedence shown in section 241(b).

(b) If a participant, who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a widow or a dependent widower, as defined in section 204, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 221(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

(c) If a participant who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 221(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 221(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

(d) If a participant who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 221(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 221(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the system, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 221 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her grade in the Agency. In all cases arising under paragraphs (b),

(c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death.

Explanation: This section provides for payment of an annuity to the survivor(s) of an employee who dies while in active service. If no annuity is payable, this section provides for payment of his contributions plus interest to a named beneficiary, or to specified survivors, or to his estate, in a prescribed order of precedence. (Section 832, FSA)

Voluntary Retirement

Sec. 233. Any participant in the System who is at least fifty years of age and has rendered twenty years of service may on his own application and with the consent of the Director be retired from the Agency and receive benefits in accordance with the provisions of section 221 provided he has not less than five years of service with the Agency.

Explanation: This section provides for voluntary retirement of an officer when he reaches age 50 and has at least five years of Agency service and a total of twenty years of service credit under the system. (Section 636, FSA)

Sec. 234. (a) Any participant who separates from the Agency after obtaining at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), may, upon separation from the Agency or at any time prior to becoming eligible for an annuity, elect to have his contributions to the fund returned to him in accordance with the provisions of section 241, or (except in cases where the Director determines that separation was based in whole or in part on the ground of disloyalty to the United States) to leave his contributions in the fund and receive an annuity, computed as prescribed in section 221, commencing at the age of sixty years.

(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the fund, with interest, shall be paid in accordance with the provisions of sections 241 and 281.

(c) The Director may in his discretion retire participants in grade GS-14 and above to promote the efficiency of the Agency. If so retired, they shall receive retirement benefits in accordance with the provisions of section 221, provided they have in each case not less than five years of qualifying and a total of ten years of service with the Agency. Any individual so retired who does not meet these service requirements shall receive the benefits provided for individuals in grade GS-13 as set out in paragraph (d) of this section.

(d) The Director may in his discretion retire participants in grade GS-13 and below to promote the efficiency of the Agency and each such participant shall receive--

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the fund, in three equal installments on the 1st day of January following the participant's retirement and on the two anniversaries of this date immediately following: Provided, That in special cases, the Director may in his discretion accelerate or combine the installments; and

(2) a refund of the contributions made to the fund, with interest as provided in section 241(a), except that in lieu of such refund such participant, if he has at least five years of service credit toward retirement under the system excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 221. In the event that a participant who was separated from grade GS-13 or GS-12 and who has elected to receive retirement benefits dies before reaching the

age of sixty, his death shall be considered a death in service within the meaning of section 232. In the event that a participant who was separated from grade GS-11 or below and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the fund, with interest as provided in section 241(a), shall be paid in accordance with the provisions of section 241(b).

(e) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended, (31 U.S.C. 203) or the provisions of any other law, a participant who is retired in accordance with the provisions of paragraph (d) of this section shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (d)(1) of this section.

Explanation: This section provides for the involuntary retirement of employees by the Director in order to promote the efficiency of the Agency. The comparable provisions of the FSA relate to "selection-out" of officers who fail of promotion or who do not meet required standards of performance.

Retirement benefits provided for employees in GS-14 and above are the same as those provided for Foreign Service Officers in Classes 1, 2, and 3 except that more stringent service requirements have been established for this system. In order to be retired with an immediate annuity, an employee in GS-14 and above must have at least ten years of service with the Agency which includes at least five years of service of a nature qualifying him for coverage under this system. Employees in GS-14 and above who do not meet these service requirements will receive the benefits provided for employees in GS-13. The retirement benefits provided for employees in GS-13 and below are the same as those provided for Foreign Service Officers in Class 4 and below. The linkage levels established in the Federal Salary Reform Act of 1962 (Public Law 87-793) to provide comparability for pay purposes have been used to relate Foreign Service classes to the Agency's General Schedule grades.

Comparable sections of FSA are as follows:

<u>CIA System</u>	<u>Foreign Service System</u>
Sec. 234(a) (Refund of contributions)	Sec. 834(a) and 637(b)
Sec. 234(b) (Disposition of contributions upon death prior to receipt of deferred annuity)	Sec. 834(b)
Sec. 234(c) (Involuntary retirement-- employees in grades GS-14 and above)	Sec. 519, 633(b), and 634(a)
Sec. 234(d) (Involuntary retirement-- employees in grades GS-13 and below)	Sec. 633(b) and 634(b)
Sec. 234(e) (Assignment of benefits)	Sec. 634(c)

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Mandatory Retirement for Age

Sec. 235. (a) Any participant in the system in grade GS-18 or above shall upon reaching the age of sixty-five be retired from the Agency and receive retirement benefits in accordance with the provisions of section 221, but whenever the Director shall determine it to be in the public interest, he may extend such a participant's service for a period not to exceed five years.

(b) Any participant in the system, other than in grade GS-18 or above, shall upon reaching the age of sixty be retired from the Agency and receive retirement benefits in accordance with the provisions of section 221, but whenever the Director shall determine it to be in the public interest, he may extend such a participant's service for a period not to exceed five years.

Explanation: This section provides for the mandatory retirement of employees in GS-18 or above upon reaching age 65 and of other employees upon reaching age 60. As in the preceding section, conversion to Agency grades was achieved by application of the linkage levels established in the Federal Salary Reform Act of 1962. (Sections 631 and 632, FSA)

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PART E - DISPOSITION OF CONTRIBUTIONS AND
INTEREST IN EXCESS OF BENEFITS RECEIVED

Sec. 241. (a) Whenever a participant becomes separated from the Agency without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 281, shall be returned to him.

(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 281, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

(1) To the beneficiary or beneficiaries designated by such participant in writing to the Director;

(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

(4) If none of the above, to the parents of such participant or the survivor of them;

(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

(6) If none of the above, to other next of kin of such participant as may be determined by the Director in his judgment to be legally entitled thereto.

(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

Explanation: This section provides for the refund of contributions, plus interest at 4 per cent to an employee who is separated without attaining eligibility for an immediate or deferred annuity.

The section further provides for the disposition of contributions, plus interest at 4 per cent, which are in excess of the amounts paid to a participant or to an annuitant claiming through him. If at the time annuity payments cease, the accumulated annuities paid to the participant or to an annuitant claiming through him, or both, are less than the total amount of the contributions of the participant, plus interest at 4 per cent, the excess of such contributions and interest is payable to a surviving spouse, children, parents, or estate of a deceased participant or to his named beneficiary in the same order of precedence as has been established under the Foreign Service and the Civil Service retirement systems. (Section 841, FSA)

PART F - PERIOD OF SERVICE FOR ANNUITIES

Computation of Length of Service

Sec. 251. For the purpose of this title, the period of service of a participant shall be computed from the date he becomes a participant under the provisions of this Act, but all periods of separation from the Agency and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U. S. C. 751 et. seq.) and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Explanation: This section provides that the period of service of a participant under this system shall begin as of the date he becomes a participant but excludes periods of separation from the Agency or leaves of absence in excess of six months except when such leave is during a period when the participant is receiving benefits under the Federal Employees' Compensation Act (for illness or injury incurred in the performance of duty) or when such leave is for military service. (Section 851, FSA)

Sec. 252. (a) A participant may, subject to the provisions of this section, include in his period of service--

(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

(2) active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

(b) A participant may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought prior to November 8, 1960, and at 6 1/2 per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such participant may, under such conditions as may be determined in each instance by the Director, pay such special contributions in installments.

(c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

(2) No participant, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c)(1) of this section shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 211 of this Act for contributions to the fund.

(3) No officer or employee, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the fund in accordance with the provisions of paragraph (b) of this section.

(d) No participant may obtain prior civilian service credit toward retirement under the system for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Director prior to retirement or separation from the Agency. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section.

Explanation: This section provides for credit under the retirement system of previous civilian and military service and for the transfer of an individual's contributions from other Government retirement systems to the Central Intelligence Agency Retirement and Disability Fund. Generally, these provisions are comparable to those under the civil service retirement system. (Section 852, FSA)

Credit for Service While on Military Leave

Sec. 253. Contributions shall not be required covering periods of leave of absence from the Agency granted a participant while performing active military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Explanation: This section waives any requirement for contributions to the fund during leave of absence for military or naval service. (Section 854, FSA)

Estimate of Appropriations Needed

Sec. 261. The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

Explanation: This section provides for estimates of annual appropriations required to be made to the fund and for actuarial valuation of the fund at least every five years. It is identical with section 861, FSA, except that there has been deleted the authorization to expend money for administering the program from the fund since funds required for such purposes would be provided by annual appropriations.

Investment of Moneys in the Fund

Sec. 262. The Director may, with the approval of the Secretary of the Treasury, invest from time to time in interest-bearing securities of the United States such portions of the fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such fund.

Explanation: This section provides necessary authority for the Director to invest funds which are not immediately required and to deposit the income produced by such investment to the fund. (Section 863, FSA)

Attachment of Moneys

Sec. 263. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 234(e).

Explanation: This section provides necessary protection to moneys in the fund to preserve them for the payment of annuities, cash benefits, refunds, and allowances as provided under the proposed retirement system. (Section 864, FSA)

PART H - RETIRED PARTICIPANTS RECALLED, REINSTATED
OR REAPPOINTED IN THE AGENCY OR REEMPLOYED IN THE
GOVERNMENT

Recall

Sec. 271. (a) The Director may recall any retired participant to duty in the Agency whenever he shall determine such recall is in the public interest.

(b) Any such participant recalled to duty in the Agency in accordance with the provisions of paragraph (a) of this section or reinstated or reappointed in accordance with the provisions of section 231(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the grade in which he is serving. During such service, he shall make contributions to the fund in accordance with the provisions of section 211. When he reverts to his retired status, his annuity shall be determined anew in accordance with the provisions of section 221.

Explanation: This section provides for the recall to active service of an annuitant when necessary in the public interest. It further provides that such a recalled annuitant shall be entitled to the full salary of the grade in which he serves upon recall and for recomputation of his annuity upon completion of such service. (Sections 520(b) and 871, FSA)

Reemployment

Sec. 272. Notwithstanding any other provision of law, a participant retired under the provisions of this Act shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

Explanation: This section authorizes the reemployment in Government of an employee retired under the Agency system. This authority is similar to that applicable to civil service retirees and is comparable to section 520 (c) FSA.

Reemployment Compensation

Sec. 273. (a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act which when combined with such salary does not exceed during any calendar year the basic salary such annuitant was entitled to receive on the date of his retirement from the Agency. Any such reemployed annuitant who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

(b) When any such retired annuitant is reemployed, the employer shall send a notice to the Agency of such reemployment together with all pertinent information relating thereto, and shall pay directly to such annuitant the salary of the position in which he is serving.

(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed annuitant, or from any other moneys, including his annuity, payable in accordance with the provisions of this title.

Explanation: This section provides that an annuitant who is reemployed in the federal service in an appointive position is entitled to retain the salary of his position plus his annuity up to a combined amount which does not exceed the basic salary of the grade which he held upon retirement. In the event of an overpayment, the amount of such overpayment may be withheld from either the salary or the annuity payable to the reemployed annuitant. (Section 872, FSA)

Sec. 281. (a) Any participant may, at his option and under such regulations as may be prescribed by the Director, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be--

(1) returned to him in lump sum; or

(2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Director by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Director by the participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in subparagraph (3) above.

(b) The benefits provided by subparagraphs (2), (3), or (4) of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by subparagraph (a)(1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Director.

(c) In case a participant shall become separated from the Agency for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 per centum per annum, compounded as is provided in paragraph (a) of this section, made by him under the provisions of said paragraph (a) shall be refunded in the manner provided in section 241 for the return of contributions and interest in the case of death or separation from the Agency.

(d) Any benefits payable to a participant or to his beneficiary in respect to the additional deposits provided under this section shall be in addition to the benefits otherwise provided under this title.

