Approved [redacted] Release 2002/02/14 : CIA-RDP84-00[redacted]R000200180020-4

28 OCT 1964

NOTE FOR : Retirement Policy File

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As in the [redacted] case, a question arose in [redacted] retirement picture as to whether or not he had some specific action to initiate in order to obtain the benefit of crediting all of his military service toward civilian retirement to provide against the contingency that he might die on our rolls without taking such action. I recalled that when we went through this on the [redacted] case, BRI assured me that such a crediting would take place automatically. Nonetheless, I called [redacted] BRI. He reported that if all of the military time was before January 1957, the crediting of this military time toward civilian retirement so as to accrue a greater survivorship benefit for survivors of the employee who dies on the rolls would be done automatically by BRI even though the deceased employee had taken no initiative in this direction.

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[redacted]

Chief, Benefits and Services Division

10 - OC/BSD Retirement Policy
1 - BCB Retirement Policy
1 - OC/BSD Chrono

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26 JUL 1963

NOTE TO : C/BSD

Over the years there has been a controversy within the Office of Personnel concerning the eligibility of certain kinds of conditions, particularly where alcoholism is involved, for disability retirement. In BSD we have followed the philosophy that because an individual is an alcoholic does not on its face value disqualify him for disability retirement under the "intemperance" exclusion of the law. If there is an overriding psychiatric disorder which is the basic difficulty and if alcoholism is only a manifestation of that psychiatric problem, the employee is eligible for disability retirement. In conversations with [redacted] I have been led to believe that he shares this point of view. More importantly, however, I have had several conversations with Andrew Ruddock over the years and he endorses this concept entirely.

To prove the point, we have started the practice of accumulating names of individuals whose disability retirement has been approved even though they have been called alcoholics. This list of names is attached and you may wish to hold it should a situation ever arise.

Ben

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15 OCT 1963

MEMORANDUM FOR THE RECORD

STATINTL 1. At the request of [redacted] I called Mr. Ruddock, Bureau of Retirement and Insurance on 10 October 1963 to seek his advice on a
STATINTL special problem encountered by [redacted] The problem is this — an employee was separated under the 701 program last summer. At the time, he was informed of his rights to apply for disability retirement and he chose not to. Since that time, the employees has been receiving separation compensation. Recently, the employee applied for disability retirement and his application is pending at BRI. If the application is approved, we understand that disability payments would be made retroactive to the man's separation date and that disabil ty retirement payments would coincide with the period covered by separation compensation payments. The problem is created because of a Comptroller General ruling that disability compensation and separation compensation may not concurrently be received.

2. Mr. Ruddock confirmed our earlier understanding that he had no discretion in changing the effective date of the disability retirement and that it would have to be made retroactive to the employee's separation from this Agency. He confirmed also, however, that the Agency could attach to retirement records a claim for offset in the amount of the separation compensation. We then discussed how this could be handled in such a way as to not create a hardship for the employee involved, since to offset the amount owed us for separation compensation would probably consume the employee's entire monthly annuity from BRI for an extended period of time. On this, Mr. Ruddock stated that he did have discretion to offset the amount due the Agency in a lesser amount than the entire annuity. He stated that we could send a letter to BRI and ask them to recover the amount due the Agency in a stated sum, e.g., 20, 30, 40, or 50 dollars monthly. He did note, however, that he did not want to have the installment period cover too long a time since the BRI would have to institute a special bookkeeping system.

3. As another possible solution to the problem and on the basis that the Agency's separation compensation concept was beneficial in nature and designed to help former employees adjust during the period immediately their separation, he asked whether the Agency had authority to write off the separation compensation indebtedness that would be created if disability retirement approval is granted by BRI. He was not suggesting that the

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whole amount be written off since the employee would be profiting; rather, he suggested that once an annuity has been determined, the Agency could ~~offset~~ write off the amount of its monthly compensation payment which exceeds the monthly annuity during the retroactive portion. This, then, would put us in the position of having paid the employee's annuity for that period of time and excusing that amount which exceeds the annuity. The Commission then could begin its disability payment prospectively with no offset and a hardship could be avoided.

4. I told Mr. Ruddock that we would be in touch with him on this case later once we knew that the employee's application for disability retirement has been approved.

5. The substance of the above was reported to [redacted] STATI

[redacted] STATI

Chief, Benefits and Services Division

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