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2<sup>D</sup> SESSION

**H. R. 8427**

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IN THE SENATE OF THE UNITED STATES

OCTOBER 31 (legislative day, OCTOBER 22), 1963

Read twice and referred to the Committee on Armed Services

[Omit the part struck through and insert the part printed in *italic*]

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**AN ACT**

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 Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **TITLE I—SHORT TITLE AND DEFINITIONS**

4                        **PART A—SHORT TITLE**

5        **SEC. 101.** This Act may be cited as the “Central In-  
6        telligence Agency Retirement Act of ~~1963~~ 1964 for Certain  
7        Employees”.

J. 37-379—1

1                                   PART B—DEFINITIONS

2       SEC. 111. When used in this Act, the term—

3           (1) "Agency" means the Central Intelligence  
4       Agency; and

5           (2) "Director" means the Director of Central  
6       Intelligence.

7           (3) "*Qualifying service*" means service performed  
8       as a participant in the system (or, in the case of service  
9       prior to the enactment of this Act, performed in carry-  
10      ing out duties described in section 203).

11   TITLE II—THE CENTRAL INTELLIGENCE AGENCY  
12      RETIREMENT AND DISABILITY SYSTEM

13                           PART A—ESTABLISHMENT OF SYSTEM

14                                   RULES AND REGULATIONS

15       SEC. 201. (a) The Director may prescribe rules and  
16      regulations for the establishment and maintenance of a Cen-  
17      tral Intelligence Agency Retirement and Disability System  
18      for a limited number of employees, referred to hereafter as  
19      the system; such rules and regulations to become effective  
20      after approval by the chairmen and ranking minority mem-  
21      bers of the Armed Services Committees of the House and  
22      Senate.

23           (b) The Director shall administer the system in accord-  
24      ance with such rules and regulations and with the principles  
25      established by this Act.

3

1 (c) In the interests of the security of the foreign intelli-  
2 gence activities of the United States and in order further  
3 to implement the proviso of section 102 (d) (3) of the Na-  
4 tional Security Act of 1947, as amended (50 U.S.C. 403  
5 (d) (3) ), that the Director of Central Intelligence shall be  
6 responsible for protecting intelligence sources and methods  
7 from unauthorized disclosure, and notwithstanding the pro-  
8 visions of the Administrative Procedure Act (5 U.S.C. 1001  
9 et seq.) or any other provisions of law, any determinations  
10 by the Director authorized by the provisions of this Act shall  
11 be deemed to be final and conclusive and not subject to  
12 review by any court.

13 ESTABLISHMENT AND MAINTENANCE OF FUND

14 SEC. 202. There is hereby created a fund to be known  
15 as the Central Intelligence Agency Retirement and Disabil-  
16 ity Fund which shall be maintained by the Director. The  
17 Central Intelligence Agency Retirement and Disability Fund  
18 is referred to hereafter as the fund.

19 PARTICIPANTS

20 SEC. 203. The Director may designate from time to  
21 time such Agency officers and employees whose duties are  
22 determined by the Director to be (i) in support of Agency  
23 activities abroad hazardous to life or health or (ii) so special-  
24 ized because of security requirements as to be clearly dis-  
25 tinguishable from normal government employment, hereafter

1 referred to as participants, who shall be entitled to the bene-  
2 fits of the system. Any participant who has completed  
3 fifteen years of service with the Agency and whose career at  
4 that time is adjudged by the Director to be qualifying for the  
5 system may elect to remain a participant of such system for  
6 the duration of his employment by the Agency and such elec-  
7 tion shall not be subject to review or approval by the  
8 Director.

9  
ANNUITANTS

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

16 (b) When used in this Act the term—

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

21 (2) "Dependent widower" means the surviving  
22 husband of a participant who was married to such  
23 participant for at least two years immediately preceding  
24 her death or is the father of issue by marriage to the  
25 participant, and who is incapable of self-support by rea-

1 son of mental or physical disability, and who received  
2 more than one-half of his support from such participant.