Explanation: This section provides for an employee to make voluntary contributions to the fund if he wishes to do so in order to increase the annuity to be paid to him or to a survivor upon his retirement or death. Similar provision is contained in both the Foreign Service and the civil service retirement systems. (Section 881, FSA)

TITLE III - INTERNAL REVENUE CODE AMENDMENT

Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954, as amended, (26 U. S. C. 104(a)(4)) (relating to the exclusion from gross income of compensation for injuries and sickness) is hereby amended to read as follows:

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1081, 60 Stat. 1021), or as a disability annuity payable under the provisions of section 231 of the Central Intelligence Agency Retirement Act of 1963. "

Explanation: This section amends paragraph 4 of section 104(a) of the Internal Revenue Code of 1954 to exempt disability annuities under Title II of this Act from Federal income tax. This is the same exemption already accorded similar annuities for participants under the Foreign Service Disability and Retirement System and for members of the uniformed services. (This section was favorably reviewed by the Department of Treasury in processing within the Executive Branch.)

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THE FOREIGN SERVICE ACT OF 1946, AS AMENDED

TITLE VI - PERSONNEL ADMINISTRATION

PART D. SEPARATION OF OFFICERS AND EMPLOYEES FROM THE SERVICE

Foreign Service Officers who are Career Ambassadors or Career Ministers

Sec. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years.

Participants in the Foreign Service Retirement and Disability System who are not Career Ambassadors or Career Ministers

Sec. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such participant's service for a period not to exceed five years.

Selection-Out

Sec. 633. (a) The Secretary shall prescribe regulations concerning--

(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

(2) the standard of performance which any such officer must maintain to remain in the Service.

(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

Selection-Out Benefits

Sec. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

(b) Any Foreign Service officer in classes 4, 5, 6 or 7 who is retired from the Service in accordance with the provisions of section 633 shall receive--

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Foreign Service Retirement and Disability Fund, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following: Provided, That in special cases, the Secretary may in his discretion accelerate or combine the installments; and

(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b).

(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U.S.C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b)(1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

Foreign Service Officers Retired from Class 7 or 8

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

Voluntary Retirement

Sec. 636. Any participant in the Foreign Service Retirement and Disability System who is at least fifty years of age and has rendered twenty years of service, including service within the meaning of section 853, may on his own application and with the consent of the Secretary be retired from the Service and receive benefits in accordance with the provisions of section 821.

Separation for Cause

Sec. 637. (a) The Secretary may, under such regulations as he may prescribe, separate from the Service any Foreign Service officer, Reserve officer, or staff officer or employee, on account of the unsatisfactory performance of his duties, or for such other cause as will promote the efficiency of the Service, with reasons given in writing, but no such officer or employee shall be so separated until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties, or other cause for separation, shall have been established at such hearing, unless he shall have waived in writing his right to a hearing. The provisions of this section shall not apply to Foreign Service officers of class 8 or any other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary, except when separation is by reason of misconduct.

(b) Any participant in the Foreign Service Retirement and Disability System separated under the provisions of paragraph (a) of this section shall receive a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest, as provided in section 841(a) except that in lieu of such refund such officer may (except in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States) if he has at least five years of service credit toward retirement under this System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852 (a), elect to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821 commencing at the age of sixty years. In the event that an officer who has elected under the provisions of this section to receive a deferred annuity dies before reaching the age of sixty, his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

(c) Any officer or employee of the Service separated under the provisions of paragraph (a) of this section who is not a participant in the Foreign Service Retirement and Disability System shall be entitled only to such benefits as shall accrue to him under the retirement system in which he is a participant.

(d) Any payments made in accordance with the provisions of paragraph (b) of this section shall be made out of the Foreign Service Retirement and Disability Fund.

Termination of Limited Appointments of Foreign Service Reserve Officers and Staff Officers and Employees

Sec. 638. Notwithstanding the provisions of this or any other law, the Secretary may, under such regulations as he may prescribe, terminate at any time the services of any Reserve officer or staff officer or employee serving under limited appointment, except that, if the termination is because of misconduct, the provisions of section 637 shall be applicable.

TITLE VIII -- THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

PART A. ESTABLISHMENT OF SYSTEM

Rules and Regulations

Sec. 801. (a) The President may prescribe rules and regulations for the maintenance of a Foreign Service Retirement and Disability System, originally established by section 18 of the Act of May 24, 1924 (43 Stat. 144), referred to hereafter as the System.

(b) The Secretary shall administer the System in accordance with such rules and regulations and with the principles established by this Act.

Maintenance of Funds

Sec. 802. The Secretary of the Treasury shall maintain the special fund, known as the Foreign Service Retirement and Disability Fund, referred to hereafter as the Fund, originally constituted by section 18 of the Act of May 24, 1924 (43 Stat. 144).

Participants

Sec. 803. (a) The following persons, hereafter referred to as participants, shall be entitled to the benefits of the System:

(1) All Foreign Service officers;

(2) All other persons making contributions to the Fund on the effective date of this Act;

(3) Any chief of mission who is not otherwise entitled to be a participant and who fulfills the conditions of paragraph (b) of this section;

(b) A person to become a participant in accordance with the provisions of paragraphs (a)(3) of this section must --

(1) have served as chief of mission for an aggregate period of twenty years or more, exclusive of extra service credit in accordance with the provisions of section 853; and

(2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b).

(c) (1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of

military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

(2) Any such officer or employee who, under the provisions of paragraph (c)(1) of this section, becomes a participant in the System, shall be mandatorily retired for age during the first year after the effective date of this paragraph if he attains age sixty-four or if he is over age sixty-four; during the second year at age sixty-three; during the third year at age sixty-two; during the fourth year at age sixty-one, and thereafter at age sixty.

(3) Any officer or employee who becomes a participant in the System under the provisions of paragraph (c)(1) of this section who is age 57 or over on the effective date of this paragraph, may retire voluntarily at any time before mandatory retirement under paragraph (c)(2) of this section and receive retirement benefits under section 821.

Annuitants

Sec. 804. (a) Annuitants shall be persons who are receiving annuities from the Fund and all persons, including surviving wives and husbands, widows, dependent widowers, children and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).

(b) When used in this title the term --

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the participant.

PART B. COMPULSORY CONTRIBUTIONS

Sec. 811 (a) Six and one-half percentum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquaintance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

PART C. COMPUTATION OF ANNUITIES

Sec. 821. (a) The annuity of a participant shall be equal to 2 percentum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 percentum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by $2\frac{1}{2}$ percentum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 percentum of any amount over \$2,400 so specified.

(c) (1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf

of each child an annuity equal to the smallest of: (i) 40 percentum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 percentum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

(f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and to provide for an annuity equal to 50 percentum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 percentum of an annuity computed as provided in paragraph (a) of this section and by 5 percentum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 percentum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

PART D. BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

Retirement for Disability or Incapacity - Physical Examination - Recovery

Sec. 831. (a) Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852 (a) (2), and who becomes totally disabled or incapacitated for useful and

efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.

(b) In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be determined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined. Upon application the Secretary shall reinstate any such recovered disability annuitant in the class in which he was serving at time of retirement, or the Secretary may, taking into consideration the age, qualifications, and experience of such annuitant, and the present class of his contemporaries in the Service, appoint him or, in the case of an annuitant who is a former Foreign Service officer, recommend that the President appoint him, by and with the advice and consent of the Senate, to a class higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Service, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses occurred in order to submit to examination, shall be paid out of the Fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

(c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 636 if he can qualify under its provisions.

(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

Death in Service

Sec. 832. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

(b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 804, such widow or dependent widower shall be entitled to an annuity equal to 50 percentum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

(c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

(d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852 (a)(2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death.

Retirement of Persons Who are Participants Under Section 803(A)(3)

Sec. 833. (a) Any person who is a participant, has at least twenty years of service to his credit, and has reached the age of fifty years, but is not a Foreign Service officer at the time he is retired in accordance with the provisions of law governing retirement in the position that he occupies, shall be entitled to an annuity computed as prescribed in section 821.

(b) Any person who is a participant in accordance with the provisions of section 803(a)(3) shall be entitled to voluntary retirement to the same extent and subject to the same conditions as a Foreign Service officer.

Discontinued Service Retirement

Sec. 834. (a) Any participant who voluntarily separates from the Service after obtaining at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821, commencing at the age of sixty years.

(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

PART E. DISPOSITION OF CONTRIBUTIONS AND INTEREST IN EXCESS OF
BENEFITS RECEIVED

Sec. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 percentum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.

(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 percentum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

(4) If none of the above, to the parents of such participant or the survivor of them;

(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

PART F. PERIOD OF SERVICE FOR ANNUITIES

Computation of Length of Service

Sec. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Prior Service Credit

Sec. 852. (a) A participant may, subject to the provisions of this section, include in his period of service --

(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

(2) active and honorable military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

(b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 percentum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the

Foreign Service Act Amendments of 1960, and at $6\frac{1}{2}$ percentum thereafter with interest compounded annually at 4 percentum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.

(c) (1) If an officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July 1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section.

(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or separation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or

caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section.

Extra Service Credit for Service at Unhealthful Posts

Sec. 853. The President may from time to time establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts inclusive of regular leaves of absence, of participants thereafter retired, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such service, but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 443, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955.

Credit for Service While on Military Leave

Sec. 854. Contributions shall not be required covering periods of leave of absence from the Service granted a participant while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

Recomputation of Annuities of Certain Former Participants

Sec. 855. The annuity of each former participant under the System, who retired prior to July 28, 1956, and who at the time of his retirement had creditable service in excess of thirty years, shall be recomputed on the basis of actual years of creditable service not in excess of thirty-five years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this section shall operate to reduce the rate of the annuity any such person is entitled to receive under the System.

PART G. MONEYS

Estimate of Appropriations Needed

Sec. 861. The Secretary of the Treasury shall prepare the estimates of the annual appropriations required to be made to the Fund, and shall make actuarial valuations of such funds at intervals of five years, or

oftener if deemed necessary by him. The Secretary of State may expend from money to the credit of the Fund an amount not exceeding \$5,000 per annum for the incidental expenses necessary in administering the provisions of this title, including actuarial advice.

Annual Report to Congress

Sec. 862. The Secretary shall submit annually to the President and to the Congress a comparative report showing the condition of the Fund and estimates of appropriations necessary to continue this title in full force.

Investment of Moneys in the Fund

Sec. 863. The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States such portions of the Fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such Fund.

Attachment of Moneys

Sec. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634(c).

PART H. ANNUITANTS RECALLED, REINSTATED OR REAPPOINTED IN
THE SERVICE OR REEMPLOYED IN THE GOVERNMENT

Recall

Sec. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or reappointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. When he reverts to his retired status, his annuity shall be determined anew in accordance with the provisions of section 821.

Reemployment

Sec. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive under sections 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such

reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such officer or employee the salary of the position in which he is serving.

(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title.

PART I. VOLUNTARY CONTRIBUTIONS

Sec. 881. (a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 percentum of his basic salary, but not in excess of 10 percentum of such salary, which amounts together with interest at 3 percentum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be --

(1) returned to him in a lump sum; or

(2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Secretary by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Secretary by the participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in paragraph 3.

(b) The benefits provided by subparagraphs 2, 3, or 4 of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by paragraph (a)(1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Secretary of the Treasury.

(c) In case a participant shall become separated from the Service for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 percentum per annum, compounded as is provided in paragraph (a) of this section, made by him under the provisions of this paragraph shall be refunded in the manner provided in section 841 for the return of contributions and interest in the case of death or separation from the Service.

(d) Any benefits payable to an officer or to his beneficiary in respect to the additional deposits provided under this paragraph shall be in addition to the benefits otherwise provided under this title.

