

~~ADMINISTRATIVE - INTERNAL USE ONLY~~(b) (2)
(b) (3)~~ADMINISTRATIVE - INTERNAL USE ONLY~~**Date:** 05/22/2002**Category:** 20 - Human Resources **OPR:** HR**Title:** AR 20-50 CIA RETIREMENT AND DISABILITY SYSTEM**REVISION SUMMARY:** 22 May 2002 (0668)

This regulation supersedes AR 20-50, dated 31 March 1995.

AR 20-50 is revised to update organizational and position titles. This revision reflects the Agency's organizational restructure that resulted from the DCI's decision, effective 4 June 2001, to abolish the Directorate of Administration, and establish the Mission Support Offices (MSO's)

Boldfaced text in this regulation indicates revisions.

This regulation was written by the Policy Team, Human Resources Strategy & Planning Staff, HRM Policy @ DA.

50. CIA RETIREMENT AND DISABILITY SYSTEM

SYNOPSIS. This regulation prescribes policies and rules governing the administration of the Central Intelligence Agency Retirement and Disability System (CIARDS).

PART I - GENERAL

- a. **AUTHORITY.** The authority for this regulation is derived from the Central Intelligence Agency Retirement Act (the Act).
- b. **AUTHORITIES AND RESPONSIBILITIES.** The **Chief Human Resources Officer** is responsible for the general administration of CIARDS in accordance with the provisions of this regulation. All authorities necessary for such administration, unless expressly reserved for the Director of Central Intelligence (DCI) in this regulation or by statute, are hereby delegated to the **Chief Human Resources Officer or designee.**

APPROVED FOR RELEASE
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- c. **DEFINITION.** CIARDS is a retirement and disability system separate from the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). It is designated for CIA employees who entered on duty prior to 1 January 1984 and who meet the criteria outlined below. Those employees who meet the criteria outlined below but entered on duty on or after 1 January 1984 are not eligible for CIARDS, but may be eligible for participation in the FERS Special Retirement System.
- d. **DESIGNATION OF PARTICIPANTS.** The Chief, Pay & Benefits (C/P&B) may designate employees entitled to become participants in CIARDS on the basis of 60 months of qualifying service. In order to qualify for designation to become a CIARDS participant, the individual must:
- (1) Be a United States citizen under the age of 60;
 - (2) Be serving on a career basis in a field that normally requires the performance of qualifying service as an integral part of a career in that field;
 - (3) Have signed a written obligation to serve anywhere and at any time according to the needs of the Agency; and
 - (4) Have completed a minimum of 60 months of qualifying service. Qualifying service is defined as performance of duty as an Agency employee as follows:
 - (a) When assigned outside the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam on either a permanent change of station (PCS) or temporary duty (TDY) assignment; or
 - (b) When assigned domestically, and supporting Agency activities abroad, and engaged in activities which:
 - (1) Result in substantial risk to the life or health of the employee; or
 - (2) Require the continued practice of tradecraft under the most stringent security conditions; or
 - (3) Cannot be disclosed to future employers for security reasons due to the extreme sensitivity or specialization of the duties, and without which disclosure, the employee will be unable to obtain employment for which otherwise qualified.
- e. **ELECTION TO BECOME A CIARDS PARTICIPANT.** Individuals designated by the C/P&B as entitled to become CIARDS participants must elect to join CIARDS. Participation or election will not be automatic. Participants are notified of the approval of their election in writing.
- f. **CIA SPECIAL RETIREMENT SYSTEMS BOARD.** The CIA Special Retirement Systems Board (SRSB) will assist and advise the C/P&B in the administration of CIARDS. The Chief Human Resources Officer will appoint the chairperson. The Board is composed of senior officials from the directorates and Mission Support Offices (MSOs) to include a primary representative and a corresponding alternate. SRSB members include:
- (1) One member to represent both the DCI and DI;

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- (2) **One member from the DO;**
- (3) **One member to represent the DS&T; and**
- (4) **One member representing the five MSOs. This responsibility will rotate among the MSOs periodically with the concurrence of the MSOs being represented.**

Members will be appointed by the **Chief Human Resources Officer**, with the concurrence of the Deputy Director or Chief, **Mission Support Office (C/MSO)** concerned. The Board will include a legal adviser provided by the Office of General Counsel as a non-voting member.