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

12 (3) "Child", for the purposes of sections 221 and  
13 232 of this Act, means an unmarried child, including  
14 (i) an adopted child, and (ii) a stepchild or recognized  
15 natural child who received more than one-half his sup-  
16 port from and lived with the participant in a regular  
17 parent-child relationship, under the age of eighteen years,  
18 or such unmarried child regardless of age who because of  
19 physical or mental disability incurred before age eighteen  
20 is incapable of self-support or such unmarried child be-  
21 tween eighteen and twenty-one years of age who is a student  
22 regularly pursuing a full-time course of study or training  
23 in residence in a high school, trade school, technical or  
24 vocational institute, junior college, college, university, or  
25 comparable recognized educational institution. A child

1     *whose twenty-first birthday occurs prior to July 1 or after*  
2     *August 31 of any calendar year, and while he is regu-*  
3     *larly pursuing such a course of study or training, shall*  
4     *be deemed for the purposes of this paragraph and section*  
5     *221(e) of this Act to have attained the age of twenty-one*  
6     *on the first day of July following such birthday. A child*  
7     *who is a student shall not be deemed to have ceased to be*  
8     *a student during any interim between school years if the*  
9     *interim does not exceed four months and if he shows to*  
10    *the satisfaction of the Director that he has a bona fide*  
11    *intention of continuing to pursue a course of study or*  
12    *training in the same or different school during the school*  
13    *semester (or other period into which the school year is*  
14    *divided) immediately following the interim.*

15           **PART B—COMPULSORY CONTRIBUTIONS**

16       **SEC. 211. (a)** Six and one-half per centum of the basic  
17 salary received by each participant shall be contributed to  
18 the fund for the payment of annuities, cash benefits, refunds  
19 and allowances. An equal sum shall also be contributed  
20 from the respective appropriation or fund which is used  
21 for payment of his salary. The amounts deducted and with-  
22 held from basic salary together with the amounts so contrib-  
23 uted from the appropriation or fund shall be deposited by  
24 the Agency to the credit of the fund.

25       **(b)** Each participant shall be deemed to consent and

1 agree to such deductions from basic salary, and payment less  
2 such deductions shall be a full and complete discharge and  
3 acquittance of all claims and demands whatsoever for all  
4 regular services during the period covered by such payment,  
5 except the right to the benefits to which he shall be entitled  
6 under this Act, notwithstanding any law, rule, or regulation  
7 affecting the individual's salary.

8           PART C—COMPUTATION OF ANNUITIES

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

18           (b) At the time of retirement, any married participant  
19 may elect to receive a reduced annuity and to provide for  
20 an annuity payable to his wife or her husband, commencing  
21 on the date following such participant's death and terminat-  
22 ing upon the death *or remarriage* of such surviving wife or  
23 husband. The annuity payable to the surviving wife or hus-  
24 band after such participant's death shall be ~~50~~ 55 per centum  
25 of the amount of the participant's annuity computed as pre-

1 scribed in paragraph (a) of this section, up to the full  
2 amount of such annuity specified by him as the base for the  
3 survivor benefits. The annuity of the participant making  
4 such election shall be reduced by  $2\frac{1}{2}$  per centum of any  
5 amount up to ~~\$2,400~~ \$3,600 he specified as the base for the  
6 survivor benefit plus 10 per centum of any amount over  
7 ~~\$2,400~~ \$3,600 so specified.

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

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

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

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

13 *(e) The annuity payable to a child under paragraph*  
14 *(c) or (d) of this section shall begin on the day after the*  
15 *participant dies, and such annuity or any right thereto shall*  
16 *terminate on the last day of the month before (1) his attain-*  
17 *ing age eighteen unless incapable of self-support, (2) his*  
18 *becoming capable of self-support after age eighteen, (3) his*  
19 *marriage, or (4) his death, except that the annuity of a child*  
20 *who is a student as described in section 204(b)(3) of this*  
21 *Act shall terminate on the last day of the month before (1) his*

1 marriage, (2) his death, (3) his ceasing to be such a student,  
2 or (4) his attaining age twenty-one.

