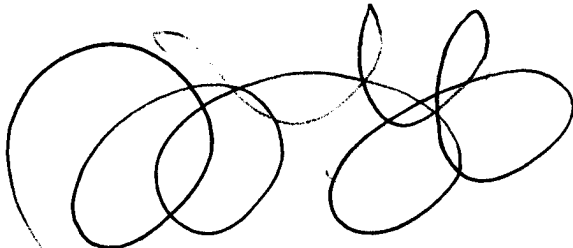


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**SECRET**

29 DEC 1969

**MEMORANDUM FOR: Director of Research and Development**  
**SUBJECT: Information on Agency Retirement Policy**

The questions raised by some of your staff, in the attachment to [redacted] have been answered in the light of some of the materials available to me as the DDS&T representative on the Agency Retirement Board. The attached responses are purposely brief. I felt it advisable to boil down countless hours of debate and present the situation as it now exists. Since there is a good deal of background behind this policy, I should like to suggest that I get together with your representatives when they consider these responses.

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[redacted]

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Deputy Director of  
Scientific Intelligence

**Attachment:**  
As Stated

**Distribution:**  
Original & 1 - Addressee  
2 - DD/SI

OSI:DD [redacted] (23 December 1969)

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DEC 29 1969  
CIA

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a. QUESTION:

What is the purpose of the Agency's unique treatment of the retirement policy of the Federal Government?

ANSWER:

The decision to establish the Agency's early retirement policy was made in 1959 by Mr. Dulles. When the CIA Retirement and Disability System (CIARDS) was established as a result of legislation enacted in 1964, the advisability of an Agency-wide early retirement policy was re-examined. About two years ago a retirement rationale paper was prepared. Key passages of that paper are quoted below.

1. The production of intelligence bearing on the national security for use at the highest levels of policy determination of the United States Government is a responsibility of the gravest note. The organization bearing this responsibility should be staffed with persons of the highest available intellect, integrity, professionalism, dedication, perspicacity, and dynamism. The Central Intelligence Agency's retirement policy is an essential element of its program for ensuring that its staff possesses these attributes to the highest degree feasible.

2. The personnel staffing program of the Agency is based on the concept of selective recruitment for career employment and managed career development. Selection standards are designed to accept only persons with the highest qualifications and potential for development. The Agency's development program provides a career-long blend of formal training and managed progression through appropriate assignments of increasing breadth and responsibility.

3. The goal of the Agency's development program is to place the best available employee in every position. Promotion policy reinforces career development by advancing those who excel and have the capacity for further growth. The Agency's

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**SECRET**

rigorous system for evaluating the performance of its employees is designed to assure high levels of effectiveness. Those who are unsatisfactory are separated; those who are marginal or unlikely to find full career satisfaction are counseled to resign.

4. Intelligence activities are characterized by continuous changes -- in requirements, methods, techniques, processes, and emphases. As these changes occur, the Agency reassigns its career staff employees and provides supplementary training as required. To the extent that these measures do not meet the needs, requisite skills, experience, and special abilities are acquired by the employment of new personnel.

5. Because there are practical limits to the size of the Agency, the requirement for new employees and the operation of the career development program cannot be accomplished without attrition. Part of this attrition is provided by involuntary separations and resignations through the Agency's system for evaluating employee performance. Other vacancies are provided by voluntary retirement and resignation and by death and disability. But together these do not create a sufficient number of vacancies.

6. The Agency's retirement policy is an integral part of its program to maintain the high level of performance required by its mission and responsibilities. It also provides the additional attrition necessary for career development and the acquisition of new employees.

b. QUESTION:

When was the practice as quoted in paragraph 2 initiated?

ANSWER:

As noted above, the Agency's retirement policy which generally limits the career span of its career employees to age 60 was adopted in 1959.

- 2 -

**SECRET**

**SECRET**

At that time employees were expected to retire at age 60 with 30 years of service or at age 62 with at least 5 years of service. When the Civil Service Retirement Act was amended in 1966 to include a provision for optional retirement at age 60 with 20 years of service, Agency policy was in turn revised. Some employees had been informed prior to the revision of Agency policy in 1966 that their scheduled retirement would be at age 62 and presumably they had planned accordingly. With the change, their scheduled retirement age would be lowered to 60. It was decided that these few employees should be permitted to remain on duty until age 62 if they so requested. Employees who have at least 30 years of service at age 60 are not included since their retirement was already a provision of the earlier Agency policy.

c. QUESTION:

Is any action planned to adjust the general policy to eliminate present injustices?

ANSWER:

It is not clear what "present injustices" are considered to be. In the early days of the implementation of the policy a small group of so-called "three letter employees" was created because of changes in the optional retirement legislation (see the answer to Question b). This was an inequity that was dealt with at the time. Personal hardship cases are dealt with individually (see the answer to Question e).

d. QUESTION:

On request, can any employee hired prior to the use of the Retirement Understanding statement get an explicit statement of his service future, including extension of service term beyond minimums, to assist him in personnel planning?

ANSWER:

Each employee is entitled to an explicit statement of his service future. Under established practice he is reminded of his retirement date 5 years in advance.

- 3 -

**SECRET**

**SECRET**

If the individual desires to request an extension, he should make his request about 18 months in advance of the scheduled date.

e. QUESTION:

What are the criteria for the granting of exceptions to the general policy on retirement?

ANSWER:

According to  two criteria guide the granting of exceptions:

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1. Employees may be extended beyond the scheduled retirement age established in accordance with b above when because of skills or other qualifications which are needed and should be preserved for the Agency or for other reasons the Deputy Directors, Heads of Career Services, or Heads of Independent Offices believe it desirable to continue their employment.

2. Employees may request an exception to the Agency's policy based on unusual and compelling personal circumstances which would result in serious personal hardship if retirement takes place as scheduled. Requests should be forwarded through the Operating Official or Head of Independent Office concerned.

Such requests are reviewed by the Retirement Board, which makes its recommendation to the Director of Personnel, who in turn makes his recommendation to the DCI. With few exceptions extensions are granted for one year only. For your information extensions for DDI and DDS&T personnel are somewhat more common than for DDP and DDS personnel.

f. QUESTION:

What is the interpretation and usage of the Retirement Understanding forms now executed by new employees?

- 4 -

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ANSWER:

The Retirement Understanding form is an attempt by the Agency to highlight the fact that the Agency's retirement policy differs from that of normal Civil Service employment. It serves to inform the new employee so that he can determine whether this fact affects his decision to accept employment.

- 5 -

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