

COMPARISON OF PRINCIPAL PROVISIONS OF THE  
CIVIL SERVICE AND CIA RETIREMENT SYSTEMS

NOTE: This chart has been prepared to give only general information about these two retirement systems. The presentation is necessarily simplified and many technical points are not covered.)

Item	Civil Service Retirement (CSR)	CIA Retirement (CIAR)	Comments
Contributions to Retirement Fund	By employee: $6\frac{1}{2}\%$ of basic pay By Agency : $6\frac{1}{2}\%$ of basic pay	Same	
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<u>Computation of Annuity</u>			
Basis	Based on average salary for highest paid consecutive five years of service ("high-5") and years of creditable service.	Same	
Formula	$1\frac{1}{2}\%$ of high-5 times 1st 5 years of service + $1\frac{1}{3}\%$ of high-5 times 2nd 5 years of service + 2% of high-5 times remaining years of service.	2% of high-5 times years of service.	CIAR annuity is 3.75% of high-5 more than an annuity computed under the CSR formula.
Maximum	80% of high-5 (attained at 40 years 11 months of service)	70% of high-5 (attained at 35 years of service)	Although CSR's maximum is higher, because of difference in annuity formula, it would take about 36 years 10 months of service under CSR to earn the CIAR maximum annuity. A CIAR participant eligible for a higher annuity under CSR may request transfer to that system.
Cost-of-living Adjustment	Effective 1 April of any year upon a price index rise of at least 3%, annuities which began earlier than 2 January of preceding year will be increased by an amount equal to the percentage increase.	Same	

Item	Civil Service Retirement (CSR)	CIA Retirement (CIAR)	Comments
<p><u>Computation of Annuity</u> (cont'd) Reduction for age</p>	<p>Annuity is reduced by 1% for each year under age 60 to age 55, and 2% for each year below age 55. This reduction does not apply in the case of disability retirement.</p>	<p>No reduction for age for any type of retirement.</p>	<p>A substantial reduction may occur under CSR, for example, 15% at age 50.</p>
<p>Special adjustment (1962 Pay Act)</p>	<p>The Federal Salary Reform Act of 1962 provided special percentage increases in Civil Service annuities on a decreasing scale over a 5 year period. Adjustment for 1965 retirements is 2%, for 1966, 1%. None after 1966.</p>	<p>No similar provision.</p>	<p>As indicated, this was a special provision of the 1962 Pay Act for Civil Service annuities only.</p>
<p>Optional (Voluntary) Retirement</p>	<p>Available at: Age 60 with 30 years service; Age 62 with 5 years service; Age 55 with 30 years service, but earned annuity reduced by 5%.</p>	<p>Available at age 50 with 20 years service, including 10 years Agency service of which 5 years are qualifying, upon application and with consent of DCI.</p>	<p>CIAR permits voluntary retirement with full earned annuity 10 years earlier than CSR.</p>
<p>Involuntary Retirement (Discontinued Service)</p>	<p>Immediate annuity available if involuntarily separated, not for cause, if: Any age with 25 years service; Age 50 with 20 years service. Earned annuity reduced proportionately for years under age 60.</p>	<p>Involuntary retirement at the discretion of the DCI if: Any age with 25 years service; or Age 50 with 20 years service. In either case, must have 10 years of Agency service including 5 years of qualifying service.</p>	<p>CIAR discontinued service annuity has no reduction for age.</p>

Item	Civil Service Retirement (CSR)	CIA Retirement (CIAR)	Comments
Disability Retirement	<p>Available at any age with 5 years of service.                      Guaranteed minimum annuity is the lesser of:                      (1) 40% of high-5; or                      (2) annuity computed by extending service to age 60.                      Under federal income tax, the "sick-pay" exclusion (up to \$100 per week) is applicable to disability annuity up to optional retirement age.</p>	<p>Same  Same  Same</p>	
Mandatory (Age) Retirement	<p>Required at age 70 with 15 years of service. (However, the Agency expects employees to retire when eligible for optional retirement without age reduction in annuity unless requested to remain in service.)</p>	<p>Required at:                      Age 65 if GS-18 or above;                      Age 60 if GS-17 or below.                      The DCI may extend a participant's service for not more than 5 years.</p>	<p>Although mandatory retirement ages are not the same, in most cases age 60 is the age when most employees are expected to retire.</p>
Deferred Annuity	<p>An employee who is separated before becoming eligible for an immediate annuity but with 5 years or more of service may elect to leave his contributions in the Retirement Fund and receive an annuity at age 62.</p>	<p>Same, except that participant must have 5 years of Agency service.</p>	
Death in Service	<p>If employee had five or more years of service:                      Widow or dependent widower receives 55% of deceased employee's earned annuity. This annuity terminates upon death or remarriage or when dependent widower becomes capable of self-support.                      (cont'd)</p>	<p>Same</p>	<p>Because of difference in annuity formula, survivor annuities are larger under CIAR than under CSR.</p>

Item	Civil Service Retirement (CSR)	CIA Retirement (CIAR)	Comments
Death in Service (cont'd)	Annuity provided for each unmarried child up to age 18, or over age 18 if incapable of self-support, or to age 21 if full-time student. Amount of annuity depends on whether there is a surviving spouse and number of children.	Same	
Survivor Annuity to Spouse of Retired Employee	At time of retirement, employee may elect to receive a reduced annuity to provide a survivor benefit to spouse. Annuity terminates on death or remarriage of surviving spouse. Surviving spouse receives 55% of employee's earned annuity (or of lesser base if employee elects).  Employee's annuity is reduced by 2 $\frac{1}{2}$ % of the first \$3,600 plus 10% of balance.	Same  Same  Same	Because of difference in annuity formula, survivor annuities are larger under CIAR than under CSR.
Survivor Annuity to Child of Retired Employee	Same as annuity for child of employee who dies in service.	Same	
Refund of Contributions	There is an automatic refund of contributions to an employee who is separated with less than 5 years of service. An employee with more than 5 years of service may elect a refund or a deferred annuity (see above).	Same except that the 5 year requirement applies to Agency service.	
Reemployment of annuitant in federal service	Annuitant may be reemployed by the federal government. Generally, his annuity is offset against his salary.	Same	

COMPARISON OF CSR AND CIAR MONTHLY

ANNUITY RATES

AGE 50 WITH 20 YEARS SERVICE

HIGH - FIVE AVERAGE SALARY												
Type of Annuity	\$7,000		\$8,000		\$9,000		\$10,000		\$11,000		\$12,000	
	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR
A	180	233	205	266	231	300	257	333	282	366	308	400
B	175	227	200	260	225	292	251	322	275	352	300	382
C	98	128	113	146	127	165	141	183	155	201	169	220

HIGH - FIVE AVERAGE SALARY												
Type of Annuity	\$13,000		\$14,000		\$15,000		\$16,000		\$17,000		\$18,000	
	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR	CSR	CIAR
A	334	433	360	466	385	500	411	533	437	566	463	600
B	323	412	346	442	369	472	393	502	416	532	439	562
C	183	238	198	256	212	275	226	293	240	311	254	330

- A - Annuity to a retired employee if survivor benefit is not elected.
- B - Annuity to a retired employee with maximum benefit to surviving spouse.
- C - Maximum benefit to surviving spouse of retired employee, or benefit to widow or dependent widower of employee whose death occurs before retirement.

Note: CSR figures are based on Discontinued Service or Involuntary Retirement annuities and do not include the percentage increases provided by PL 87-793 for individuals retiring from January 1963 through December 1966, for example, 2% in 1965.