

ma, Mr. Jenkins, Mr. Gephardt, Mr. Russo, Mr. Duncan, Mr. Archer, Mr. Vander Jagt, Mr. Crane, and Mr. Frenzel.

From the Committee on Appropriations: Mr. Whitten, Mr. Boland, Mr. Natcher, Mr. Smith of Iowa, Mr. Pursell, and Mr. Loeffler.

From the Committee on Rules: Mr. Pepper, Mr. Moakley, Mr. Derrick, Mr. Bellenson, Mr. Frost, Mr. Latta, and Mr. Lott.

From the Committee on Government Operations: Mr. Brooks, Mr. Fuqua, Mr. Waxman, Mr. Synar, Mr. Horton, and Mr. Kindness.

From the Committee on the Budget: Mr. Gray of Pennsylvania, Mr. Downey of New York, Mr. Miller of California, Mr. Leath of Texas, Mr. Kemp, and Mr. Gradison.

Appointed as additional conferees: Mr. Foley, Mr. Ford of Michigan, Mr. Obey, Mr. Aspin, Mr. Mineta, Ms. Oakar, Mr. Panetta, Mr. Fazio, Mr. Michel, Mr. Dickinson, Mr. Cheney, Mr. Lewis of California, Mrs. Martin of Illinois, and Mr. Mack.

Mr. STEVENS. Mr. President, this has been cleared with the distinguished leader on the Democratic side of the aisle. I move that the Senate insist on its amendments and agree to the conference requested by the House and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer [Mr. WALLOP] appointed Mr. PACKWOOD, Mr. DOMENICI, Mr. ROTH, Mr. DANFORTH, Mr. ARMSTRONG, Mr. GRAMM, Mr. RUDMAN, Mr. LONG, Mr. BENTSEN, Mr. CHILES, Mr. LEVIN, Mr. BOREN, and Mr. HOLLINGS conferees on the part of the Senate.

FEDERAL RETIREMENT REFORM ACT

AMENDMENT NO. 978

(Purpose: To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to establish a new retirement and disability plan for certain employees of the Central Intelligence Agency)

Mr. EAGLETON. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. EAGLETON], for himself and Mr. STEVENS, proposes an amendment numbered 978.

Immediately following title III, insert the following:

TITLE IV—CENTRAL INTELLIGENCE AGENCY RETIREMENT REFERENCES

Sec. 401. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended—

(1) in section 111, by striking out "When" and inserting in lieu thereof "Except as otherwise provided in section 302 of this Act, when";

(2) by striking out "this Act" each place it appears in title II except in sections 201 and 264, and inserting in lieu thereof "this title"; and

(3) by inserting "under this title" after "payable from the Fund" each place it appears in title II.

CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 402. Section 211 of the Central Intelligence Agency Retirement Act of 1964 for

Certain Employees (78 Stat. 1045; 50 U.S.C. 403 note) is amended—

(1) by inserting "Except as provided in subsection (d)," before "7 percent" in the first sentence of subsection (a); and

(2) by adding at the end thereof the following new subsection (d):

"(d)(1) In the case of a participant who was a participant subject to this Act before January 1, 1984, and whose service—

"(A) is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, and

"(B) is not creditable service for any purpose under title III of this Act or chapter 84 of title 5, United States Code,

there shall be deducted and withheld from the basic pay of the participant under this subsection during any pay period only the amount computed pursuant to paragraph (2).

"(2) The amount deducted and withheld from the basic pay of a participant during any pay period pursuant to paragraph (1) shall be the excess of—

"(A) the amount determined by multiplying the percent applicable to the participant under subsection (a) by the basic pay payable to the participant for such pay period, over

"(B) the amount of the taxes deducted and withheld from such basic pay under section 3101(a) of the Internal Revenue Code of 1954 for such pay period."

OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS

Sec. 403. Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1045; 50 U.S.C. 403 note) is amended by adding at the end thereof the following new subsection:

"(d)(1) Effective on the first day of the month in which an annuitant, including a survivor, becomes 62 years of age, the annuity computed under the other subsections of this section and payable to the annuitant shall be reduced (but not below zero) by the amount determined by multiplying the amount of the old-age and survivors insurance benefits which the annuitant is entitled to receive under section 202 of the Social Security Act for the such month, if any, by a fraction—

"(A) the numerator of which is the total of the wages (within the meaning of section 209 of the Social Security Act) for service which is referred to in paragraph (2) of this subsection for years before the calendar year in which such month occurs, and

"(B) the denominator of which is the total of all wages (within the meaning of section 209 of the Social Security Act) and all self-employment income (within the meaning of section 211(b) of the Social Security Act)—

"(i) of such annuitant, or

"(ii) in the case of a survivor, of the participant on whose service the annuity is based,

credited for years after 1936 and before the calendar year in which such month occurs.

"(2) The service referred to in paragraph (1)(A) of this subsection is service which is covered by amounts deducted and withheld as provided in section 211(d), is service described in subparagraphs (C) through (G) of section 210(a)(5) of the Social Security Act, and is taken into account for the purpose of computing the annuity to which paragraph (1) of this subsection applies."