g. NOTICE OF DETERMINATION OR RECOMMENDATION, RIGHT TO APPEAL, AND APPEAL PROCEDURE

- (1) **NOTICE OF DETERMINATION OR RECOMMENDATION.** If the **Chief Human Resources Officer** makes either a determination or a recommendation for a determination by the DCI that affects the rights or benefits of an employee, participant, or annuitant, notification will be made to the individual in writing. The individual may appeal the determination or recommendation to the DCI as provided below.
- (2) **TIME PERIOD, FORM, AND CONTENT OF APPEAL.** An individual may make an appeal in writing to the DCI, through the **Chief Human Resources Officer**. Such an appeal will be submitted by the individual within 10 calendar days after receipt of written notice of the **Chief Human Resources Officer's** determination. The **Chief Human Resources Officer** may grant additional time to submit an appeal if the circumstances of the case or the location of the individual precludes compliance within 10 days. An appeal must state the basis on which review is requested and supply pertinent information to support such review.
- (3) **INVESTIGATION BY THE INSPECTOR GENERAL.** The Inspector General (IG) will receive appeals made to the DCI pursuant to this regulation and will make an independent investigation and recommendation to the DCI. The IG will not be limited in investigation to matters raised by or contained in the appeal but will consider any information which is pertinent and appropriate.
- (4) **NOTICE OF DECISION.** When the DCI has made a determination or has acted on an appeal that affects the rights or benefits of an employee, participant, or annuitant under CIARDS, the individual and the **Chief Human Resources Officer** will be advised in writing of the decision. Decisions made by the DCI, and authorized by the provisions of the Act, will be final and conclusive and not subject to review by any court. The **Chief Human Resources Officer** will institute any action that may be required to implement the decision.

- h. NOTICE OF EFFECTIVE DATE OF RETIREMENT.** When the retirement of a participant has been approved, the C/P&B will give the participant written notice of the determination in a timely and appropriate manner. The **Chief Human Resources Officer**, upon the written request of the Deputy Director(s) or Chief(s) of **Mission Support** concerned and the consent of the participant, may extend the effective date for a period of 60

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days. Any extension of such retirement beyond 60 days will require the approval of the DCI. The effective date of separation for disability retirement will be the date the disability retirement was approved or the date pay status terminated, whichever is later.

i. COMPUTATION OF ANNUITIES. All annuities provided through the CIARDS fund will be computed in accordance with the terms of the Act. The basic formula for computation of annuities is as follows:

- (1) The annuity of a participant will be equal to two percent of average basic salary for the highest three consecutive years of service (referred to as "high-three"), multiplied by the number of years, not exceeding 35, of service credit obtained in accordance with the provisions of this regulation. The "high-three salary" figure is obtained by averaging the rate of basic salary in effect during any three consecutive years of service, with each rate weighted by the time it was in effect, including odd days. In determining the aggregate period of service upon which the annuity is to be based, a fractional part of a month will not be counted. Each annuity will be stated as an annual amount, one twelfth of which, rounded to the next lower dollar, constitutes the monthly rate payable on the first business day of the month after the month or other period for which it has accrued.
- (2) In computing an annuity under this paragraph, the service credit of a participant who retires on an immediate annuity or dies leaving a survivor or survivors entitled to annuity includes, without regard to the 70 percent limitation imposed by paragraph i(1) above, the days of unused sick leave as credit under a formal leave system, except that these days will not be counted in determining average basic salary or annuity eligibility.
- (3) There is a separate annuity computation method for disability retirement under CIARDS.
- (4) Additional information on computation of annuities for individuals should be obtained from **Pay & Benefits, Human Resources**.

j. ANNUITIES FOR SURVIVING SPOUSE AND/OR FORMER SPOUSE

- (1) The Agency is required by law to honor qualifying court orders and related property settlement agreements which divide the employee's federal retirement benefits, including his or her Thrift Savings Plan account, with the employee's former spouse(s). In addition, in the absence of a court order or property settlement agreement to the contrary, certain former spouses of CIARDS or CIARDS-eligible participants may be entitled by law to an automatic share of the participant's retirement benefits.
- (2) The **C/P&B** or designee will review any divorce decree or property settlement agreement that may affect the retirement benefits of CIARDS participants. The **C/P&B** or designee will notify the affected parties of the results of the review and of their appeal rights, if any.

