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28 APR 1961

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Voluntary Retirement at Age 62 Under Agency  
Notice N [redacted]

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1. This memorandum presents a recommendation for your approval in paragraph 8.

2. The attached letter addressed to you by [redacted]

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[redacted] OTR, 63 years old, containing a vehement protest against the Agency's voluntary retirement program, is not an appeal to you for relief in his own case, but rather a mere expression of his strongly-held views. [redacted]

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64 years old, is also an Agency staff employee and is likewise slated to retire in the near future.

3. Mr. Houston, Chairman of the Retirement Board, forwarded this letter first to me because he felt that, although the Board itself had had no large-scale reaction against the program, investigation might disclose the existence among Agency personnel of a considerable body of unexpressed resentment against the program.

4. From an investigation made by a member of my staff it appears that there is currently no considerable amount of resentment against the program, although several of the employees affected

*IG*  
[redacted]

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have protested that since they entered on duty relying upon the provisions of Agency regulations and Civil Service legislation providing a mandatory retirement age of 70, the introduction of the pressures of the voluntary retirement program which causes some but not all employees to retire at age 62 constitutes an unfair change of the rules. In order to supplement the investigation just made, I am arranging for my staff to interview in the future all employees of grade GS-12 or above who apply for voluntary retirement. These interviews will be conducted in connection with our program for interviewing all senior employees who resign from the Agency.

5. You will recall that the program was instituted at the beginning of 1960 by Agency Notice  entitled "Civil Service Retirement -- Agency Retirement Board" as a compromise measure at a time when it was felt impractical to obtain legislation for mandatory earlier retirement and more adequate annuities at age 62. This notice was not accompanied by any statement to the employees of the reasons why early retirement was considered necessary; it does not contain any statement of the criteria for identifying those exceptional employees who are to be invited to continue in service after age 62 and it is silent on the point whether such "voluntary" early retirement was to be mandatory. A regular Agency regulation is currently being drafted to replace the notice on this subject and this furnishes an occasion for reconsidering the formulation of the policy.

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6. It is my impression that the program has been administered to date in a mild, humane manner, with liberal extensions of time being granted for compassionate (financial) reasons and on grounds of personal preference on the part of the employee. The arrangements made in the Office of Personnel for the pre-retirement counselling of employees appear to be effective and highly beneficial in helping employees to find acceptable solutions of their retirement problems. (This separate activity is the extent to which a number of the Government agencies intervene in the matter of early retirement.) On the other hand, the administration of the program has varied somewhat from component to component and there are evidences that numerous employees are uncertain as to the extent to which the voluntary character of early retirement is being invaded. Such invasion may perhaps raise a somewhat delicate legal problem, in view of the Agency's detailed procedures for termination on the ground of ineffective performance. These points should be reviewed in connection with the drafting of the new regulation.

7. Finally, there are indications in the press that the Kennedy Administration is veering towards a position of disfavoring early retirement, on the grounds of the increased longevity and improved health throughout the nation, the need to increase productivity by utilizing all available workers and also the disinclination to accelerate the demands on the Civil Service retirement fund, whose

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current unfunded liability is reported to be \$31 billics. It is rumored that the general subject may be considered in the near future in hearings before the Senate Civil Service Committee on the pending bills for the grant to Government workers of the right to retire on full annuities after thirty years of service, regardless of age.

8. In view of the foregoing considerations, it is recommended that you instruct the Career Council to re-examine the entire matter of the Voluntary Retirement Program, giving special attention to the following aspects:

- a. The effectiveness of the program to date.
- b. Whether it is to the Agency's best interests to continue the program in view of rumored Administration opposition to early retirement in the analogous matter of granting to Government employees the right to optional retirement after thirty years of service, regardless of age, on full annuities.
- c. Whether the existence of the program may have a bad effect on Agency recruiting.
- d. The extent to which the program has been interpreted as being mandatory on employees who become eligible for voluntary retirement at age 62; reconsideration of the need for and desirability of such mandatory quality and a statement on the point in the forthcoming regulation.

e. The desirability of issuing to all Agency employees a frank statement of the reasons requiring an early retirement policy and for the publication of such a statement in the forthcoming regulation.

f. The desirability of issuing a statement of Agency-wide standards applicable in determining when an employee is to be invited to continue in service after reaching voluntary retirement age and of publishing this statement in the forthcoming regulation.

SIGNED

Lyman B. Kirkpatrick  
Inspector General

APPROVED:

SIGNED *30 April 1961*  
Director of Central Intelligence

sci DDGI  
OGC via DD/S

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*4/28/61*

*Distribution  
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Note: IG is holding letter to DCI from  for further action. 25X1

*subsequently this  
sent to OGC w/cy of letter  
- 5 -  
to Carder from DCI.*