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Central Intelligence Agency



Washington, D.C. 20505

29 AUG 1985

OLL 85-2366/1

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

The Agency requests your office to review the enclosed draft, classified letter and advise us as to whether or not it is consistent with the President's legislative program.

The letter is in response to a request to the Agency by Senator Roth, Chairman of the Senate Committee on Governmental Affairs, for the Agency's views on S. 1527, the Civil Service Pension Reform Act of 1985.

We understand that the Committee plans action on this legislation when the Congress returns. We therefore ask that your review be completed and that you advise us of the results thereof at your earliest convenience.

Thank you for your assistance in this matter.

Sincerely,

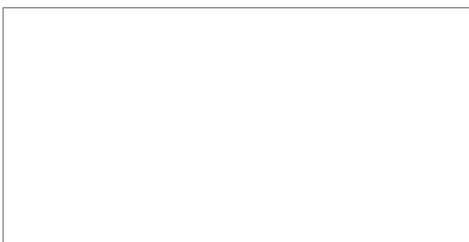
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Charles A. Eriggs
Director, Office of Legislative Liaison

Enclosure
as stated

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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510

Executive Registry
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85-2366

August 2, 1985

The Honorable William J. Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Mr. Casey:

The Senate Committee on Governmental Affairs will hold three days of hearings in September on S. 1527, the Civil Service Pension Reform Act, introduced July 30, 1985, by Senator Stevens and myself. Senator Stevens will be chairing these hearings to be held on September 9, 10, and 11.

Because of your interest in this subject, we would appreciate having your written comments on this legislation for our hearing record. A copy of the bill and related documents are enclosed.

Thank you for your consideration. We look forward to hearing from you.

Sincerely,

Bill Roth
 WILLIAM V. ROTH, JR.
 Chairman

Enclosures





Congressional Research Service
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Washington, D.C. 20540

25 July 1985

TO : Senate Committee on Governmental Affairs
Senate Subcommittee on Civil Service, Post Office and
General Services

FROM : Dennis Snook, Leader
Civil Service Retirement Team

SUBJECT : CRS Analysis of the Stevens-Roth Plan for a Retirement
System for Federal Workers Covered by Social Security

As you requested, the following report presents costs and benefit projections for a Civil Service Retirement plan for Federal employees who became covered by social security as a result of the Social Security Amendments of 1983. The plan was developed under the guidance of Senators Ted Stevens and William Roth, Chairmen of the Subcommittee on Civil Service, Post Office, and General Services, and of the full Committee on Governmental Affairs, respectively. Details of the plan were devised by the committee staffs.

The report does not address arguable pros and cons of this plan, its effect upon the Federal workforce, or the sensitivity of the capital accumulation component to investment vehicles with rates of return different from those assumed for the basic cost projections. The analysis is confined to "new" Federal workers, those who started work after December 31, 1983. It assumes that other Federal workers will remain in the old CSRS. All projections are accomplished using an "entry age normal cost" actuarial approach for new workers.