TREATMENT OF CERTAIN RECALL SERVICE

Sec. 404. Section 271 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1052; 50 U.S.C. 403 note) is amended by adding at the end thereof the following new subsection:

"(c) Subsection (b) shall not apply to an annuitant who becomes subject to title III of this Act by reason of recall service."

CONFORMITY BETWEEN THE FEDERAL RETIREMENT SYSTEM AND THE CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM

Sec. 405. Section 292 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) is amended by adding at the end thereof the following new subsection:

"(c) The President shall maintain, under the same conditions and in the same manner as provided in subsections (a) and (b), existing conformity between the Federal Retirement System provided in chapter 84 of title 5, United States Code, and the Central Intelligence Agency Pension System provided in title III of this Act."

CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM

Sec. 406. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended by adding at the end thereof the following:

"TITLE III—CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM

ESTABLISHMENT

Sec. 301. (a) There is hereby established a Central Intelligence Agency Pension System.

"(b)(1) Except as otherwise specifically provided in this title or any other provision of law, all participants in the Central Intelligence Agency Pension System shall be subject to the provisions of chapter 84 of title 5, United States Code, and shall be treated in all respects as persons whose participation in the Federal Retirement System provided in that chapter is required by section 8402 of such title.

"(2) Participants in the Central Intelligence Agency Pension System may not make an election authorized by section 8418(c) of title 5, United States Code, and shall not be entitled to any benefits under chapter 84 of such title which result from such an election.

DEFINITIONS

"Sec. 302. As used in this title, unless otherwise specified—

"(1) the term 'annuity' means the annuity which is described in subchapter II of chapter 84 of title 5, United States Code, and is payable to a Pension System participant;

"(2) the term 'dynamic assumptions' has the same meaning as provided in section 8401(9) of title 5, United States Code;

"(3) the term 'Fund' means the Central Intelligence Agency Retirement and Disability Fund maintained by the Director pursuant to section 202;

"(4) the term 'normal cost' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Director in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay, and shall be used to value the cost of the System for all purposes for which the cost of the System is required to be determined;

"(5) the term 'Pension System participant' means a person who participates in the Central Intelligence Agency Pension System;

"(6) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this title, over

"(B) the sum of—

"(i) the actuarial present value of the future contributions to be made on behalf

of participants pursuant to section 305(b)(2)(A) of this Act; and

"(ii) the balance in the Fund attributable to the System on the date the supplemental liability is determined or to contributions made under section 204(b) or 205 of the Federal Employees' Retirement Contribution Temporary Adjustor Act of 1983 (97 Stat. 1106; 5 U.S.C. 8331 note); and

"(7) the term 'System' means the Central Intelligence Agency Pension System.

"PENSION SYSTEM PARTICIPANTS

"Sec. 303. (a) Except for persons excluded by subsection (b), all officers and employees of the Agency, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 shall be Pension System participants.

"(b) Participants in the Central Intelligence Agency Retirement and Disability System who were participants in such system on or before December 31, 1983, and who have not had a break in service in excess of 1 year since that date, are not made Pension System participants by this section, without regard to whether they are subject to title II of the Social Security Act.

"SPECIAL RULES RELATING TO THE ENTITLEMENT OF SECTION 203 EMPLOYEES TO ANNUITY

"Sec. 304. (a) Any Pension System participant who is described in section 203 and retires voluntarily or mandatorily under section 102(c) of the National Security Act of 1947 (61 Stat. 498; 50 U.S.C. 403(c)) or section 233 or 235 of this Act under conditions authorizing an immediate annuity for participants in the Central Intelligence Agency Retirement and Disability System shall be entitled to an immediate annuity computed under subsections (a)(2), (a)(3), and (c) of section 8413 of title 5, United States Code. The annuity shall not be subject to reduction under section 8414 of such title.

"(b) A Pension System participant who is entitled to an immediate annuity under subsection (a) shall be entitled to receive an annuity supplement while under 62 years of age. The annuity supplement shall be based on the total creditable service of the participant and shall be computed and increased in accordance with section 8413(b) of title 5, United States Code.

"(c)(1) Any Pension System participant described in section 203 may be retired under the conditions specified in sections 233 and 235(a) and shall be retired under the conditions specified in section 235(b). Each Pension System participant so retired shall receive benefits under this title.

"(2) For the purpose of this subsection—

"(A) the term 'participant', as used in the sections referred to in paragraph (1), means a Pension System participant described in section 203; and

"(B) the term 'system', as used in section 233, means the Central Intelligence Agency Pension System.

"(d) Any Pension System participant described in section 203 who is separated under the conditions specified in section 234(a) shall be entitled to a deferred annuity under section 8412 of title 5, United States Code, unless the Director determines that the separation was based in whole or in part on disloyalty to the United States.

"FUNDING

"Sec. 305. (a) All payments under subchapters II, IV, and VII of chapter 84 of title 5, United States Code, based on the service shall be paid by the Director from the Fund.