TITLE V. APPOINTMENTS AND ASSIGNMENTS

PART B. FOREIGN SERVICE OFFICERS

Reassignment to Foreign Service of Former Ambassadors and Ministers

Sec. 519. If, within three months of the date of the termination of his services as chief of mission and of any period of authorized leave, a Foreign Service officer has not again been appointed or assigned as chief of mission or assigned in accordance with the provisions of section 514, he shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

Reappointment, Recall, or Reemployment of Foreign Service Officers

Sec. 520. (b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest.

(c) Notwithstanding the provisions of title 5, United States Code, section 62, and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

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Note -- This statute is cited as 63 Stat. 208, 50 U. S. C. 403 (a) (1949), or P. L. 81-110 (1949).

AN ACT

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

Section 1. That when used in this Act, the term --

- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelligence;
- (c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government.

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SEAL OF OFFICE

Section 2. The Director of Central Intelligence shall cause a seal of office to be made for the Central Intelligence Agency, of such design as the President shall approve, and judicial notice shall be taken thereof.

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PROCUREMENT AUTHORITIES

Section 3. (a) In the performance of its functions the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c)(1), (2), (3), (4), (5), (6), (10), (12), (15), (17), and sections 3, 4, 5, 6, and 10 of the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress, second session).

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(b) In the exercise of the authorities granted in subsection (a) of this section, the term "Agency head" shall mean the Director, the Deputy Director, or the Executive of the Agency.

(c) The determinations and decisions provided in subsection (a) of this section to be made by the Agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (d) of this section, the Agency head is authorized to delegate his powers provided in this section, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the Agency.

(d) The power of the Agency head to make the determinations or decisions specified in paragraph (12) and (15) of section 2(c) and section 5(a) of the Armed Services Procurement Act of 1947 shall not be delegable. Each determination or decision required by paragraphs (12) and (15) of section 2(c), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making such determinations, which findings shall be final and shall be available within the Agency for a period of at least six years following the date of the determination.

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

Section 4. Formerly Section 57 Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, shall --

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(1) (A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;

(B) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(C) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the

new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

(F) pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(2) Charge expenses in connection with travel of personnel, their dependents, and transportation of their household goods and personal effects, involving a change of permanent station, to the appropriation for the fiscal year current when any part of either the travel or transportation pertaining to the transfer begins pursuant to previously issued travel and transfer orders, notwithstanding the fact that such travel or transportation may not all be effected during such fiscal year, or the travel and transfer orders may have been issued during the prior fiscal year.

(3) (A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter.

(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave.

(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation.

(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph.

(5) (A) In the event of illness or injury requiring the hospitalization of an officer or full time employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;

(B) Establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station: Provided, That, in his opinion, it is not feasible to utilize an existing facility;

(C) In the event of illness or injury requiring hospitalization of an officer or full time employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic;

(D) Provide for the periodic physical examination of officers and employees of the Agency and for the cost of administering inoculations or vaccinations to such officers or employees.

(6) Pay the cost of preparing and transporting the remains of an officer or employee of the Agency or a member of his family who may die while in travel status or abroad, to his home or official station, or to such other place as the Director may determine to be the appropriate place of interment, provided that in no case shall the expense payable be greater than the amount which would have been payable had the destination been the home or official station.

(7) Pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant; Provided, That such appointees agree in writing to remain with the United States Government for a period of not less than twelve months from the time of appointment.

Violation of such agreement for personal convenience of an employee or because of separation for misconduct will bar such return payments and, if determined by the Director or his designee to be in the best interests of the United States, any money expended by the United States on account of such travel and transportation shall be considered as a debt due by the individual concerned to the United States.

GENERAL AUTHORITIES

Section 5. Formerly Section 6 In the performance of its functions, the Central Intelligence Agency is authorized to --

(a) Transfer to and receive from other Government agencies such sums as may be approved by the Bureau of the Budget, for the performance of any of the functions or activities authorized under sections 102 and 303 of the National Security Act of 1947 (Public Law 253, Eightieth Congress), and any other Government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfer between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred;

(b) Exchange funds without regard to section 3651 Revised Statutes (31 U.S.C. 543);

(c) Reimburse other Government agencies for services of personnel assigned to the Agency, and such other Government agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

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(d) Authorize couriers and guards designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(e) Make alterations, improvements, and repairs on premises rented by the Agency, and pay rent therefor without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended: Provided, That in each case the Director shall certify that exception from such limitations is necessary to the successful performance of the Agency's functions or to the security of its activities.

(f)(1) Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C.A. 62), or any other law prohibiting the employment of any retired commissioned or warrant officer of the armed services, the Agency is hereby authorized to employ and to pay the compensation of not more than fifteen retired officers or warrant officers of the armed services while performing service for the Agency, but while so serving such retired officer or warrant officer will be entitled to receive only the compensation of his position with the Agency, or his retired pay, whichever he may elect.

(2) Nothing in this section shall limit or affect the appointment of and payment of compensation to retired officers or warrant officers not presently or hereafter prohibited by law.

Section 6. Formerly Section 77 In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947 (Public Law 253, Eightieth Congress, first session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of sections 1 and 2, chapter 795 of the Act of August 28, 1935 (49 Stat. 956, 957; 5 U.S.C. 654), and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency: Provided, That in furtherance of this section, the Director of the Bureau of the Budget shall make no reports to the Congress in connection with the Agency under section 607, Title VI, chapter 212 of the Act of June 30, 1945, as amended (5 U.S.C. 947(b)).

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Section 7. Formerly Section 87 Whenever the Director, the Attorney General, and the Commissioner of Immigration shall determine that the entry of a particular alien into the United States for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission, such alien and his immediate family shall be given entry into the United States for permanent residence without regard to their inadmissibility

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under the immigration or any other laws and regulations, or to the failure to comply with such laws and regulations pertaining to admissibility: Provided, That the number of aliens and numbers of their immediate families entering the United States under the authority of this section shall in no case exceed one hundred persons in any one fiscal year.

APPROPRIATIONS

Section 8. Formerly Section 107 (a) Notwithstanding any other provisions of law, sums made available to the Agency by appropriation or otherwise may be expended for purposes necessary to carry out its functions, including --

(1) personal services, including personal services without regard to limitations on types of persons to be employed, and rent at the seat of government and elsewhere; health-service programs as authorized by law (5 U.S.C. 150); rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices, including telegraph and teletype equipment; purchase, maintenance, operation, repair, and hire of passenger motor vehicles, and aircraft, and vessels of all kinds; subject to policies established by the Director, transportation of officers and employees of the Agency in Government-owned automotive equipment between their domiciles and places of employment, where such personnel are engaged in work which makes such transportation necessary, and the transportation in such equipment, to and from school, of children of Agency personnel who have quarters for themselves and their families at isolated stations outside the continental United States where adequate public or private transportation is not available; printing and binding; purchase, maintenance, and cleaning of firearms, including purchase, storage, and maintenance of ammunition; subject to policies established by the Director, expenses of travel in connection with, and expenses incident to attendance at meetings of professional, technical, scientific, and other similar organizations when such attendance would be a benefit in the conduct of the work of the Agency; association and library dues; payment of premiums or costs of surety bonds for officers or employees without regard to the provisions of 61 Stat. 646; 6 U.S.C. 14; payment of claims pursuant to 28 U.S.C.; acquisition of necessary land and the clearing of such land; construction of buildings and facilities without regard to 36 Stat. 699; 40 U.S.C. 259, 267; repair, rental, operation, and maintenance of buildings, utilities, facilities, and appurtenances; and

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(2) supplies, equipment, and personnel and contractual services otherwise authorized by law and regulations, when approved by the Director.

(b) The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential,

extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

Section 9. Formerly Section 11 If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act of the application of such provision or persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

Section 10. Formerly Section 12 This Act may be cited as the "Central Intelligence Agency Act of 1949."

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CROSS-REFERENCE INDEX

PROPOSED CENTRAL INTELLIGENCE AGENCY, FOREIGN SERVICE, AND CIVIL SERVICE RETIREMENT SYSTEMS

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<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
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Annuity to surviving spouse and child(ren)	Sec. 232(c)	Sec. 832(c)	Sec. 10(d)
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<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
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Option of refund of contributions or deferred annuity if separated with 5 years service but no entitlement to immediate annuity	Sec. 234(a)	Sec. 834(a)	Sec. 8(a)
Disposition of contributions of separated employee who dies before eligible for payment of deferred annuity	Sec. 234(b)	Sec. 834(b)	Sec. 11(d)
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Right of employee to assign separation compensation	Sec. 234(e)	Sec. 634(c)	-
Mandatory Retirement for Age			
GS-18 and above	Sec. 235(a)	Sec. 631	Sec. 5(a) thru (d)
Below GS-18	Sec. 235(b)	Sec. 632; Sec. 803(c)(3)	Sec. 5(a) thru (d)
Disposition of Contributions and Interest in Excess of Benefits Received			
Refund of contributions if separated without annuity entitlement	Sec. 241(a)	Sec. 841(a)	Sec. 1(1) & 11(a)
Disposition of excess of contributions over annuity payments to employee or survivor	Sec. 241(b)	Sec. 841(b)	Sec. 11(c), (e), & (f)
Deferment of payment of excess contributions to next-of-kin other than surviving spouse, parent, or child	Sec. 241(c)	Sec. 841(c)	-
Period of Service for Annuities			
Computation of period of service; exclusion of specified types of leave	Sec. 251	Sec. 851	Sec. 3(a), (c), (d), (e), (f), & (g)

<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
Prior Service Credit			
General provision for credit of prior military or civilian service	Sec. 252(a)	Sec. 852(a)	Sec. 3(a) & (j); Sec. 4(c) & (d)
Contribution to fund for prior civilian service credit	Sec. 252(b)	Sec. 852(a)	Sec. 4(c), (e), & (g)
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Special contribution for credit for service for which refund received	Sec. 252(c)(3)	Sec. 852(c)(3)	Sec. 4(d)
Exclusion of prior civilian service establishing annuity entitlement under other Government retirement system	Sec. 252(d)	Sec. 852(d)	Sec. 2(b), 3(j), 4(e)&(d) related. Also, Sec. 115, Social Security Act Amendments of 1954
Credit for prior military or naval service	Sec. 252(e)	Sec. 852(e)	Sec. 1(r); Sec. 3(b)
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Moneys			
Estimate of Appropriations Needed	Sec. 261	Sec. 861	Sec. 16(f)&(g); Sec. 17(e)
Investment of Moneys in the Fund	Sec. 262	Sec. 863	Sec. 17 (a), (b), (c), & (d)
Attachment of Moneys	Sec. 263	Sec. 864	Sec. 15 (a) & (b)
Recall of Annuitant to Agency Duty: compensation; recomputation of annuity	Sec. 271	Sec. 520(b) & 871	Sec. 13(b)
Reemployment of annuitant in federal service; compensation; recovery of overpayments	Sec. 272	Sec. 872	Sec. 13(b)
Reemployment of annuitant in federal service not prohibited but such annuitant serves at will of appointing officer	Sec. 273	Sec. 520(c)	Sec. 13(a)
Voluntary Contributions to Fund	Sec. 281(a) thru (d)	Sec. 881(a) thru (d)	Sec. 12(a) thru (e)
Income tax exclusion of disability annuity			
	Title III	Sec. 104(a)(4) of	-

COMPARISON OF TEXTS OF PROPOSED CENTRAL INTELLIGENCE AGENCY RETIREMENT
ACT AND PERTINENT PROVISIONS OF THE FOREIGN SERVICE ACT AND THE CIVIL SERVICE RETIREMENT ACT

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

TITLE I - SHORT TITLE AND DEFINITIONS
Part A - SHORT TITLE

Sec. 101. Titles I to III inclusive of this Act may be cited as the "Central Intelligence Agency Retirement Act of 1963".

Sec. 101. Titles I to X, inclusive, of this Act may be cited as the "Foreign Service Act of 1946".

Sec. 19. This Act may be cited as the "Civil Service Retirement Act".