3 (f) Any unmarried participant retiring under the pro-  
4 visions of this Act and found by the Director to be in good  
5 health may at the time of retirement elect a reduced annuity,  
6 in lieu of the annuity as hereinbefore provided, and designate  
7 in writing a person having an insurable interest (as that term  
8 is used in *section 9h of the Civil Service Retirement Act* (5  
9 U.S.C. 2259 (h) ) ) in the participant to receive an an-  
10 nuity after the participant's death. The annuity pay-  
11 able to the participant making such election shall be reduced  
12 by 10 per centum of an annuity computed as provided in  
13 paragraph (a) of this section, and by 5 per centum of an  
14 annuity so computed for each full five years the person  
15 designated is younger than the participant, but such total  
16 reduction shall not exceed 40 per centum. The annuity of a  
17 survivor designated under this paragraph shall be ~~50~~ 55 per  
18 centum of the reduced annuity computed as prescribed above.  
19 The annuity payable to a beneficiary under the provisions  
20 of this paragraph shall begin on the first day of the next  
21 month after the participant dies. Upon the death of the  
22 surviving beneficiary all payments shall cease and no further  
23 annuity payments authorized under this paragraph shall  
24 be due or payable.

1 PART D—BENEFITS ACCRUING TO CERTAIN PARTICIPANTS  
2 RETIREMENT FOR DISABILITY OR INCAPACITY—MEDICAL  
3 EXAMINATION—RECOVERY

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

23 (b) In each case, the participant shall be given a  
24 medical examination by one or more duly qualified physi-

1 cians or surgeons designated by the Director to conduct  
2 examinations, and disability shall be determined by the  
3 Director on the basis of the advice of such physicians or  
4 surgeons. Unless the disability is permanent, like examina-  
5 tions shall be made annually until the annuitant has reached  
6 the statutory mandatory retirement age for his grade in the  
7 Agency as provided in section 235. If the Director deter-  
8 mines on the basis of the advice of one or more duly qualified  
9 physicians or surgeons conducting such examinations that  
10 an annuitant has recovered to the extent that he can return  
11 to duty, the annuitant may apply for reinstatement or re-  
12 appointment in the Agency within one year from the date  
13 his recovery is determined. Upon application the Director  
14 may reinstate any such recovered disability annuitant in the  
15 grade in which he was serving at time of retirement, or the  
16 Director may, taking into consideration the age, qualifica-  
17 tions, and experience of such annuitant, and the present grade  
18 of his contemporaries in the Agency, appoint him to a grade  
19 higher than the one in which he was serving prior to retire-  
20 ment. Payment of the annuity shall continue until a date  
21 six months after the date of the examination showing recov-  
22 ery or until the date of reinstatement or reappointment in the  
23 Agency, whichever is earlier. Fees for examinations under  
24 this provision, together with reasonable traveling and other  
25 expenses incurred in order to submit to examination, shall be

1 paid out of the fund. If the annuitant fails to submit to  
2 examination as required under this section, payment of the  
3 annuity shall be suspended until continuance of the disability  
4 is satisfactorily established.

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

15 (d) No participant shall be entitled to receive an an-  
16 nuity under this Act and compensation for injury or dis-  
17 ability to himself under the Federal Employees' Compensa-  
18 tion Act of September 7, 1916, as amended (5 U.S.C. 751  
19 et seq.), covering the same period of time. This provision  
20 shall not bar the right of any claimant to the greater benefit  
21 conferred by either Act for any part of the same period of  
22 time. Neither this provision nor any provision of the said  
23 Act of September 7, 1916, as amended, shall be so construed  
24 as to deny the right of any participant to receive an annuity  
25 under this Act by reason of his own services and to receive

1 concurrently any payment under such Act of September 7,  
2 1916, as amended, by reason of the death of any other  
3 person.

