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MEMORANDUM FOR: CHIEF, BENEFITS AND SERVICES DIVISION

SUBJECT : ANNUAL REPORT FISCAL YEAR 1966,
RETIREMENT BRANCH

1. In Fiscal Year 1966 the Retirement Branch of the Benefits and Services Division was created. The Branch was established to pull together, into one group, retirement functions that were being performed by various components of the Office of Personnel. Basically, the functions assigned to the new Retirement Branch are as follows:

- a. Pre-retirement planning and counseling for employees covered by the Civil Service Retirement System and for employees covered by the C.I.A. Retirement and Disability System.
- b. To provide staff guidance and administrative support in processing applications in connection with Civil Service retirement for Agency personnel, including applications requiring secure processing with the Civil Service Commission.
- c. To provide staff guidance and administrative support in processing applications in connection with the C.I.A. Retirement for Agency personnel.
- d. Administrative support for retirees and survivors under the C.I.A. Retirement System.
- e. Executive Secretariat functions in support of the Agency Retirement Board.

2. At the present time there are seven employees assigned to the Retirement Branch: Chief of the Branch, four professional processing officers, and two in the clerical field.

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HIGHLIGHTS

1. Establishment of the Retirement Branch

Since September 1965 practically the whole 9 months could be considered as one big "highlight." With the beginning of a new branch, many new procedures were established, new recordkeeping systems were initiated, new personnel were trained, and many other incidental things were done in order to get everything running smoothly, not to mention the many smaller details such as acquiring space, furniture, phones, and supplies. There are certain other items that should be listed as "highlights" if for no other reason than for historical purposes.

2. "Daniels' Bill"

In the later months of 1965 Congress passed a law granting all retirees a cost of living increase plus a little extra bonus amounting to 6.1 percent of their annuity. This would not have created too much of a problem except that the law read that anyone retiring prior to 31 December 1965 would also get the above increase. This caused a mass exodus, and the month of December 1965 showed an alltime high of those retiring under the Civil Service Retirement System. There were 69 Agency employees who retired in December 1965.

3. Daniels' Bill

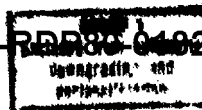
The Daniels' Bill created another workload. It was necessary to request from the Civil Service Commission the new annuity rates of all the reemployed annuitants on the rolls.

4. Secure Method of Correspondence

When an individual retires under the Civil Service Retirement System, the processing by the Retirement Branch usually stops shortly after the date of retirement because the Civil Service Commission takes over the case and any inquiry concerning retirement matters is answered by the Commission. However, the Retirement Branch is responsible for all the continuing administrative matters for those who retire under the C.I.A. System. This means that as more and more individuals retire under the C.I.A. System the workload increases proportionally. For example, when there was a change in the cost of hospitalization at the first of the

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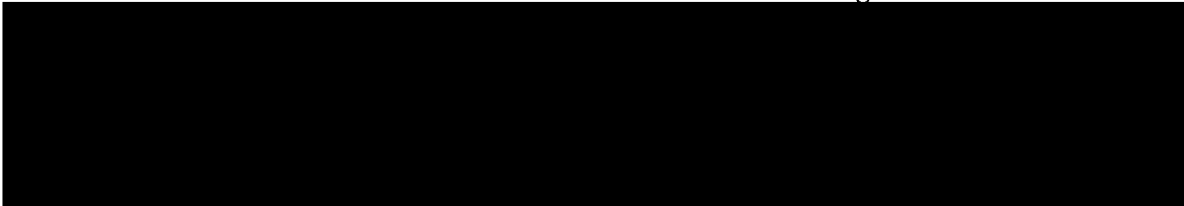


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year, it was fairly easy to notify each annuitant of the rate change. Now, however, it will be more difficult because we have many more retirees. Next year the problem will be that much greater. In

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5. Retirement Medallions

The Agency decided to award a medallion to those retirees who have at least 15 years of service with C.I.A. Because the decision was made to award these medallions retroactively, it was necessary to review all former employees who had retired to ascertain if they had 15 or more years of service with C.I.A. before retirement and whether they were on duty 18 September 1947. Those who were on duty 18 September 1947 will receive a silver medallion. All others will get a bronze one. The Branch personnel have completed the initial screening and are now checking with Central Cover Staff, the Office of Security, and the Office of Personnel to determine who should not get a medallion whatever the reason might be for denial.

6. Agency Retirement Board

The function of the Executive Secretary of the Agency Retirement Board increased in one respect. More 5-year letters were sent to those eligible in 1971 than had been sent in previous years. This means that more interviewing and counseling will be done by the Executive Secretary. About the same number of cases of extension requests was processed by the Board in Fiscal Year 1966. However, most of the cases were processed in the first half of the Fiscal Year with only two cases going to the Board in the last half of the Fiscal Year. This probably can be explained by the Daniels' Bill bonus. Some individuals retired in 1965 to receive the extra bonus who might otherwise have asked for a deferment by the Board. This next Fiscal Year may show that the number of Board cases returns to the normal pattern.

7. Military Retired Pay

It was discovered that if an individual dies in service and he is in receipt of military retired pay his widow cannot use the husband's military time in the computation of service for Civil Service annuity purposes. Steps are being taken to insure that this will not occur in

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the future. One method being used at the present is to have the retired officer or enlisted man write a letter to the Military Retired Pay Section indicating his intent to waive his retired pay prior to his death or retirement.

PROJECTION: FISCAL YEARS 1967 AND 1968

1. Fiscal Year 1967 will show a significant increase in the workload of the Retirement Branch. At the end of Fiscal Year 1966, there were 62 annuitants under the C.I.A. Retirement System. It is estimated that 92 persons will retire in Fiscal Year 1967, and 89 will retire in Fiscal Year 1968. These total to 243 annuitants that will be on the rolls by the end of FY 1968. Although the number of retirees per year is not too significant, the overall workload will increase tremendously, as the more retirees we have under the system, the more persons there are with whom we must maintain contact. (See Chart No. 1 attached.)

2. It is difficult to predict the extra workload that might be created if Congress passes the law to allow employees to retire at age 60 with 20 years of service or at age 55 with 30 years of service without a reduction in the annuity for age. Chart No. 2 shows the number of those employees who could elect to retire prior to their normally scheduled date.

Other statistics are attached. See Chart No. 3.

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