k. DEFERRED ANNUITY

- (1) **ELECTION OF REFUND OF CONTRIBUTIONS OR DEFERRED ANNUITY.**
Any participant who separates from the Agency may upon separation or at any time prior to becoming eligible for annuity elect either:
 - (a) To have the total amount of contributions to the Fund from his or her salary with

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interest thereon at 4 percent per year to 31 December 1947, and 3 percent per year thereafter compounded annually to 31 December 1956, except as provided in Section 281 of the Act, returned to him or her, subject to restrictions regarding notification and consent of a current spouse and the rights of a former spouse. A participant is entitled to be paid the lump sum provided he or she has been separated from the Agency for at least 31 consecutive days, files an application with the Agency for payment of the lump sum, has not been reemployed subject to CIARDS at the time he or she files the application, and will not become eligible to receive an annuity under CIARDS within 31 days after filing such application. The receipt of the lump sum payment by the person voids all annuity rights under CIARDS based on the service on which the lump sum is based, unless and until the person is reemployed in the service subject to CIARDS. The payment of the lump sum will include amounts deposited by the person covering earlier civilian service as well as any amounts deposited for prior military and naval service.

- (b) To leave contributions in the Fund and receive a deferred annuity, computed in accordance with the terms of the Act, commencing on the participant's 62nd birthday. This option is not available to a participant whose separation is determined by the DCI to be based in whole or in part on the ground of disloyalty to the United States.
- (2) **DEATH PRIOR TO RECEIPT OF DEFERRED ANNUITY.** If a participant who has elected to receive a deferred annuity dies before reaching age 62, contributions to the Fund, with interest, will be paid to the beneficiary.

PART II - TYPES OF RETIREMENT

- a. **VOLUNTARY RETIREMENT.** Participants who are at least 50 years of age and have 20 years of service credit may be retired from the Agency and receive immediate benefits in accordance with this regulation and applicable federal law provided such participant has been employed by the Agency for at least 10 years, of which at least 60 months have involved CIARDS qualifying service. A participant may retire at any age if they have at least 25 years of service (10 years with the Agency) and the Office of Personnel Management has authorized such voluntary separations. The C/P&B may approve such applications for voluntary retirement or refer such applications to the DCI for approval or disapproval. The DCI shall at all times retain the authority to disapprove a request for voluntary retirement.
- b. **MANDATORY RETIREMENT**
 - (1) **Involuntary Retirement.** The DCI may place in retired status any participant who is at least 50 years of age with 20 years of service credit or who has 25 years of service credit at any age, provided such participant has been employed by the Agency for at least 10 years, of which at least 60 months have involved CIARDS qualifying service.
 - (2) **Mandatory Retirement for Age.** Participants in grades SIS-3 and below will be separated upon reaching age 60. Participants in grades SIS-4 and above will be

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separated upon reaching age 65. If determined by the DCI to be in the public interest, the DCI may extend the service of a participant facing mandatory retirement for age for a period not to exceed five years.

c. RETIREMENT FOR DISABILITY

- (1) **ELIGIBILITY.** A participant will be considered disabled and will be retired only when there is a service deficiency caused by disease or injury, and the participant is unable to render useful and efficient service in the current position and is not qualified for reassignment, under procedures prescribed by the **Chief Human Resources Officer**, to a vacant position in the Agency at the same grade or level and commuting area, and every reasonable effort to preserve the participant's employment has failed. When the participant has made application, such retirement will require the approval of the **C/P&B** after a determination by the Board of Medical Examiners (see paragraph c(4) below) as to the nature, extent, and permanence of the claimed disability. When involuntary disability retirement action is initiated by the **C/P&B** on behalf of the participant, such retirement only will be upon order of the DCI after consideration of the findings of the Board of Medical Examiners and review by the Agency's People with Disabilities Program Manager, who shall independently determine if every reasonable effort to preserve the participant's employment has been undertaken.