4 (e) Notwithstanding any provision of law to the con-  
5 trary, the right of any person entitled to an annuity under  
6 this Act shall not be affected because such person has re-  
7 ceived an award of compensation in a lump sum under sec-  
8 tion 14 of the Federal Employees' Compensation Act of  
9 September 7, 1916, as amended (5 U.S.C. 764), except  
10 that where such annuity is payable on account of the same  
11 disability for which compensation under such section has  
12 been paid, so much of such compensation as has been paid  
13 for any period extended beyond the date such annuity be-  
14 comes effective, as determined by the Secretary of Labor,  
15 shall be refunded to the Department of Labor, to be paid  
16 into the Federal employees' compensation fund. Before  
17 such person shall receive such annuity he shall (1) refund  
18 to the Department of Labor the amount representing such  
19 commuted payments for such extended period, or (2) au-  
20 thorize the deduction of such amount from the annuity pay-  
21 able to him under this Act, which amount shall be trans-  
22 mitted to such Department for reimbursement to such fund.  
23 Deductions from such annuity may be made from accrued  
24 and accruing payments, or may be prorated against and paid  
25 from accruing payments in such manner as the Secretary of

1 Labor shall determine, whenever he finds that the financial  
2 circumstances of the annuitant are such as to warrant such  
3 deferred refunding.

4 DEATH IN SERVICE

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

10 (b) If a participant, who has at least five years of serv-  
11 ice credit toward retirement under the system, excluding  
12 military or naval service that is credited in accordance with  
13 the provisions of section 251 or 252 (a) (2), dies before  
14 separation or retirement from the Agency and is survived by  
15 a widow or a dependent widower, as defined in section 204,  
16 such widow or dependent widower shall be entitled to an an-  
17 nuity equal to ~~50~~ 55 per centum of the annuity computed in  
18 accordance with the provisions of ~~paragraph (c) of this~~  
19 ~~section and of~~ section 221 (a). The annuity of such widow  
20 or dependent widower shall commence on the date following  
21 death of the participant and shall terminate upon death *or*  
22 *remarriage* of the widow or dependent widower, or upon  
23 the dependent widower's becoming capable of self-support.

24 (c) If a participant who has at least five years of service  
25 credit toward retirement under the system, excluding mili-

1 tary or naval service that is credited in accordance with the  
2 provisions of section 251 or 252 (a) (2), dies before sepa-  
3 ration or retirement from the Agency and is survived by a  
4 wife or a husband and a child or children, each surviving  
5 child shall be entitled to an annuity computed in accordance  
6 with the provisions of section 221 (c) (1). The child's an-  
7 nuity shall begin and be terminated in accordance with the  
8 provisions of section 221 (e). Upon the death of the surviv-  
9 ing wife or husband or termination of the annuity of a child,  
10 the annuities of any remaining children shall be recomputed  
11 and paid as though such wife or husband or child had not  
12 survived the participant.

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

1 children shall be recomputed and paid as though that child  
2 had never been entitled to the benefit.

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

#### 17 VOLUNTARY RETIREMENT

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

1 has not less than ~~five~~ *ten* years of service with the Agency  
2 *of which at least five shall have been qualifying service.*

3 DISCONTINUED SERVICE ~~RETIREMENT~~ *BENEFITS*

4 SEC. 234. (a) Any participant who separates from the  
5 Agency after ~~obtaining~~ at least ~~five~~ years of service credit  
6 toward retirement under the system, ~~excluding military or~~  
7 ~~naval service that is credited in accordance with the pro-~~  
8 ~~visions of section 251 or 252(a)(2)~~ *having performed not*  
9 *less than five years of service with the Agency*, may, upon  
10 separation from the Agency or at any time prior to becoming  
11 eligible for an annuity, elect to have his contributions to the  
12 fund returned to him in accordance with the provisions of  
13 section 241, or (except in cases where the Director deter-  
14 mines that separation was based in whole or in part on the  
15 ground of disloyalty to the United States) to leave his con-  
16 tributions in the fund and receive an annuity, computed as  
17 prescribed in section 221, commencing at the age of ~~sixty~~  
18 *sixty-two* years.

19 (b) If a participant who has qualified in accordance  
20 with the provisions of paragraph (a) of this section to re-  
21 ceive a deferred annuity commencing at the age of ~~sixty~~  
22 *sixty-two* dies before reaching the age of ~~sixty~~ *sixty-two* his  
23 contributions to the fund, with interest, shall be paid in  
24 accordance with the provisions of section 241 and 281.