Part B - DEFINITIONS

Sec. 111. When used in this Act, the term--

- (1) "Agency" means the Central Intelligence Agency; and
- (2) "Director" means the Director of Central Intelligence or the Deputy Director of Central Intelligence.

(Provisions not comparable)

(Provisions not comparable)

TITLE II - THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

TITLE VIII - THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

(Not comparable)

Part A - ESTABLISHMENT OF SYSTEM

Rules and Regulations

Sec. 201. (a) The Director may prescribe rules and regulations for the establishment of a Central Intelligence Agency Retirement and Disability System for a limited number of employees, referred to hereafter as the system.

Sec. 801.(a) The President may prescribe rules and regulations for the maintenance of a Foreign Service Retirement and Disability System, originally established by section 18 of the Act of May 24, 1924 (43 Stat.144), referred to hereafter as the System.

Sec. 16.(a) This Act shall be administered by the Commission. Except as otherwise specifically provided herein, the Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

Proposed CIA Retirement Act

Sec. 201. (b) The Director shall administer the system in accordance with such rules and regulations and with the principles established by this Act.

(c) In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947, as amended, (50 U.S.C. 403(d)(3)) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, and notwithstanding the provisions of the Administrative Procedure Act (5 U.S.C. 1001 et seq.) or any other provisions of law, any determinations by the Director authorized by the provisions of this title shall be deemed to be final and conclusive and not subject to review by any court.

Foreign Service Act

Sec. 801. (b) The Secretary shall administer the System in accordance with such rules and regulations and with the principles established by this Act.

(No comparable provision in the Foreign Service Act.)

Civil Service Retirement Act

Sec. 16. (a) (See immediately above.)

(b) Applications under this Act shall be in such form as the Commission shall prescribe, and shall be supported by such certificates from departments or agencies as the Commission may deem necessary to the determination of the rights of applicants. The Commission shall adjudicate all claims under this Act.

(c) Questions of dependency and disability arising under this Act shall be determined by the Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the disability or dependency of any person receiving or applying for annuity under this Act, and may suspend or deny any such annuity for failure to submit to any such examination.

(d) An appeal to the Commission shall lie from any administrative action or order affecting the rights or interests of any person or of the United States under this Act, the procedure on appeal to be prescribed by the Commission.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Establishment and Maintenance of Fund

Sec. 202. There is hereby created a fund to be known as the Central Intelligence Agency Retirement and Disability Fund which shall be maintained by the Director. The Central Intelligence Agency Retirement and Disability Fund is referred to hereafter in this title as the fund.

Sec. 802. The Secretary of the Treasury shall maintain the special fund, known as the Foreign Service Retirement and Disability Fund, referred to hereafter as the Fund, originally constituted by section 18 of the Act of May 24, 1924 (43 Stat. 144).

Sec. 1. (f) The term "fund" shall mean the civil service retirement and disability fund created by the Act of May 22, 1920.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Participants

Sec. 203. The Director may designate from time to time such Agency officers and employees, hereafter referred to as participants, who shall be entitled to the benefits of the system. Any participant who has completed fifteen years of service with the Agency and whose career at that time is adjudged by the Director to be qualifying for the system may elect to remain a participant of such system for the duration of his employment by the Agency.

Sec. 803.(a)The following persons, hereafter referred to as participants, shall be entitled to the benefits of the System:

- (1) All Foreign Service officers;
- (2) All other persons making contributions to the Fund on the effective date of this Act;
- (3) Any chief of mission who is not otherwise entitled to be a participant and who fulfills the conditions of paragraph (b) of this section;

(b) A person to become a participant in accordance with the provisions of paragraphs (a)(3) of this section must-

- (1) have served as chief of mission for an aggregate period of twenty years or more, exclusive of extra service credit in accordance with the provisions of section 853; and
- (2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b).

(c)(1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

Sec. 803(c)(2) & (3) relate to the retirement of participants under section 803(c)(1).⁷

Sec. 2. (a) This Act shall apply to each employee and Member, except as hereinafter provided.

Sec. 1(a). The term "employee" shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this Act applies.

(b) The term "Member" shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a Member to whom this Act applies.

(c) --Defines "congressional employee".⁷

(b) This Act shall not apply to the President, to any judge of the United States as defined under section 451 of title 28 of the United States Code, or to any employee of the Government subject to another retirement system for Government employees. (Underlining supplied)

Sec. 2(d) and (e) concern Members and congressional employees. Section 2(e) authorizes exclusion of temporary or intermittent employees. Section 2(f) excludes specified categories of temporary or intermittent employees. Section 2(g) applies to Civil Service Commissioners. Section 2(h) applies to specified persons who are employed by county committees under the Soil Conservation and Domestic Allotment Act.⁷

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Annuitants

Sec. 204. (a) Annuitants shall be participants who are receiving annuities from the fund and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act.

Sec. 804. (a) Annuitants shall be persons who are receiving annuities from the Fund and all persons, including surviving wives and husbands, widows, dependent widowers, children and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).

Sec. 1. (n) The term "annuitant" shall mean any former employee or Member who, on the basis of his service, has met all requirements of the Act for title to annuity and has filed claim therefor.

(e) The term "survivor" shall mean a person who is entitled to annuity under this Act based on the service of a deceased employee or Member or of a deceased annuitant.

(p) The term "survivor annuitant" shall mean a survivor who has filed claim for annuity.

Sec. 1. (h) The term "widow", for purposes of section 10, shall mean the surviving wife of an employee or Member who was married to such individual for at least two years immediately preceding his death or is the mother of issue by such marriage.

(i) The term "widower", for purposes of section 10, shall mean the surviving husband of an employee or Member who was married to such employee or Member for at least two years immediately preceding her death or is the father of issue by such marriage. The term "dependent widower", for purposes of section 10, shall mean a "widower" who is incapable of self-support by reason of mental or physical disability, and who received more than one-half his support from such employee or Member.

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or who is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or who is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

Proposed CIA Retirement Act

Sec. 20h. (b) (cont'd)

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who, because of physical or mental disability incurred before age eighteen, is incapable of self-support. In addition to the offspring of the participant and his or her spouse, the term includes (i) an adopted child, and (ii) a stepchild or recognized natural child who received more than one-half of his support from the participant.

Foreign Service Act

Sec. 80h. (b) (cont'd)

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the the participant.

Civil Service Retirement Act

Sec. 1. (cont'd)

(j) The term "child", for purposes of section 10, shall mean an unmarried child, including (1) an adopted child, and (2) a stepchild or recognized natural child who received more than one-half his support from and lived with the Member or employee in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Part B - COMPULSORY CONTRIBUTIONS

Sec. 211. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Agency to the credit of the fund.

Sec. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

Sec. 1. (j)(cont'd)
bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.

Sec. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act amendments of 1956, there shall be deducted and withheld from each employee's basic salary an amount equal to $6\frac{1}{2}$ per centum of such basic salary and from each Member's basic salary an amount equal to $7\frac{1}{2}$ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of

(continued on page 8)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 211. (b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

Sec. 811. (b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance (sic) of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

Sec. 4. (a) (cont'd)
the fund. There shall also be credited all deposits made by employees or Members under this section. /Sec. 1(d). The term "basic salary" shall not include bonuses, allowances, overtime pay, military pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation: Provided, That for employees paid on a fee basis, the maximum amount of basic salary which may be used shall be \$10,000 per annum. --remainder of (d) defines "basic salary" for a Member.

(b) Each employee or Member shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

PART C - COMPUTATION OF ANNUITIES

Sec. 221. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 251 and 252. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

Sec. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

Sec. 1. (e) The term "average salary" shall mean the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, or at a Member's option over all periods of Member service subsequent to the date of enactment of the Legislative Reorganization Act of 1946 used in the computation of an annuity under this Act, a Member's or an employee's rates of basic salary in effect during such period, with each rate weighted by the time it was in effect. (Underscoring supplied.)

Sec. 9. (a) Except as otherwise provided in this section, the annuity of an employee retiring under this Act shall be (1) the larger of (A) $1\frac{1}{2}$ per centum of the average salary multiplied by so much of the total service as does not exceed five years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as does not exceed five years, plus (2) the larger of (A) $1\frac{3}{4}$ per centum of the average salary multiplied by so much of the total service as exceeds five years but does not exceed ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds five years but does not exceed ten years, plus (3) the larger

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 9(a) (cont'd)
of (A) 2 per centum of the average salary multiplied by so much of the total service as exceeds ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary: Provided further, That the annuity of an employee retiring under section 7 /disability retirement/ shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor.

/Section 9(b) deals with the annuity of a congressional employee. Section 9(c) deals with the annuity of a Member. Section 9(d) deals with the reduction in annuity of an employee retiring under age 60. Section 9(e) deals with the annuity of an employee retiring under section 6(c) which makes special provision for "FBI-type" employees.

(f) The annuity as hereinbefore provided shall be reduced by 10 per centum of any deposit described in section 4(c) remaining unpaid, unless the employee or Member shall elect to eliminate the service involved for the purposes of annuity computation.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 3. (f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation. (Underscoring supplied)

Proposed CIA Retirement Act

No comparable provision.

Foreign Service Act

No comparable provision.

Civil Service Retirement Act

Sec. 11. (h)(1) Any amounts deducted and withheld from the basic salary of an employee or Member from the first day of the first month which begins after he shall have performed sufficient service (exclusive of any service which the employee or Member elects to eliminate for purposes of annuity computation under section 9) to entitle him to the maximum annuity provided by section 9, together with interest on such amounts at the rate of 3 per centum per annum compounded annually from the date of such deductions to the date of retirement or death, shall be applied toward any deposit due under section 4, and any balance not so required shall be deemed to be a voluntary contribution for the purposes of section 12. (Under-scoring supplied.)

NOTE: COST-OF-LIVING ADJUSTMENT OF ANNUITIES

Section 18 of the Civil Service Retirement Act, quoted below, makes special provision for automatic cost-of living increases in annuities. In addition, under Part III of the Act of October 11, 1962, each annuity in effect as of 1 January 1963 was increased by 5 per centum. Part III of the Act of October 11, 1962 further provided for an increase of 4 per centum in each annuity (except any purchased by voluntary contributions) commencing between 2 January and 31 December 1963, of 3 per centum in annuities beginning during calendar year 1964, of 2 per centum in annuities beginning during calendar year 1965, and of 1 per centum in annuities beginning during calendar year 1966. There are no comparable provisions in either the Foreign Service Act or the Proposed CIA Retirement Act.

Sec. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a

commencing date earlier than January 2, 1963 shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

Sec. 1(t). The term "price index" shall mean the annual average over a calendar year of the Consumer Price Index (all items--United States city average) published monthly by the Bureau of Labor Statistics.⁷

Proposed CIA Retirement Act

Sec. 221. (b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by $2\frac{1}{2}$ per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

Foreign Service Act

Sec. 821. (b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by $2\frac{1}{2}$ per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

Civil Service Retirement Act

Sec. 10. (a)(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity.

(2) An annuity computed under this subsection shall commence on the day after the retired employee or member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death or remarriage.

Sec. 9. (g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7 /disability retirement/ for any married employee or Member retiring under this Act, or for any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by $2\frac{1}{2}$ per centum of so much thereof as does not exceed \$3,600 and by 10 per centum of so much thereof as

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 221. (c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

Sec. 821. (c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

Sec. 9(g) (cont'd)
exceeds \$3,600 unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).

Sec. 10. (d) If an employee or a Member dies after completing at least five years of civilian service, or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who received more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the

(cont'd on page 13)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 221. (d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

Sec. 821. (d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

Sec. 10(d)(cont'd)
month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

See Sec. 10(d) above beginning on page 12 at "The child's annuity shall commence on the day after the employee or Member dies" and continuing through "(3) his ceasing to be a student, or (4) his attaining age twenty-one" immediately above.

