



United States
**Office of
Personnel Management**

Washington, D.C. 20415



In Reply Refer To

Your Reference:

- Hugh E. Price
Director of Personnel
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Price:

As you are aware, staff from CIA and OPM have been working on a written agreement to officially implement Section 207(i) of the Federal Employees' Retirement System Act of 1986 with respect to CIA employees.

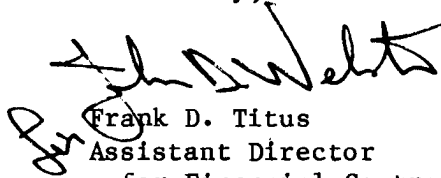
CIA and OPM staff have agreed that the best way to document our agreement is to enter into one umbrella and several supplemental Memoranda of Understanding. It was intended that the draft umbrella memorandum be signed at the Director level for our respective agencies. The supplemental agreements, concerning such issues as operational procedures and financial accounting, would be signed at the organizational level responsible for such functions.

While discussions have proceeded, CIA has begun to process retirement, death benefit, and refund claims and has billed the Civil Service Retirement Fund for reimbursement of annuitant related payments in accordance with Section 207(i). It is therefore important that we expeditiously conclude negotiations and effect a signed umbrella agreement. Then we can pursue completion of the necessary supplemental agreements. To this end, OPM has prepared and offers the attached draft agreement for your consideration. It addresses the major concerns OPM staff held in regard to an earlier CIA draft, while retaining that draft's key provisions.

We would like to meet with you to discuss our draft and to finalize an agreement. At the same time, we want to develop a schedule for disestablishing the Secure Records File we maintain on current and former CIA employees and transfer records to your custody as appropriate, including all records on active CIA employees. You may call me direct at 632-6077 or have your staff make arrangements with Mr. Dan Green of my staff. Dan can be reached on 653-8733.

I look forward to an early and satisfactory conclusion to our discussions.

Sincerely,



Frank D. Titus
Assistant Director
for Financial Control and Management

Enclosure

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**Agreement Between the
Office of Personnel Management
and the
Central Intelligence Agency**

Purpose: The purpose of this memorandum is to formalize existing understandings between the Office of Personnel Management (OPM) and the Central Intelligence Agency (CIA) regarding the administration of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS), as these systems apply to employees of the CIA.

Background: The FERS Act of 1986 contained provisions designed to improve security protection afforded CIA employee identities, intelligence sources, methods, and activities. These provisions amended Title 5, United States Code, through addition of a new subsection 8347 (n) and a new section 8461, applicable respectively to the administration of the CSRS and FERS.

Methodology: This agreement between the two Agencies will outline in general terms both Agencies responsibilities, obligations, and duties. It will be supported by separate subordinate Memoranda of Understanding, which are consistent with the context and scope of this primary memorandum and which address such matters as operating relationships and financial management. Signature and approval authority for these subordinate memoranda may be delegated. A complete unclassified listing of each such supplementary memorandum will be filed with and noted on the record copies of this Memorandum of Understanding, and updated as necessary.

Discussion: This Memorandum reaffirms the understanding between CIA and OPM. The Director of CIA has elected to exercise the legislated authority, effective January 1, 1987, to administer all CSRS and FERS provisions and related functions and duties as they apply to all current and future CIA employees and those annuitant beneficiaries becoming eligible for such benefit payments on and after January 1, 1987.

CIA's current retirement regulations, developed through consultation with OPM, specify the primary policies, authorities, responsibilities, and general procedures for the administration of CSRS and FERS functions applicable to employees and annuitant beneficiaries of the CIA. CIA will consult with OPM should circumstances require substantial revisions of existing CIA retirement regulations, procedures, or processes. CIA policies and procedures shall be consistent with OPM's administration of CSRS and FERS.

In the event that there is some significant change in circumstance and the Director of CIA determines it is no longer appropriate to exercise the authority as regard specific retirement functions and duties enumerated in Title 5, U.S. Code, CIA will notify OPM of such intent and consult with OPM on the mechanisms and timing of the transfer of functions. Functions and duties assumed by OPM will be performed on a reimbursable basis as provided for in Title 5.

Other Duties and Responsibilities: CIA will conduct periodic internal inspections and audits of CSRS and FERS retirement processing and disbursements. Internal inspections and audit systems will be subject to review by OPM and may be supplemented by independent reviews conducted by OPM personnel who have appropriate program knowledge and security clearance. CIA program officials will comply with all reasonable audit recommendations.

CIA will provide OPM with statistical reports on financial and operational activities. The content and frequency of reports will be described in the supplemental agreements.

OPM will furnish, on a reimbursable basis, such information and support services as required for CIA to carry out its functions and duties under Chapters 83 and 84 of Title 5. The information services and charges will be agreed upon by representatives of each Agency.

OPM will provide on request any retained prior Federal service records and related documents applicable to CIA employees.

OPM will effect the disbursement of monies from the CSRS Fund to the CIA in reimbursement of expenditures, properly chargeable to the Fund, incurred by CIA in the administration of CSRS and FERS. Documentation of expenses and payments will be described in the supplemental agreement on financial activities.

Changes: Modifications and revisions of existing operating procedures and the establishment of new procedures will be jointly developed and agreed to by appropriate officials of OPM and CIA as the need arises and to assure the currency and adequacy of such procedures. Major modifications and/or major new procedures should be reflected in the appropriate supplementary Memoranda of Understanding.

This Memorandum of Understanding will continue in effect until terminated by either Agency giving six months advance written notice. The advance notice may be waived in whole or in part only if agreed to in writing by both Agencies.

Approvals:

Approved for the Office of Personnel Management.

Director, Office of Personnel Management

Date

Approved for the Central Intelligence Agency.

Director, Central Intelligence Agency

Date