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Delay Expected on Bill to Up Retirement Age

Administration officials think it will be midsummer at the earliest before Congress acts on the White House plan that would make feds who want full retirement benefits work an extra 10 years to get them.

Proposed legislation that would make 65 the standard federal retirement age is being reviewed at the Office of Management and Budget, and could be sent to Congress within the next couple of weeks.

Currently, employees with 30 years' service can retire at age 55 on an annuity equal to slightly more than 56 percent of salary. The administration proposal, when fully effective, would cut annuities 5 percent a year for each year the employee was younger than 65 when retiring. If that plan were in effect, the 30-year employee retiring at age 55 would get an annuity worth 28 percent of salary.

Government employees who now pay 7 percent of their gross salary into the civil service retirement fund would have to put in 9 percent next year, and 11 percent beginning in 1985 under the president's plan. Federal agencies would also raise their contributions to 11 percent.

The timing of the legislation is important to many federal workers nearing their 55th birthday. The legislation would allow anyone 55 or older at the time of enactment to remain under the current system. In other words, they could still retire in the future at age 55 with 30 years, or at age 60 with 20 years, or at age 62 with 5 years' service without being subject to the pre-65 retirement annuity penalty.

The House Post Office-Civil Service Committee, which would normally handle the president's stretched-out retirement plan, has made it clear it will not approve the measure.

Administration officials hope for a better reception in the Senate. If their bill gets anywhere at all in the House,

they expect it will be via the budget reconciliation process. Under it, the House could approve a budget incorporating the president's "reforms" and make it law as part of the budget.

In any event, White House officials do not expect the retirement plan would be approved until sometime in August. House Democrats say the bill will not be approved at all this year.