Proposed CIA Retirement Act

Sec. 221. (f) Any unmarried participant retiring under the provisions of this Act and found by the Director to be in good health may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest (as that term is used in 5 U.S.C. 2259(h)) in the participant to receive an annuity after the participant's death. The annuity payable to the participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section, and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the participant, but such total reduction shall not exceed 40 per centum. The annuity of a survivor designated under this paragraph shall be 50 per centum of the reduced annuity computed as prescribed above. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

Foreign Service Act

Sec. 821. (f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and provide for an annuity equal to 50 per centum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

Civil Service Retirement Act

Sec. 9. (h) Any unmarried employee or Member retiring under section 6 or 8, and found by the Commission to be in good health, may at the time of retirement elect a reduced annuity in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest in the employee or Member to receive an annuity after the retired individual's death. The annuity payable to the employee or Member making such election shall be reduced 10 per centum of an annuity computed as provided in section 9 and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

Sec. 10. (b) The annuity of a survivor designated under section 9(h) shall be 55 per centum of the reduced annuity computed as provided in subsections (a), (b), (c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. The annuity of such survivor shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

PART D - BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

Retirement for Disability or Incapacity--Medical Examination--Recovery

Sec. 231. (a) Any participant who has five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with provisions of section 251 or 252(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Director, be retired on an annuity computed as prescribed in section 221. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the system at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his grade in the Agency.

Sec. 831. (a) Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.

Sec. 1. (g) The terms "disabled" and "disability" shall mean totally disabled for useful and efficient service in the grade or class of position last occupied by the employee or Member by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part within the five years next prior to becoming so disabled.

Sec. 7. (a) Any employee who completes five years of civilian service and who is found by the Commission to have become disabled shall, upon his own application or upon application by his department or agency, be retired on an annuity computed as provided in section 9. Any Member who completes five years of Member service and who is found by the Commission to have become disabled shall, upon his own application, be retired on an annuity computed as provided in section 9.

(b) No claim shall be allowed under this section unless the application is filed with the Commission prior to separation of the employee or Member from the service or within one year thereafter. This time limitation may be waived by the Commission for an individual who at the date of separation from service or within one year thereafter is mentally incompetent, if the application is filed with the Commission within one year from the date of restoration of such individual to competency or the appointment of a fiduciary, whichever is the

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 231. (b) In each case, the participant shall be given a medical examination by one or more duly qualified physicians or surgeons designated by the Director to conduct examinations, and disability shall be determined by the Director on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his grade in the Agency. If the Director determines on the basis of the (cont'd on page 17)

Sec. 831. (b) In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be determined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the (cont'd page 17)

Sec. 9(a) concerning the computation of annuities (quoted opposite Sec. 221 (a) of the Proposed CIA Retirement Act above) specifically provides as follows for disability annuities: "Provided further, That the annuity of an employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor."

Sec. 16(c), quoted in full above opposite sec. 201(c) of the Proposed CIA Retirement Act, provides that disability determinations by the Commission are final and conclusive and not subject to review.

Sec. 7. (c) Each annuitant retired under this section or under section 6 of the Act of May 29, 1930, as amended, unless his disability is permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Commission. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established. (cont'd on page 17)

Proposed CIA Retirement Act

Sec. 231. (b) (cont'd)
 advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Agency within one year from the date his recovery is determined. Upon application the Director may reinstate any such recovered disability annuitant in the grade in which he was serving at time of retirement, or the Director may, taking into consideration the age, qualifications, and experience of such annuitant, and the present grade of his contemporaries in the Agency, appoint him to a grade higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Agency, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

Foreign Service Act

Sec. 531. (b) (cont'd)
 advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined. Upon application the Secretary shall reinstate any such recovered disability annuitant in the class in which he was serving at time of retirement, or the Secretary may, taking into consideration the age, qualifications, and experience of such annuitant, and the present class of his contemporaries in the Service, appoint him or, in the case of an annuitant who is a former Foreign Service officer, recommend that the President appoint him, by and with the advice and consent of the Senate, to a class higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Service, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

Civil Service Retirement Act

Sec. 7. (d) If such annuitant, before reaching age sixty, recovers from his disability, payment of the annuity shall cease upon reemployment by the Government or one year from the date of the medical examination showing such recovery, whichever is earlier. If such annuitant, before reaching age sixty, is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease upon reemployment by the Government or one year from the end of the calendar year in which earning capacity is so restored, whichever is earlier. Earning capacity shall be deemed restored if, in each of two succeeding calendar years, the income of the annuitant from wages or self-employment, or both, shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

Sec. 16. (e) Fees for examinations made under the provisions of this Act, by physicians or surgeons who are not medical officers of the United States, shall be fixed by the Commission, and such fees, together with reasonable traveling and other expenses incurred in connection with such examinations, shall be paid out of the appropriations for the cost of administering this Act.

Proposed CIA Retirement Act

Sec. 231. (c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Agency, he shall be considered to have been separated within the meaning of paragraphs (a) and (b) of section 234 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 241(a) except that he may elect voluntary retirement in accordance with the provisions of section 233 if he can qualify under its provisions.

Foreign Service Act

Sec. 831. (c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 636 if he can qualify under its provisions.

Civil Service Retirement Act

Sec. 7. (e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position included in the provisions of this Act, he shall be considered except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of an earning capacity provision of this or any prior law and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective the first of the year following any calendar year in which his income from wages or self-employment, or both, is less than 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement, if he has not recovered from the disability for which he was retired. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of a medical finding that the annuitant has recovered from disability and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective from the date of medical examination showing a recurrence of such

(cont'd on page 19)

Proposed CIA Retirement Act

Sec. 231. (d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C. 751 et seq.) covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the said Act of September 7, 1916, as amended, shall be so construed as to deny the right of any participant to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

Foreign Service Act

Sec. 831. (d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

Civil Service Retirement Act

Sec. 7(4)(cont'd)
disability. Neither the second nor third sentence of this subsection shall be applicable in the case of any person receiving or eligible to receive annuity under the first sentence hereof and who has reached the age of sixty-two years.

Sec. 7. (f) No person shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision in such Act of September 7, 1916, as amended, shall deny to any person an annuity accruing to such person under this Act on account of service rendered by him, or deny any concurrent benefit to such person under such Act of September 7, 1916, as amended, on account of the death of any other person.

Proposed CIA Retirement Act

Sec. 231. (e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C. 764) except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal employees' compensation fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

Foreign Service Act

Sec. 831. (e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

Civil Service Retirement Act

Sec. 7. (g) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Department of Labor, shall be refunded to the Department of Labor, to be covered into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Department the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Department of Labor shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

Proposed CIA Retirement Act

Death in Service

Sec. 232. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the fund, with interest at the rates prescribed in sections 241(a) and 281(a), shall be paid in the order of precedence shown in section 241(b).

Foreign Service Act

Sec. 832. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

Civil Service Retirement Act

Sec. 11. (d) If an employee or Member dies (1) without a survivor, or (2) with a survivor or survivors and the right of all survivors shall terminate before claim for survivor annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid.

[Sec. 1(1). The term "lump-sum credit" shall mean the unrefunded amount consisting of (1) the retirement deductions made from the basic salary of an employee or Member, (2) any sums deposited by an employee or Member covering prior service, and (3) interest on such deductions and deposits at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually to December 31, 1956, or, in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service, to the date of the separation or transfer. The lump-sum credit shall not include interest if the service covered thereby aggregates one year or less, nor shall it include interest for the fractional part of a month in the total service.]

[Sec. 11(c), quoted in full below opposite section 241(b) of the Proposed CIA Retirement Act, specifies the order of precedence for payment of a lump-sum benefit.]

Proposed CIA Retirement Act

Sec. 232. (b) If a participant, who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provision of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a widow or dependent widower, as defined in section 20h, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 221(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

Foreign Service Act

Sec. 832. (b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 80h, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

Civil Service Retirement Act

Sec. 10. (c) If an employee or a Member dies after completing at least five years of civilian service, the widow or dependent widower of such employee or Member shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (e), and (f) of section 9 as may apply with respect to the employee or Member. The annuity of such widow or dependent widower shall commence on the day after the employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) death or remarriage of the widow or widower or (2) the widower's becoming capable of self-support.

Proposed CIA Retirement Act

Sec. 232. (c) If a participant who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 221(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 221(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

Foreign Service Act

Sec. 832. (c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

Civil Service Retirement Act

Sec. 10. (d) If an employee or a Member dies after completing at least five years of civilian service, or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who received more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. [continued on page 24, opposite sec. 232 (d) of the Proposed CIA Retirement Act]

Proposed CIA Retirement Act

Sec. 232. (d) If a participant who has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 221(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 221(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

Foreign Service Act

Sec. 832. (d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

Civil Service Retirement Act

Sec. 10. (d) (cont'd)
If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

Proposed CIA Retirement Act

Sec. 232. (e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the system, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 221 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her grade in the Agency. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death.

Voluntary Retirement

Sec. 233. Any participant in the system who is at least fifty years of age and has rendered twenty years of service may on his own application and with the consent of the Director be retired from the Agency and receive benefits in accordance with the provisions of section 221 provided he has at least five years of service with the Agency.

Foreign Service Act

Sec. 832. (e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death.

Sec. 636. Any participant in the Foreign Service Retirement and Disability System who is at least fifty years of age and has rendered twenty years of service, including service within the meaning of section 853, may on his own application and with the consent of the Secretary be retired from the Service and receive benefits in accordance with the provisions of section 821.

Civil Service Retirement Act

No comparable provision.

[Sec. 10(e) of the CSRA is a special provision for Members.]

Sec. 6. (a) Any employee who attains the age of sixty years and completes thirty years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

(b) Any employee who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9.

(cont'd on page 26)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

(cont'd)

Sec. 6(c) is a special provision for "Any employee the duties of whose position are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, including any employee engaged in such activity who has been transferred to a supervisory or administrative position." The section provides for retirement of such employees at age 50 with twenty years of service without reduction in annuity.

Sec. 6(d) concerns involuntary separation and is quoted below opposite section 234(c) of the Proposed CIA Retirement Act.

Sec. 6. (e) Any employee who attains the age of sixty-two years and completes five years of service, shall, upon separation from the service, be paid an annuity computed as provided in section 9.

Sec. 6(f) is a special provision relating to Members and their retirement at age 62 with five years of service, at age 60 with ten years of service, etc.

Proposed CIA Retirement Act

Discontinued Service Retirement

Sec. 234. (a) Any participant who separates from the Agency after obtaining at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), may, upon separation from the Agency or at any time prior to becoming eligible for an annuity, elect to have his contributions to the fund returned to him in accordance with the provisions of section 241, or (except in cases where the Director determines that separation was based in whole or in part on the ground of disloyalty to the United States) to leave his contributions in the fund and receive an annuity, computed as prescribed in section 221, commencing at the age of sixty years.

Foreign Service Act

Sec. 834. (a) Any participant who voluntarily separates from the Service after obtaining at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821, commencing at the age of sixty years.

Sec. 637. (b) Any participant in the Foreign Service Retirement and Disability System separated under the provisions of paragraph (a) of this section shall receive a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest, as provided in section 841(a) except that in lieu of such refund such officer may (except in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States) if he has at least five years of service credit toward retirement under this System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), elect to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821 commencing at the age of

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Civil Service Retirement Act

Sec. 8. (a) Any employee who is separated from the service or transferred to a position not within the purview of this Act after completing five years of civilian service may be paid an annuity beginning at the age of sixty-two years computed as provided in section 9.

Sec. 8(b) is a provision applicable only to Members.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 637(b) (cont'd)

sixty years. In the event that an officer who has elected under the provisions of this section to receive a deferred annuity dies before reaching the age of sixty, his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

Sec. 234. (b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the fund, with interest, shall be paid in accordance with the provisions of sections 241 and 281.

