

15 November 1976

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(b)(6)

MEMORANDUM FOR: John F. Herlihy

FROM : F. W. M. Janney  
Director of Personnel

VIA : Head of Career Service

SUBJECT : Designation as a Participant in the CIA  
Retirement and Disability System

1. Based on a review of your record and the recommendations of the Head of your Career Service and the CIA Retirement Board, I have determined that you meet the criteria specified in HR 20-50, CIA Retirement and Disability System, for designation as a participant in the System.

2. HR 20-50 provides, in part, that:

"Any participant who has completed 15 years of service with the Agency and whose career at that time is adjudged by the Director of Personnel to be qualifying for the System may elect to remain a participant in the System for the duration of his employment by the Agency, and such election shall not be subject to review or approval by the Director."

Since you have already completed 15 years of service with the Agency, your right to this election vests upon your designation as a participant and must be exercised immediately.

3. If you do not wish to remain a participant in the System you will be continued under the Civil Service Retirement System; you will not subsequently be permitted to convert to CIARDS. If you elect to remain in the System as a participant, you do not have the privilege of changing it at some later date.

4. For your assistance in making your decision, some of the major differences between CIARDS and CSRS are as follows:



a. A qualified participant in CIARDS may, on his own application and with the consent of the Director, retire with an immediate annuity after he becomes 50 years of age and completes 20 years of Government service. The CSRS permits retirement after a participant in that system becomes 55 years of age and completes 30 years of Government service;

b. A participant in either retirement system may be involuntarily retired with an immediate annuity after completing 25 years of Government service or after becoming 50 years of age and completing 20 years of service; however, the annuity received by a CSRS participant is reduced by 1/6th of one percent for each full month (or two percent per full year) that the employee is under 55 years of age. The annuity of a CIARDS participant is not similarly reduced;

c. Under CIARDS, GS-17's and below must retire at age 60; GS-18's and above must retire at age 65. Under CSRS, an employee must retire at age 65 regardless of grade;

d. Another difference is that under CIARDS the maximum annuity payable (not including sick leave) is 70 percent of the average "high three" salary while the CSRS will not increase beyond 70 percent unless and until an employee has more than 36 years and 10 months' service;

e. The formula for computing an annuity is more generous under CIARDS than under CSRS. Under the former, the amount of an annuity is two percent for each year of service credit multiplied by the average high three years of salary. Thus, in the case of an employee retiring at age 55 with 30 years of service and a "high three" of \$22,000, the annuity will be 60 percent of \$22,000, or \$13,200. The CSRS formula differs in that instead of two percent for each year of service, there is allowed only 1 1/2 percent for each of the first five years, 1 3/4 percent for each of the second five years, and two percent for the remaining years of service credit. Thus, for the age, years of service and "high three" salary used above, the CSRS annuity will be 56 1/4 percent or \$12,375;

f. New law could, of course, change the benefits and requirements of either or both systems.

5. It is requested that you indicate your wish by checking the appropriate box, signing below and returning the original of this memorandum to the Executive Secretary, CIA Retirement Board, Room [ ] Ames Building, not later than fourteen calendar days from the date of this memorandum.

6. If you have any questions you wish to ask before completing this form, please call the Executive Secretary, CIA Retirement Board, on extension [ ] for an appointment.

[ ]

F. W. M. Janney/  
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I received this memorandum on or about November 30, 1976 and have read and understand its contents, particularly the fact that this election by me is a one-time, irrevocable election:

I elect to remain a participant in the CIA Retirement and Disability System for the duration of my employment by the Agency and understand that this election is irrevocable and may not be changed at a later date.

I elect NOT to remain a participant in the CIA Retirement and Disability System for the duration of my employment by the Agency and understand that this election is irrevocable and may not be changed at a later date.

John Herby  
Signature

November 30, 1976  
Date