25 ~~(c) The Director may in his discretion retire participants~~

1 in grade GS-14 and above. If so retired they shall receive  
2 retirement benefits in accordance with the provisions of sec-  
3 tion 221, provided they have in each case not less than five  
4 years of qualifying and a total of ten years of service with  
5 the Agency. Any individual so retired who does not meet  
6 these service requirements shall receive the benefits pro-  
7 vided for individuals in grade GS-13 as set out in paragraph  
8 (d) of this section.

9 (d) The Director may in his discretion retire partici-  
10 pants in grade GS-13 and below, and each such participant  
11 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 proportion-  
14 ately 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 par-  
18 ticipant'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 participant, if he has at least  
25 five 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 251  
3 or 252(a)(2), 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 a participant  
6 who was separated from grade GS-13 or GS-12 and who  
7 has elected to receive retirement benefits dies before  
8 reaching the age of sixty, his death shall be considered a  
9 death in service within the meaning of section 232. In  
10 the event that a participant who was separated from  
11 grade GS-11 or below and who has elected to receive  
12 retirement benefits dies before reaching the age of sixty,  
13 the total amount of his contributions made to the fund,  
14 with interest as provided in section 241(a), shall be  
15 paid in accordance with the provisions of section  
16 241(b).

17 (c) Notwithstanding the provisions of section 3477 of  
18 the Revised Statutes, as amended (31 U.S.C. 203), or the  
19 provisions of any other law, a participant who is retired in  
20 accordance with the provisions of paragraph (d) of this sec-  
21 tion shall have the right to assign to any person or corpora-  
22 tion the whole or any part of the benefits receivable by him  
23 pursuant to paragraph (d)(1) of this section.

1                   MANDATORY RETIREMENT FOR AGE

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

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

16                   MANDATORY RETIREMENT

17           SEC. 235. (a) *The Director may in his discretion place*  
18 *in a retired status any participant who has completed at*  
19 *least twenty-five years of service, or who is at least fifty*  
20 *years of age and has completed at least twenty years of*  
21 *service, provided such participant has not less than ten*  
22 *years of service with the Agency of which at least five shall*

1 have been qualifying service. If so retired, such participant  
2 shall receive retirement benefits in accordance with the pro-  
3 visions of section 221.

4 (b) Any participant in the system receiving compensa-  
5 tion at the rate of grade GS-18 or above shall be auto-  
6 matically separated from the Agency upon reaching the age  
7 of sixty-five. Any participant in the system receiving com-  
8 pensation at a rate less than grade GS-18 shall be auto-  
9 matically separated from the Agency upon reaching the age  
10 of sixty. Such separation shall be effective on the last day  
11 of the month in which a participant reaches age sixty or  
12 sixty-five, as specified in this section, but whenever the Di-  
13 rector shall determine it to be in the public interest, he may  
14 extend such participant's service for a period not to exceed  
15 five years. A participant separated under the provisions of  
16 this section who has completed five years of Agency service  
17 shall receive retirement benefits in accordance with the pro-  
18 visions of section 221 of this Act.

19 *LIMITATION ON NUMBER OF VOLUNTARY RETIREMENTS*

20 *SEC. 236. The number of participants retiring on imme-*  
21 *diately annuity pursuant to sections 233, 234, and 235 of this*  
22 *Act shall not exceed a total of four hundred during the period*  
23 *ending on June 30, 1969, or a total of four hundred during*  
24 *the period beginning on July 1, 1969, and ending on June*  
25 *30, 1974.*

1 PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST  
2 IN EXCESS OF BENEFITS RECEIVED

3 SEC. 241. (a) Whenever a participant becomes sepa-  
4 rated from the Agency without becoming eligible for an  
5 annuity or a deferred annuity in accordance with the pro-  
6 visions of this Act, the total amount of contributions from his  
7 salary with interest thereon at 4 per centum ~~per annum~~,  
8 compounded annually as of ~~December 31~~, *per annum to*  
9 *December 31, 1947, and 3 per centum per annum thereafter*  
10 *compounded annually to December 31, 1956 (or, in the case*  
11 *of a participant separated from the Agency before he has*  
12 *completed five years of service, to the date of separation)* and  
13 proportionately for the period served during the year of sepa-  
14 ration including all contributions made during or for such  
15 period, except as provided in section 281, shall be returned  
16 to him.