Sec. 834. (b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

Sec. 11. (d) If an employee or Member dies (1) without a survivor, or (2) with a survivor or survivors and the right of all survivors shall terminate before claim for annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid. (under-scoring supplied)
[Lump-sum credit is defined in sec. 1(1) quoted in full above opposite sec. 232(a) of the Proposed CIA Retirement Act.]

Proposed CIA Retirement Act

Sec. 234. (c) The Director may in his discretion retire participants in grade GS-14 and above to promote the efficiency of the Agency. If so retired they shall receive retirement benefits in accordance with the provisions of section 221, provided they have in each case not less than five years of qualifying and a total of ten years of service with the Agency. Any individual so retired who does not meet these service requirements shall receive the benefits provided for individuals in grade GS-13 as set out in paragraph (d) of this section.

(d) The Director may in his discretion retire participants in grade GS-13 and below to promote the efficiency of the Agency and each such participant shall receive--

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the fund, in three equal installments on the 1st day of January following the participant's retirement and on the two anniversaries of this date immediately following: Provided, That in special cases, the Director may in his discretion accelerate or combine the installments; and

(cont'd on page 29)

Foreign Service Act

Sec. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

Sec. 633. (b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

Sec. 634. (b) Any Foreign Service officer in classes 4, 5, 6, or 7 who is retired from the Service in accordance with the provisions of section 633 shall receive--

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Foreign Service Retirement and Disability Fund, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following: Provided, That in special cases, the Secretary may in his discretion accelerate or combine the installments; and

(cont'd on page 29)

Civil Service Retirement Act

Sec. 6. (d) Any employee who completes twenty-five years of service or who attains the age of fifty years and completes twenty years of service shall upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.

Sec. 9. (d) The annuity as hereinafore provided, for an employee retiring under section 6(b) or 6 (d) or a Member retiring under the second or third sentence of section 6(f) or the third sentence of section 8(b) shall be reduced by one-twelfth of 1 per centum for each full month not in excess of sixty, and one-sixth of 1 per centum for each full month in excess of sixty, such employee or Member is under the age of sixty years at date of separation. (Under-scoring supplied)

(No comparable provision.)

Proposed CIA Retirement Act

Sec. 234(d) (cont'd)

(2) a refund of the contributions made to the fund, with interest as provided in section 241(a), except that in lieu of such refund such participant, if he has at least five years of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 221. In the event that a participant who was separated from grade GS-13 or GS-12 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 232. In the event that a participant who was separated from grade GS-11 or below and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the fund, with interest as provided in section 241(a), shall be paid in accordance with the provisions of section 241(b).

Foreign Service Act

Sec. 634(b)(cont'd)

(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b).

Civil Service Retirement Act

[See Sections 6(d) and 9(d) quoted immediately above.]

Proposed CIA Retirement Act

Sec. 234. (e) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended, (31 U.S.C. 203) or the provisions of any other law, a participant who is retired in accordance with the provisions of paragraph (d) of this section shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (d)(1) of this section.

Mandatory Retirement for Age

Sec. 235. (a) Any participant in the system in grade GS-18 or above shall upon reaching the age of sixty-five be retired from the Agency and receive retirement benefits in accordance with the provisions of section 221, but whenever the Director shall determine it to be in the public interest, he may extend such a participant's service for a period not to exceed five years.

Foreign Service Act

Sec. 634(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U.S.C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b)(1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

Sec. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years.

Civil Service Retirement Act

No comparable provision

Sec. 5. (a) Except as hereinafter provided, an employee who shall have attained the age of seventy years and completed fifteen years of service shall be automatically separated from the service. Such separation shall be effective on the last day of the month in which such employee attains the age of seventy years or completes fifteen years of service if then beyond such age, and all salary shall cease from that day.

(b) Each employing office shall notify each employee under its direction of the date of such separation from the service at least sixty days in advance thereof: Provided, That subsection (a) shall not take effect without the consent of the

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 5(b) (continued)

employee until sixty days after he has been so notified.

(c) The President may, by Executive Order, exempt from automatic separation under this section any employee when, in his judgment, the public interest so requires.

(d) The automatic separation provisions of this section shall not apply to any person named in any Act of Congress providing for the continuance of such person in the service, to any Member, to any congressional employee, to the Architect of the Capitol or any employee in the judicial branch who has been appointed to hold office for a definite term of years.

[Sec. 5(e) is a special provision for employees of the Alaska Railway, Territory of Alaska, certain employees of the Panama Canal Company or the Canal Zone Government.]

[See Sec. 5(a) through (d) above.]

Sec. 235. (b) Any participant in the system, other than in grade GS-18 or above, shall upon reaching the age of sixty be retired from the Agency and receive retirement benefits in accordance with the provisions of section 221, but whenever the Director shall determine it to be in the public interest, he may extend such a participant's service for a period not to exceed five years.

Sec. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such participant's service for a period not to exceed five years.

Proposed CIA Retirement Act

PART E - DISPOSITION OF CONTRIBUTIONS
AND INTEREST IN EXCESS OF BENEFITS
RECEIVED

Sec. 241. (a) Whenever a participant becomes separated from the Agency without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 281, shall be returned to him.

Foreign Service Act

Sec. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.

Civil Service Retirement Act

Sec. 1. (1) The term "lump-sum credit" shall mean the unrefunded amount consisting of (1) the retirement deductions made from the basic salary of an employee or Member, (2) any sums deposited by an employee or Member covering prior service, and (3) interest on such deductions and deposits at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually to December 31, 1956, or, in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service, to the date of the separation or transfer. The lump-sum credit shall not include interest if the service covered thereby aggregates one year or less, nor shall it include interest for the fractional part of a month in the total service.

Sec. 11. (a) Any employee or Member who is separated from the service, or is transferred to a position wherein he does not continue subject to this Act, shall be paid the lump-sum credit provided his separation or transfer occurs and application for payment is filed with the Commission at least thirty-one days before the earliest commencing date of any annuity for which he is eligible.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 11(a) (cont'd)

The receipt of payment of the lump-sum credit by the individual shall void all annuity rights under this Act, unless and until he shall be reemployed in the service subject to this Act. This subsection shall also apply to any employee or Member separated prior to the effective date of the Civil Service Retirement Act Amendments of 1956 after completing at least twenty years of civilian service.

Proposed CIA Retirement Act

Sec. 241. (b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 281, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

- (1) To the beneficiary or beneficiaries designated by such participant in writing to the Director;
- (2) If there be no such beneficiary, to the surviving wife or husband of such participant;
- (3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;
- (4) If none of the above, to the parents of such participant or the survivor of them;

(continued on page 34)

Foreign Service Act

Sec. 841. (b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

- (1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;
- (2) If there be no such beneficiary, to the surviving wife or husband of such participant;
- (3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;
- (4) If none of the above, to the parents of such participant or the survivor of them;

(continued on page 34)

Civil Service Retirement Act

For definition of "lump-sum credit", see sec. 1(1) quoted immediately above opposite sec. 241(a) of the Proposed CIA Retirement Act.

Sec. 11. (e) If all annuity rights under this Act based on the service of a deceased employee or Member shall terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

(f) If an annuitant dies, any annuity accrued and unpaid shall be paid.

(c) Lump-sum benefits authorized under subsections (d), (e), and (f) of this section shall be paid in the following order of precedence to such person or persons surviving the employee or Member and alive at the date title to the payment arises, and such payment shall be a bar to recovery by any other person:

First, to the beneficiary or beneficiaries designated by the employee or Member in a writing received in the Commission prior to his death;

Second, if there be no such beneficiary, to the widow or widower of the employee or Member;

Third, if none of the above, to the child, or children of the employee or Member and descendants of deceased children by representation;

Fourth, if none of the above, to the parents of the employee or Member or the survivor of them;

(continued on page 34)

Proposed CIA Retirement Act

Sec. 241(b) (cont'd)

(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

(6) If none of the above, to other next of kin of such participant as may be determined by the Director in his judgment to be legally entitled thereto.

(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

Foreign Service Act

Sec. 841(b) (cont'd)

(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

Civil Service Retirement Act

Sec. 11(c) (cont'd)

Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member;

Sixth, if none of the above, to other next of kin of the employee or Member as may be determined by the Commission to be entitled under the laws of the domicile of the individual at the time of his death.

No comparable provision.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

PART F - PERIOD OF SERVICE FOR ANNUITIES

Computation of Length of Service

Sec. 251. For the purposes of this title, the period of service of a participant shall be computed from the date he becomes a participant under the provisions of this Act, but all periods of separation from the Agency and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, (5 U.S.C. 751 et seq.) and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Sec. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Sec. 3. (a) An employee's service for the purposes of this Act including service as a substitute in the postal service shall be credited from the date of original employment to the date of the separation upon which title to annuity is based in the civilian service of the Government. Credit shall similarly be allowed for service in the Pan American Sanitary Bureau. No credit shall be allowed for any period of separation from the service in excess of three calendar days.

(b) Quoted below opposite sec. 252(e) of the Proposed CIA Retirement Act.

(c) Credit shall be allowed for leaves of absence granted an employee while performing military service or while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended. Except for a substitute in the postal service, there shall be excluded from credit so much of any other leaves of absence without pay as may exceed six months in the aggregate in any calendar year.

(d) An employee who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service shall not be considered,

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 3(d) (cont'd)
for the purposes of this Act, as separated from his civilian position by reason of such military service, unless he shall apply for and receive a lump-sum benefit under this Act: Provided, That such employee shall not be considered as retaining his civilian position beyond December 31, 1956, or the expiration of five years of such military service, whichever is later.

(e) The total service of an employee or Member shall be the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

(f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 3(g) (cont'd)
period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation.

Sec. 3(h) excludes Member service of an employee under certain circumstances. Sec. 3(i) is concerned with service of U.S. Commissioners.

Prior Service Credit

Sec. 252. (a) A participant may, subject to the provisions of this section, include in his period of service--

(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

(2) active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Sec. 852. (a) A participant may, subject to the provisions of this section, include in his period of service--

(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

(2) active and honorable military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

See:
Sec. 3(a) quoted above opposite sec. 251 of the Proposed CIA Retirement Act;
Sec. 3(j) quoted below opposite sec. 252(e) of the Proposed CIA Retirement Act;
Sec. 4(c), (e), and (g) quoted below opposite sec. 252(b) of the Proposed CIA Retirement Act;
Sec. 4(d) quoted below opposite sec. 252(b) of the Proposed CIA Retirement Act.

Proposed CIA Retirement Act

Sec. 252. (b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought prior to November 8, 1960, and at $6\frac{1}{2}$ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such participant may, under such conditions as may be determined in each instance by the Director, pay such special contributions in installments.

Foreign Service Act

Sec. 852. (b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the Foreign Service Act Amendments of 1960, and at $6\frac{1}{2}$ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.

Civil Service Retirement Act

See:

Sec. 3(a) quoted above opposite sec. 251 of the Proposed CIA Retirement Act;
 Sec. 3(j) quoted below opposite sec. 252(e) of the Proposed CIA Retirement Act.

Sec. 4. (c) Each employee or Member credited with civilian service after July 31, 1920, for which, for any reason whatsoever, no retirement deductions or deposits have been made, may deposit with interest an amount equal to the following percentages of his basic salary received for such service:

Employee:

Percentage of basic salary	Service Period
-------------------------------	----------------

$2\frac{1}{2}$	August 1, 1920, to June 30, 1926
$3\frac{1}{2}$	July 1, 1926, to June 30, 1942
5	July 1, 1942, to June 30, 1948
6	July 1, 1948, to October 31, 1956
$6\frac{1}{2}$	After October 31, 1956

Member:

Percentage of basic salary	Service Period
-------------------------------	----------------

$2\frac{1}{2}$	August 1, 1920, to June 30, 1926
$3\frac{1}{2}$	July 1, 1926, to June 30, 1942
5	July 1, 1942, to August 1, 1946
6	August 2, 1946, to October 31, 1956
$7\frac{1}{2}$	After October 31, 1956

(cont'd on page 39)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 4. (d) Each employee or Member who has received a refund of retirement deductions under this or any other retirement system established for employees of the Government covering service for which he may be allowed credit under this Act may deposit the amount received, with interest. No credit shall be allowed for the service covered by the refund until the deposit is made.