"(b)(1) All sums required to finance the payments referred to in subsection (a) shall be credited to the Fund.

"(2) The sums referred to in paragraph (1) are—

"(A) amounts which are determined by the Director to be necessary to defray the normal cost of the benefits, other than disability benefits, payable under this title to Pension System participants;

"(B) the sums which are transferred to the Fund by the Secretary of the Treasury to amortize over 30 years the supplemental liability of the System which is attributable to Pension System participants, as computed at the end of each fiscal year beginning after September 30, 1987; and

"(C) the sums which are transferred by the Secretary of the Treasury to the Fund out of funds appropriated to the Department of Defense for the purpose of paying the costs incurred during any year which relate to the creditable military service of Pension System participants.

"(c) At least every 5 years, the Secretary of the Treasury shall prepare periodic valuations of the Central Intelligence Agency Pension System and shall advise the Director of (1) the normal cost of the System, without regard to the cost of disability payments, (2) the supplemental liability of the System, and (3) the amounts necessary to finance the costs of the System.

"THRIFT SAVINGS PLAN

"Sec. 306. (a) The Director, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, may—

"(1) maintain exclusive records relating to Pension System participants' elections, contributions, and accounts under the Thrift Savings Plan provided in subchapter III of chapter 84 of title 5, United States Code; and

"(2) provide for investments under the Thrift Savings Plan to be made and accounted for by such Executive Director in aggregate amounts for the Central Intelligence Agency Pension System.

"(b) The Director may make the necessary allocations of earnings, losses, and charges to individual accounts of Pension System participants under the Thrift Savings Plan.

"(c) The Executive Director of the Federal Retirement Thrift Investment Board may not exercise authority under subchapter III or VIII of chapter 84 of title 5, United States Code, in the case of the Central Intelligence Agency Pension System to the extent that the Director exercises authority provided in subsections (a) and (b).

"DISABILITY

"Sec. 307. The Director, instead of the Office of Personnel Management, may contract with an administrator of benefits (as defined in section 8441(1) of title 5, United States Code), for the purpose of administration of benefits under subchapter V of chapter 84 of such title with respect to Pension System participants.

"GENERAL AND ADMINISTRATIVE PROVISIONS

"Sec. 308. (a) The Director shall administer the Central Intelligence Agency Pension System except for matters (other than matters to which section 306 of this Act applies) relating to the Thrift Savings Plan provided in subchapters III and VIII of chapter 84 title 5, United States Code, and matters (other than matters to which section 307 of this Act applies) relating to disability benefits under subchapter V of such chapter. The Director shall, with respect to the Central Intelligence Agency Pension System, perform the functions and exercise the authority vested in the Office of Personnel Management or the Director of such Office by such chapter 84, and may issue regulations for such purposes.

"(b) Section 201(c) shall apply to determinations of the Director under the Central In-

telligence Agency Pension System which, if made by the Office of Personnel Management under chapter 84 of title 5, United States Code, the Director of such Office, or an administrator of benefits (as defined in section 8441(1) of such title), would be appealable to the Merit Systems Protection Board, to such Office, or to the Director of such Office.

"TRANSITION PROVISIONS

"Sec. 309. The Director shall issue regulations providing for the transition from the Central Intelligence Agency Retirement and Disability System to the Central Intelligence Agency Pension System. For this purpose, the provisions of sections 8471, 8472, and 8473 of title 5, United States Code, relating to the Civil Service Retirement and Disability System and contributions, deposits, pay computations, service credit, and disability retirement under such system shall be deemed to refer in like manner to the Central Intelligence Agency Retirement and Disability System and contributions, deposits, pay computations, service credit, and disability retirement thereunder.

"REFERENCES IN OTHER LAWS

"Sec. 310. References made to participation in the Federal Retirement System in sections 8113(c), 8475, 8704(a)(2), and 8705(e) of title 5, United States Code, section 210(a)(5)(H) of the Social Security Act, and section 3121(b)(5)(H) of the Internal Revenue Code of 1954 shall be deemed to refer to participation in the Central Intelligence Agency Pension System."

Redesignate the succeeding title and sections accordingly.

Mr. EAGLETON. Mr. President, the purpose of this amendment is to revise the current CIA Retirement and Disability System to provide retirement provisions to personnel covered by that system in the future, who were first hired after December 31, 1983, benefits comparable to the provisions Senator LUGAR's amendment provides to new Foreign Service personnel hired after that same date.

I point out that when it was established in 1964, the CIA system was patterned after the Foreign Service System. Furthermore, the proposed benefit provisions are the same as we are providing for Federal law enforcement officers.

AMENDMENT NO. 979

(Purpose: To improve the administration of retirement benefits for officers and employees of the Central Intelligence Agency)

Mr. DURENBERGER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. Is this an amendment to the amendment?

Mr. DURENBERGER. This is an amendment to the amendment by the Senator from Missouri.

The PRESIDING OFFICER. Is all time yielded back on the first amendment?

Mr. STEVENS. All time is yielded back.

Mr. EAGLETON. We yield back our time.

The PRESIDING OFFICER. The clerk will report.