17 (b) In the event that the total contributions of a retired  
18 participant, other than voluntary contributions made in  
19 accordance with the provisions of section 281, with interest  
20 ~~at 4 per centum per annum compounded annually as is~~ *at the*  
21 *rates provided in paragraph (a) of this section added thereto,*  
22 exceed the total amount returned to such participant or to an  
23 annuitant claiming through him, in the form of annuities,  
24 accumulated at the same rate of interest up to the date the  
25 annuity payments cease under the terms of the annuity, the

1 excess of the accumulated contributions over the accumulated  
2 annuity payments shall be paid in the following order of  
3 precedence, upon the establishment of a valid claim therefor,  
4 and such payment shall be a bar to recovery by any other  
5 person:

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

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

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

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

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

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

21 (c) No payment shall be made pursuant to paragraph  
22 (b) (6) of this section until after the expiration of thirty  
23 days from the death of the retired participant or his sur-  
24 viving annuitant.

1           PART F—PERIOD OF SERVICE FOR ANNUITIES

2                   COMPUTATION OF LENGTH OF SERVICE

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

16                           PRIOR SERVICE CREDIT

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

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

23                   (2) active and honorable military or naval service  
24 in the Army, Navy, Air Force, Marine Corps, or Coast

1       Guard of the United States *prior to the date of the*  
2       *separation upon which title to annuity is based.*

3       (b) A participant may obtain prior civilian service  
4       credit in accordance with the provisions of paragraph (a)  
5       (1) of this section by making a special contribution to the  
6       fund equal to ~~5 per centum~~ *the percentage* of his basic annual  
7       salary for each year of service for which credit is sought  
8       prior to November 8, 1960, and at  $6\frac{1}{2}$  ~~per centum~~ thereafter  
9       with interest compounded annually at 4 ~~per centum~~ per  
10       ~~annum~~ to the date of payment *specified with respect to such*  
11       *year in the table relating to employees contained in section*  
12       *4(c) of the Civil Service Retirement Act (5 U.S.C. 2254*  
13       *(c)), together with interest computed as provided in section*  
14       *4(e) of such Act (5 U.S.C. 2254(e)).* Any such partici-  
15       pant may, under such conditions as may be determined in  
16       each instance by the Director, pay such special contribu-  
17       tions in installments.

18       (c) (1) If an officer or employee under some other Gov-  
19       ernment retirement system becomes a participant in the sys-  
20       tem by direct transfer, such officer or employee's total con-  
21       tributions and deposits, including interest accrued thereon,  
22       except voluntary contributions, shall be transferred to the  
23       fund effective as of the date such officer or employee becomes  
24       a participant in the system. Each such officer or employee  
25       shall be deemed to consent to the transfer of such funds and

1 such transfer shall be a complete discharge and acquittance  
2 of all claims and demands against the other Government  
3 retirement fund on account of service rendered prior to  
4 becoming a participant in the system.

5 (2) No participant, whose contributions are transferred  
6 to the fund in accordance with the provisions of paragraph  
7 (c) (1) of this section, shall be required to make contribu-  
8 tions in addition to those transferred for periods of service  
9 for which full contributions were made to the other Govern-  
10 ment retirement fund, nor shall any refund be made to any  
11 such participant on account of contributions made during any  
12 period to the other Government retirement fund at a higher  
13 rate than that fixed *for employees* by section ~~244~~ of this Act  
14 *4(c) of the Civil Service Retirement Act (5 U.S.C. 2254*  
15 *(c))* for contributions to the fund.

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

25 (d) No participant may obtain prior civilian service

1 credit toward retirement under the system for any period  
2 of civilian service on the basis of which he is receiving or  
3 will in the future be entitled to receive any annuity under  
4 another retirement system covering civilian personnel of the  
5 Government.