Sec. 4. (e) Interest under subsection (c) or (d) shall be computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. The interest shall be computed at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually. Such deposit may be made in one or more installments. No interest shall be charged for any period of separation from the service which began before October 1, 1956.

[Sec. 4(f) provides for entering deposits for prior service credit on individual retirement records.]

(g) No deposit shall be required for any service prior to August 1, 1920, for periods of military service or for any service for the Panama Railroad Company prior to January 1, 1924.

(h) For purposes of survivor annuity, deposits authorized by subsections (c) and (d) may also be made by the

Proposed CIA Retirement Act

Sec. 252(c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

(2) No participant, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such participant on account of contributions made during any period to the other Government retirement fund at a higher rate than that fixed by section 211 of this Act for contributions to the fund.

Foreign Service Act

Sec. 852. (c)(1) If an officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

Civil Service Retirement Act

No comparable provision.

No comparable provision.

Proposed CIA Retirement Act

Sec. 252. (c)(3) No participant, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the fund in accordance with the provisions of paragraph (b) of this section.

(d) No participant may obtain prior civilian service credit toward retirement under the system for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

Foreign Service Act

Sec. 852. (c)(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July 1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section.

(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

Civil Service Retirement Act

Sec. 4. (d) Each employee or Member who has received a refund of retirement deductions under this or any other retirement system established for employees of the Government covering service for which he may be allowed credit under this Act may deposit the amount received, with interest. No credit shall be allowed for the service covered by the refund until the deposit is made.

No provision precisely comparable; however, provisions of sec. 2(b) and 4(c) and (d) operate to exclude such service.

Sec. 3(j) quoted below opposite sec. 252(e) of the Proposed CIA Retirement Act relates also to credit for certain Peace Corps volunteer service.

See note on page 42 concerning exclusion of service on which entitlement to Social Security benefit is based.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

NOTE: Sec. 115, Social Security Act Amendments of 1954:

Covered Employment Not Counted Under Other Federal Retirement Systems

Notwithstanding any other provision of law, in determining eligibility for or the amount of any benefit (other than a benefit under title II of the Social Security Act or under the Railroad Retirement Act of 1937, as amended) under any retirement system established by the United States or any instrumentality thereof, there shall not be taken into account any service which, by reason of the amendments to section 201(a) of the Social Security Act made by section 101(c) of this Act, constitutes employment as defined in such section 210(a).⁷

Proposed CIA Retirement Act

Sec. 252. (e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Director prior to retirement or separation from the Agency. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section.

Foreign Service Act

Sec. 852. (e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or separation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section.

Civil Service Retirement Act

Sec. 3. (b) An employee or Member shall be allowed credit for periods of military service prior to the date of the separation upon which title to annuity is based; however, if an employee or Member is awarded retired pay on account of military service, his military service shall not be included, unless such retired pay is awarded on account of a service-connected disability (1) incurred in combat with an enemy of the United States or (2) caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in Chapter 11 of title 38, United States Code), or is awarded under title III of Public Law 810, Eightieth Congress, except that for purposes of section 9(c)(1), a Member (A) shall be allowed credit only for periods of military service not exceeding five years, plus any military service performed by the member upon leaving his office, for the purpose of performing such service, during any war or national emergency proclaimed by the President or declared by the Congress and prior to his final separation from service as Member and (B) may not receive credit for military service for which credit is allowed for purposes of retired pay under any other provision of law. Nothing in this Act shall affect the right of an employee

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Foreign Service Act

Civil Service Retirement Act

Sec. 3(b) (cont'd)
or a Member to retired pay, pension,
or compensation in addition to the
annuity herein provided.

Sec. 1. (r) The term "military ser-
vice" shall mean honorable active
service in the Army, Navy, Air Force,
Marine Corps, or Coast Guard of the
United States, or, after June 30,
1960, in the Regular Corps or
Reserve Corps of the Public Health
Service, or, after June 30, 1961,
as a commissioned officer of the
Coast and Geodetic Survey, but shall
not include service in the National
Guard except when ordered to active
duty in the service of the United
States.⁷

Sec. 3. (j) Notwithstanding any
other provision of this section or
section 5(f) of the Peace Corps Act,
any military service (other than
military service covered by mili-
tary leave with pay from a civilian
position) performed by an individual
after December 1956 and any period
of service by an individual as a
volunteer under the Peace Corps Act,
shall be excluded in determining the
aggregate period of service upon
which an annuity payable under this
chapter to such individual or to his
widow or child is to be based, if
such individual or widow or child
is entitled (or would upon proper
application be entitled) at the
time of such determination,

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Sec. 3(j) (cont'd)
to monthly old-age or survivors benefits under section 202 of the Social Security Act, as amended (42 U.S.C. 402), based on such individual's wages and self-employment income. If in the case of the individual or widow such military service, or service under the Peace Corps Act is not excluded under the preceding sentence, but upon attaining age sixty-two, he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits.

Credit for Service While on Military Leave

Sec. 253. Contributions shall not be required covering periods of leave of absence from the Agency granted a participant while performing active military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

Sec. 854. Contributions shall not be required covering periods of leave of absence from the Service granted a participant while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

Sec. 4. (g) No deposit shall be required for any service prior to August 1, 1920, for periods of military service or for any service for the Panama Railroad Company prior to January 1, 1924.

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PART G--MONEYS

Estimate of Appropriations Needed

Sec. 261. The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

Sec. 861. The Secretary of the Treasury shall prepare the estimates of the annual appropriations required to be made to the Fund, and shall make actuarial valuations of such funds at intervals of five years, or oftener if deemed necessary by him. The Secretary of State may expend from money to the credit of the Fund an amount not exceeding \$5,000 per annum for the incidental expenses necessary in administering the provisions of this title, including actuarial advice.

Sec. 862. The Secretary shall submit annually to the President and to the Congress a comparative report showing the condition of the Fund and estimates of appropriations necessary to continue this title in full force.

Sec. 17. (e) The Commission shall submit estimates of the appropriations necessary to finance the fund on a normal cost plus interest basis and to continue this Act in full force and effect.

Sec. 16. (f) The Commission shall publish an annual report upon the operations of this Act and shall include in each such report a statement with respect to the status of the fund on a normal cost plus interest basis.

(g) The Commission is hereby authorized and directed to select three actuaries, to be known as the Board of Actuaries of the Civil Service Retirement System. It shall be the duty of such Board to report annually upon the actuarial status of the system and to furnish its advice and opinion on matters referred to it by the Commission, and it shall have the authority to recommend to the Commission and to the Congress such changes as in the Board's judgment may be deemed necessary to protect the public interest and maintain the system upon a sound financial basis. The Commission shall keep or cause to be kept such records as it deems necessary for making periodic actuarial valuations of the Civil Service Retirement System, and

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Sec. 16(g) (cont'd)
the Board shall make such valuations at intervals of five years, or oftener if deemed necessary by the Commission. The compensation of the members of the Board of Actuaries, exclusive of such members as are in the employ of the United States, shall be fixed by the Commission.

Investment of Moneys in the Fund

Sec. 262. The Director may, with the approval of the Secretary of the Treasury, invest from time to time in interest-bearing securities of the United States such portions of the fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such fund.

Sec. 863. The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States such portions of the Fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such Fund.

Sec. 17. (c) The Secretary of the Treasury shall immediately invest in interest-bearing securities of the United States, such currently available portions of the fund as are not immediately required for payments from the fund, and the income derived from such investments shall constitute a part of the fund.

Sec. 17. (a) The fund is hereby appropriated for the payment of benefits as provided in this Act.

(b) The Secretary of the Treasury is hereby authorized to accept and credit to the fund moneys received in the form of donations, gifts, legacies, or bequests, or otherwise contributed for the benefit of civil service employees generally.

Sec. 17. (d) The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations

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Sec. 17 (d) (cont'd)
for purchase by the fund. Such obligations issued for purchase by the fund shall have maturities fixed with due regard for the needs of the fund and bear interest at a rate equal to the average market yield computed as of the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of four years from the end of such calendar month, except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such average market yield. The Secretary of the Treasury may purchase other interest-bearing obligations of the United States, or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price only if he determines that such purchases are in the public interest.

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Attachment of Moneys

Sec. 263. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 234 (e).

Sec. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634 (c).

Sec. 15. (a) None of the moneys mentioned in this Act shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

(b) Notwithstanding any other provision of law, there shall be no recovery of any payments under this Act from any person when, in the judgment of the Commission, such person is without fault and such recovery would be contrary to equity and good conscience; nor shall there be any withholding or recovery of any moneys mentioned in this Act on account of any certification or payment made by any former employee of the United States in the discharge of his official duties unless the head of the department or agency on behalf of which the certification or payment was made certifies to the Commission that such certification or payment involved fraud on the part of such employee.

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**PART E—RETIRED PARTICIPANTS
RECALLED, REINSTATED, OR RE-
APPOINTED IN THE AGENCY, OR
REEMPLOYED IN THE GOVERNMENT**

Recall

Sec. 271. (a) The Director may recall any retired participant to duty in the Agency whenever he shall determine such recall is in the public interest.

(b) Any such participant recalled to duty in the Agency in accordance with the provisions of paragraph (a) of this section or reinstated or reappointed in accordance with the provisions of section 231(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the grade in which he is serving. During such service, he shall make contributions to the fund in accordance with the provisions of section 211. When he reverts to his retired status, his annuity shall be determined anew in accordance with the provisions of sec. 221.

Sec. 520. (b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest.

Sec. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or reappointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. When he reverts to his retired status, his annuity shall be determined anew in accordance with the provisions of section 821.

Although there is not a provision in the Civil Service Retirement Act for "recall" of an annuitant, the provisions of sec. 13 (b), quoted immediately below, are analogous to the provisions of sec. 271(b) of the Proposed CIA Retirement Act for purposes of determining compensation, additional service credit, recalculation of annuity, etc.

Sec. 13(b). If an annuitant under this Act (other than (1) a disability annuitant whose annuity is terminated by reason of his recovery or restoration of earning capacity, (2) an annuitant whose annuity was based upon an involuntary separation from the service, excluding a separation under the automatic separation provisions of this Act, or (3) a Member retired under this Act) hereafter becomes employed, or on the date of enactment of the Civil Service Retirement Act Amendments of 1956 is serving, in an appointive or elective position, his service on and after the date he was or is so employed shall be covered by this Act. No deductions for the fund shall be withheld from his salary, but there shall be deducted from his salary, except for lump-sum leave payment purposes under the Act of December 21, 1944, a sum equal to the annuity allocable to the period of actual employment, and this provision concerning

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Sec. 13(b) (cont'd)

the lump-sum leave payments shall also be effective in the case of each retired employee separated from reemployment after December 15, 1953, and before the effective date of the Civil Service Retirement Act Amendments of 1956: Provided, That if such annuitant serves on a full-time basis for at least one year in employment not excluding him under section 2(b) from coverage, (1) his annuity upon termination of employment shall be increased by an annuity computed under subsections (a), (b), (d), (e), and (f) of section 9 as may apply based upon the period of and the basic salary (before deduction) averaged during such employment, and (2) his lump-sum credit shall not be reduced by annuity paid during such employment. The employment of an annuitant under this subsection shall not operate to create an annuity for or in any manner affect the annuity of any survivor. Any such annuitant whose described employment continues for at least five years may elect, in lieu of the benefit authorized by the proviso herein, to have his rights redetermined under the provisions of this Act upon deposit in the fund of an amount computed under section 4(c) covering such employment. A similar right to redetermination after deposit

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 13(b) (cont'd)

shall be applicable to an annuitant (1) whose annuity is based on an involuntary separation from the service, and (2) who is separated, on or after the date of enactment of this sentence, after a period of reemployment on a full-time basis which began before October 1, 1956.

