

TAB

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: 1 1/2% of high 5 x 1st 5 yrs service + 1 3/4% of high 5 x 2nd 5 yrs service + 2% of high 5 x remaining yrs service | Based on high-5-year average salary: 2% of high-5 x total years service |
| 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 |

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| <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. |

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| <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 |