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

25 (f) *Notwithstanding any other provision of this section or*

1 *section 253 any military service (other than military service cov-*  
2 *ered by military leave with pay) performed by a participant*  
3 *after December 1956 shall be excluded in determining the aggre-*  
4 *gate period of service upon which an annuity payable under*  
5 *this Act to such participant or to his widow or child is to be*  
6 *based, if such participant or widow or child is entitled (or*  
7 *would upon proper application be entitled) at the time of*  
8 *such determination, to monthly old-age or survivors' bene-*  
9 *fits under section 202 of the Social Security Act, as amended*  
10 *(42 U.S.C. 402), based on such participant's wages and*  
11 *self-employment income. If in the case of the participant or*  
12 *widow such military service is not excluded under the pre-*  
13 *ceding sentence, but upon attaining age sixty-two, he or she*  
14 *becomes entitled (or would upon proper application be en-*  
15 *titled) to such benefits, the aggregate period of service upon*  
16 *which such annuity is based, shall be redetermined, effective*  
17 *as of the first day of the month in which he or she attains*  
18 *such age, so as to exclude such service.*

19 **CREDIT FOR SERVICE WHILE ON MILITARY LEAVE**

20 *SEC. 253. (a) A participant who, during the period of*  
21 *any war, or of any national emergency as proclaimed by the*  
22 *President or declared by the Congress, has left or leaves his*  
23 *position to enter the military service shall not be considered,*  
24 *for the purposes of this Act, as separated from his Agency*  
25 *position by reason of such military service, unless he shall*

1 apply for and receive a refund of contributions under this  
2 Act: Provided, That such participant shall not be considered  
3 as retaining his Agency position beyond December 31, 1956,  
4 or the expiration of five years of such military service, which-  
5 ever is later.

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

11 ~~SEC. 253.~~ Contributions shall not be required covering  
12 periods of leave of absence from the Agency granted a  
13 participant while performing active military or naval service  
14 in the Army, Navy, Air Force, Marine Corps, or Coast  
15 Guard of 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 at  
21 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

1 interest-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 Act  
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 (c).~~

11 PART H—RETIRED PARTICIPANTS RECALLED, REIN-  
12 STATED, OR REAPPOINTED IN THE AGENCY, OR  
13 REEMPLOYED IN THE GOVERNMENT

14 RECALL

15 SEC. 271. (a) The Director may recall, *with the con-*  
16 *sent of any retired participant, recall such participant to*  
17 *duty in the Agency whenever he shall determine such recall*  
18 *is in the public interest.*

19 (b) Any such participant recalled to duty in the  
20 Agency in accordance with the provisions of paragraph (a)  
21 of this section or reinstated or reappointed in accordance  
22 with the provisions of section 231 (b) shall, while so serv-  
23 ing, be entitled in lieu of his annuity to the full salary of the  
24 grade in which he is serving. During such service, he shall  
25 make contributions to the fund in accordance with the pro-

1 visions of section 211. When he reverts to his retired sta-  
2 tus, his annuity shall be determined anew in accordance with  
3 the provisions of section 221.

4 REEMPLOYMENT

5 SEC. 272. Notwithstanding any other provision of law,  
6 a participant retired under the provisions of this Act shall  
7 not, by reason of his retired status, be barred from employ-  
8 ment in Federal Government service in any appointive  
9 position for which he is qualified. An annuitant so re-  
10 employed shall serve at the will of the appointing officer.

11 REEMPLOYMENT COMPENSATION

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

1 *be deducted from his salary a sum equal to the annuity*  
2 *allocable to the period of actual employment.*

3 ~~(b)~~ When any such retired annuitant is reemployed,  
4 the employer shall send a notice to the Agency of such re-  
5 employment together with all pertinent information relating  
6 thereto, and shall pay directly to such annuitant the salary  
7 of the position in which he is serving.

8 ~~(e)~~ (b) In the event of any overpayment under this sec-  
9 tion, such overpayment shall be recovered by withholding the  
10 amount involved from the salary payable to such reemployed  
11 annuitant, or from any other moneys, including his annuity,  
12 payable in accordance with the provisions of this Act.