Sec. 13(c) is concerned with the reemployment of a retired Member.]

Reemployment

Sec. 272. Notwithstanding any other provision of law, a participant retired under the provisions of this Act shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

Sec. 520. (c) Notwithstanding the provisions of title 5, United States Code, section 62, and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

Sec. 13. (a) Notwithstanding any other provision of law, an annuitant heretofore or hereafter retired under this Act shall not, by reason of his retired status, be barred from employment in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

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Reemployment Compensation

Sec. 273. (a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act which when combined with such salary does not exceed during any calendar year the basic salary such annuitant was entitled to receive on the date of his retirement from the Agency. Any such reemployed annuitant who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

Foreign Service Act

Sec. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive under sections 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

Civil Service Retirement Act

[See sec. 13(b) quoted above opposite sec. 271 of the Proposed CIA Retirement Act which provides in part as follows:
"...but there shall be deducted from his salary...a sum equal to the annuity allocable to the period of actual employment.")

Proposed CIA Retirement Act

Sec. 273. (b) When any such retired annuitant is reemployed, the employer shall send a notice to the Agency of such reemployment together with all pertinent information relating thereto, and shall pay directly to such annuitant the salary of the position in which he is serving.

(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed annuitant, or from any other moneys, including his annuity, payable in accordance with the provisions of this title.

Foreign Service Act

Sec. 872. (b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such reemployed officer or employee the salary of the position in which he is serving.

(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title.

Civil Service Retirement Act

No comparable provision.

No comparable provision. However, sec. 15(b) provides in part:

Notwithstanding any other provision of law, there shall be no recovery of any payments under this Act from any person when in the judgment of the Commission, such person is without fault and such recovery would be contrary to equity and good conscience;... (Sec. 15(b) is quoted in full above opposite sec. 263 of the Proposed CIA Retirement Act.)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

PART I -- VOLUNTARY CONTRIBUTIONS

Sec. 28L. (a) Any participant may, at his option and under such regulations as may be prescribed by the Director, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be--

(1) returned to him in a lump sum; or

(2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Director by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Director by the participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in subparagraph (3) above.

Sec. 88L. (a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semi-annually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period; shall, at the date of his retirement and at his election be--

(1) returned to him in a lump sum; or

(2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Secretary by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Secretary by the participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in paragraph 3.

Sec. 12. (a) Any employee or Member may, under regulations prescribed by the Commission, voluntarily contribute additional sums in multiples of \$25, but the total may not exceed 10 per centum of his basic salary for his creditable service from and after August 1, 1920. The voluntary contribution account in each case shall be the sum of such unrefunded contributions, plus interest at 3 per centum per annum compounded annually to date of separation or transfer to a position not within the purview of this Act or in case of an individual who is separated with title to a deferred annuity and does not claim the voluntary contribution account, to the commencing date fixed for such deferred annuity or date of death, whichever is earlier.

(b) Such voluntary contribution account shall be used to purchase at retirement an annuity in addition to the annuity otherwise provided. For each \$100 in such voluntary contribution account, the additional annuity shall consist of \$7, increased by 20 cents for each full year, if any, such employee or Member is over the age of fifty-five years at the date of retirement.

(c) A retiring employee or Member may elect a reduced additional annuity in lieu of the additional annuity described in subsection (b)

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 281. (b) The benefits provided by subparagraphs (2), (3), or (4) of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by subparagraph (a)(1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Director.

(c) In case a participant shall become separated from the Agency for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 per centum per annum, compounded as is provided in paragraph (a) of this section, made by him under the provisions of said paragraph (a) shall be refunded in the same manner provided in section 241 for the return of contributions and interest in the case of death or separation from the Agency.

Sec. 881. (b) The benefits provided by subparagraphs 2, 3, or 4 of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by paragraph (a)(1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Secretary of the Treasury.

(c) In case a participant shall become separated from the Service for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 per centum per annum, compounded as is provided in paragraph (a) of this section, made by him under the provisions of this paragraph shall be refunded in the manner provided in section 841 for the return of contributions and interest in the case of death or separation from the Service.

Sec. 12(c) (cont'd)
and designate in writing a person to receive after his death an annuity of 50 per centum of his reduced additional annuity. The additional annuity of the employee or Member making such election shall be reduced by 10 per centum, and by 5 per centum for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

Sec. 12(b) and (c) quoted immediately above specify the benefits provided under the comparable provisions of the Civil Service Retirement Act.

(d) Any present or former employee or Member shall be paid the voluntary contribution account provided application for payment is filed with the Commission prior to receipt of any annuity, but such account shall not in any case include interest beyond date of payment. Such individual shall thereafter be eligible to deposit additional sums under this section only if he again becomes subject to this Act after a separation from the service of more than three calendar days.

(e) If any present or former employee or Member not retired dies, the voluntary contribution account shall be paid under the provisions of section 11(c). If all additional annuities or any right thereto based on the voluntary contribution account

Proposed CIA Retirement Act

Sec. 281. (d) Any benefits payable to a participant or to his beneficiary in respect to the additional deposits provided under this section shall be in addition to the benefits otherwise provided under this title.

Foreign Service Act

Sec. 881. (d) Any benefits payable to an officer or to his beneficiary in respect to the additional deposits provided under this paragraph shall be in addition to the benefits otherwise provided under this title.

Civil Service Retirement Act

Sec. 12(e) (cont'd)
of a deceased employee or Member terminate before the total additional annuity paid equals such account, the difference shall be paid under the provisions of section 11(c).

Sec. 12(b) quoted in full above opposite sec. 281(a) of the Proposed CIA Retirement Act states in part:

Such voluntary contribution account shall be used to purchase at retirement an annuity in addition to the annuity otherwise provided. (Under-scoring supplied.)

Sec. 12(c), quoted in full above, similarly refers to a "reduced additional annuity."

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

TITLE III--INTERNAL REVENUE CODE
AMENDMENT

Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954, as amended, (26 U.S.C. 104(a)(4)) (relating to the exclusion from gross income of compensation for injuries and sickness) is hereby amended to read as follows:

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081, 60 Stat. 1021), or as a disability annuity payable under the provisions of section 231 of the Central Intelligence Agency Retirement Act of 1963."

Disability annuities under the Foreign Service Act are already included in the provisions of paragraph (4) of section 104(a) of the Internal Revenue Code of 1954.

No comparable provision; however, disability annuities are covered by the "sick pay exclusion" under the Internal Revenue Code. Thus, until a disability annuitant reaches "normal" retirement age--construed to be age 60 for Civil Service disability annuitants--he may exclude from gross income the amount of his disability annuity up to a maximum of \$100 per week.

AREAS IN WHICH COVERAGE UNDER THE CIVIL SERVICE RETIREMENT ACT IS BROADER OR MORE LIBERAL THAN COVERAGE UNDER THE FOREIGN SERVICE RETIREMENT SYSTEM OR THE PROPOSED CIA RETIREMENT ACT

(Page number references are to a paper comparing the text of the Proposed CIA Retirement Act with pertinent provisions of the Foreign Service Act and the Civil Service Retirement Act.)

Subject	Civil Service Retirement Act	Proposed CIA Retirement Act and Foreign Service Act
<u>Definition of "child"</u> (page 6)	Child is defined to include an unmarried child between 18 and 21 who is a student (in addition to unmarried child under 18 or one incapable of self-support). (Sec. 1(j) as amended 1962)	Except for child incapable of self-support because of physical or mental disability, child must be under 18 and unmarried. (Sec. 204(b)(3) of proposed CIA Act; sec. 804(b)(3) of FSA)
<u>Disposition of contributions in excess of those for service establishing maximum annuity</u> (page 10(b))	Such contributions, with interest, are considered "voluntary contributions thereby providing basis for additional annuity. (Sec. 11(h)(1) - 1960 amendments)	No provision for any additional benefit for such excess contributions.
<u>Automatic cost-of-living increases in annuities</u> (page 10c)	Annuities are automatically increased when price index goes up 3%. (Sec. 18 - 1962 amendments) ALSO: Part III of the Act of October 11, 1962 provided for increases in 1962 through 1966 from 5% down to 1% for annuities in effect.)	No comparable provision.
<u>Amount of annuity to surviving wife or husband</u> (page 11)	55% of employee's annuity. (Sec. 10(a)(1) - 1962 amendments)	50% of employee's annuity. (Sec. 221(b) of proposed CIA Act; sec. 821(b) of FSA)
<u>Reduction in employee's annuity to provide survivor benefit</u> (page 11)	2½% of first \$3,600 of employee's annuity plus 10% of balance. (Sec. 9(g) - 1962 amendments)	2½% of first \$2,400 of employee's annuity plus 10% of balance. (Sec. 221(b) of proposed CIA Act; sec. 821(b) of FSA)

Proposed CIA Retirement Act
and Foreign Service Act

Subject	Civil Service Retirement Act	Proposed CIA Retirement Act and Foreign Service Act
<u>"Automatic" election of survivor benefit</u> (page 11)	Employee must state specifically and in writing that he <u>does not</u> wish survivor benefit. Otherwise it is automatically provided. (Sec. 10(a)(1) - 1962 amendments)	Employee must specify that he <u>does</u> wish survivor benefit or it is not provided. (Sec. 221(b) of proposed CIA Act; sec. 821(b) of FSA)
<u>Survivor benefit to beneficiary of unmarried employee</u> (page 14)	55% of employee's annuity after reduction for providing survivor benefit. (Sec. 10(b) - 1962 amendments)	50% of employee's annuity after reduction for providing survivor benefit. (Sec. 221(f) of proposed CIA Act; sec. 821(f) of FSA)
<u>Disability retirement: application within one year after separation</u> (page 15)	Application for disability retirement may be filed one year after separation (or later in cases of mental incompetency). (Sec. 7(b))	No comparable authority. (Perhaps FSA is interpreted to permit later application; however, CSRA makes specific provision.)
<u>Continuation of annuity after recovery of disability annuitant</u> (page 17)	Annuity of disability retiree who recovers is continued until reemployment or for <u>one year</u> , whichever is less. (Sec. 7(d) - 1961 amendments)	Annuity of disability retiree who recovers is continued until reemployment or for <u>six months</u> , whichever is less. (Sec. 231(b) of proposed CIA Act; sec. 831(b) of FSA)
<u>Death in service: annuity to widow or dependent widower</u> (page 22)	55% of annuity computed on basis of employee's service and high-5 salary. (Sec. 10(c) - 1962 amendments)	50% of annuity computed on basis of employee's service and high-5 salary but with additional provision that, if employee had less than 20 years service, computation will be based on constructive years of service to retirement age. (Sec. 232(b) and (e) of proposed CIA Act; sec. 832(b) and (e) of FSA)
<u>Definition of "military" service</u> (pgs 37 and 44)	Military service includes Army, Navy, Air Force, Marine Corps, Coast Guard, Regular or Reserve Corps of Public Health Service, commissioned service in Coast and Geodetic Survey.	Military service includes only Army, Navy, Air Force, Marine Corps, and Coast Guard. (Sec. 252(a) (2) of proposed CIA Act; sec. 852(a) (2) of FSA)

Subject	Civil Service Retirement Act	Proposed CIA Retirement Act and Foreign Service Act
<u>Purchase of prior service credit by survivor for annuity purposes</u> (page 39)	Survivor may purchase prior service credit of principal by making required deposits to fund. (Sec. 4(h) - 1958 amendments)	No comparable provision.
<u>Non-recovery of erroneous payments in certain cases</u> (page 49)	If person is without fault and recovery would be contrary to equity and good conscience, recovery of erroneous payments is not required. (Sec. 15(b))	No comparable provision.

Substantive changes from printed
version of HR 7216 are marked in
blue pencil.