13 PART I—VOLUNTARY CONTRIBUTIONS

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

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

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

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

5           (4) used to purchase an additional life annuity for  
6           himself and a life annuity commencing on his death  
7           payable to a beneficiary whose name shall be notified in  
8           writing to the Director by the participant with a guar-  
9           anteed return to the beneficiary or his legal repre-  
10          sentative of an amount equal to the cash payment re-  
11          ferred to in subparagraph (3) above.

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

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

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

5 *PART J—COST-OF-LIVING ADJUSTMENT OF ANNUITIES*

6 *SEC. 291. (a) On the basis of determinations made by*  
7 *the Civil Service Commission pursuant to section 18 of the*  
8 *Civil Service Retirement Act, as amended, pertaining to*  
9 *per centum change in the price index, the following adjust-*  
10 *ments shall be made:*

11 (1) *Effective April 1, 1966, if the change in the price*  
12 *index from 1964 to 1965 shall have equaled a rise of at*  
13 *least 3 per centum, each annuity payable from the fund*  
14 *which has a commencing date earlier than January 2, 1965,*  
15 *shall be increased by the per centum rise in the price index*  
16 *adjusted to the nearest one-tenth of 1 per centum.*

17 (2) *Effective April 1 of any year other than 1966*  
18 *after the price index change shall have equaled a rise of at*  
19 *least 3 per centum, each annuity payable from the fund*  
20 *which has a commencing date earlier than January 2 of the*  
21 *preceding year shall be increased by the per centum rise in*  
22 *the price index adjusted to the nearest one-tenth of 1 per*  
23 *centum.*

24 (b) *Eligibility for an annuity increase under this section*  
25 *shall be governed by the commencing date of each annuity*

1 payable from the fund as of the effective date of an increase,  
2 except as follows:

3 (1) Effective from the date of the first increase under  
4 this section, an annuity payable from the fund to an annui-  
5 tant's survivor (other than a child entitled under section  
6 221(c)), which annuity commenced the day after the annui-  
7 tant's death, shall be increased as provided in subsection  
8 (a)(1) or (a)(2) if the commencing date of annuity to the  
9 annuitant was earlier than January 2 of the year preceding  
10 the first increase.

11 (2) Effective from its commencing date, an annuity pay-  
12 able from the fund to an annuitant's survivor (other than  
13 a child entitled under section 221(c)), which annuity com-  
14 mences the day after the annuitant's death and after the  
15 effective date of the first increase under this section, shall be  
16 increased by the total per centum increase the annuitant was  
17 receiving under this section at death.

18 (3) For purposes of computing an annuity which com-  
19 mences after the effective date of the first increase under this  
20 section to a child under section 221(c), the items \$600, \$720,  
21 \$1,800, and \$2,160 appearing in section 221(c) shall be in-  
22 creased by the total per centum increase allowed and in force  
23 under this section and, in case of a deceased annuitant, the  
24 items 40 per centum and 50 per centum appearing in section  
25 221(c) shall be increased by the total per centum increase

1 *allowed and in force under this section to the annuitant at*  
2 *death. Effective from the date of the first increase under*  
3 *this section, the provisions of this paragraph shall apply as if*  
4 *such first increase were in effect with respect to computation*  
5 *of a child's annuity under section 221(c) which commenced*  
6 *between January 2 of the year preceding the first increase*  
7 *and the effective date of the first increase.*

8 *(c) No increase in annuity provided by this section shall*  
9 *be computed on any additional annuity purchased at retire-*  
10 *ment by voluntary contributions.*

11 *(d) The monthly installment of annuity after adjust-*  
12 *ment under this section shall be fixed at the nearest dollar.*

Passed the House of Representatives October 30, 1963.

Attest: RALPH R. ROBERTS,  
Clerk.

[COMMITTEE PRINT NO. 2]

SEPTEMBER 2, 1964

88TH CONGRESS  
2d SESSION

**H. R. 8427**

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**AN ACT**

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.

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OCTOBER 31 (legislative day, OCTOBER 22), 1963  
Read twice and referred to the Committee on  
Armed Services