(2) INITIATION OF MEDICAL DISABILITY RETIREMENT ACTION

- (a) **By Participants.** Participants who believe they may be eligible for retirement because of disability may apply in writing to the **C/P&B** for such retirement. The application must include a description of the disability and a full explanation of the manner in which it affects the performance of duties together with a physician's statement and a supervisor's statement. The **C/P&B** may request additional relevant information as necessary.
- (b) **By the C/P&B.** In the event a participant appears to be totally disabled or incapacitated but fails or is unable to make application for disability retirement, the **C/P&B** will institute such action on the individual's behalf. In such case, the **C/P&B** will obtain the advice of the Board of Medical Examiners, the Agency's People with Disabilities Program Manager, and the Deputy Director, **C/MSO**, or the Head of the Career Service having career jurisdiction over the employee concerned before making a recommendation to the DCI.
- (c) **Time for Filing.** Retirement for disability or incapacity may be approved only if the application is submitted before the applicant is separated from the Agency or within one year thereafter. This time limitation may be extended by the **Chief Human Resources Officer** for any employee who at the date of separation from the Agency, or within one year thereafter, is mentally incompetent. Such application must be filed within one year from the date of restoration of the employee to competency, or the appointment of a fiduciary, whichever is earlier.

(3) SUPPORTING DOCUMENTS REQUIRED

- (a) **Applicant's Statement of Disability.** The applicant is responsible for preparing and

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submitting an Applicant's Statement of Disability.

- (b) **Supervisor's Statement.** The supervisor responsible for preparing the Performance Appraisal Report of a participant who applies for disability retirement, or whose disability retirement is initiated by the C/P&B, will submit a statement describing the applicant's deficiency in service with respect to performance, attendance, and conduct, or, in the absence of any service deficiency, a showing that the medical condition is incompatible with either useful service or retention in the position. If desired, the supervisor may transmit this statement directly to the C/P&B in a sealed envelope marked with the participant's name and the words "Medical Information-Privileged-Private." Such statement shall not be used for purposes other than a determination of medical disability, and shall not be retained outside of the medical disability file.
- (c) **Physician's Statement.** The applicant must provide a current statement from a physician regarding the disability.

(4) **MEDICAL EXAMINATION AND EVALUATION**

(a) **Board of Medical Examiners**

- (1) The Board of Medical Examiners will be responsible for conducting medical examinations and for evaluating the medical status of participants for whom an application for disability retirement is under consideration and for annuitants who have been retired for nonpermanent disability. The Board may require the applicant for disability retirement to appear before the Board.
 - (2) The **Chief, Office of Medical Services (C/OMS)**, or designee, will serve as Chairperson of the Board of Medical Examiners. The C/OMS, or designee, will nominate two other members (and alternates for each) to serve on the Board. Members and alternates must be qualified physicians or surgeons. At least one member (and the alternate) will not be in active Government service.
 - (3) If necessary, the Chairperson of the Board may designate qualified physicians or surgeons to conduct medical examinations of applicants for disability retirement or disability annuitants and to submit reports of such examinations to the Board for its evaluation.
- (b) **Conduct of Examinations.** If the Board cannot make a determination regarding a participant's condition based on information submitted by the participant, he or she will be given a medical examination by the Board of Medical Examiners or by a qualified physician or surgeon designated by the Chairperson of the Board.
 - (c) **Report of Medical Examination.** Based on the results of the medical examination and information submitted by the participant, the Chairperson of the Board of Medical Examiners will make a written report to the C/P&B or designee giving the Board's findings regarding the participant's claimed disability. The Chairperson of the Board of Medical Examiners also will furnish such other medical information as may be required by the C/P&B to act upon the application for disability retirement.

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(5) PERIODIC REVIEW AND EVALUATION OF DISABILITY RETIREMENT STATUS

- (a) Unless the Board of Medical Examiners determines that the disability is permanent, each annuitant retired for disability, or incapacity will be given a periodic medical examination, the results of which will be evaluated by the Board of Medical Examiners, until the mandatory retirement age is reached. The evaluation will include a finding as to whether the annuitant continues to be disabled or incapacitated for useful and efficient service, and whether the disability is permanent. This report will be submitted to the **C/P&B** for appropriate action.
 - (b) When the Board of Medical Examiners determines an annuitant's disability to be permanent, a medical examination will not be given again.
 - (c) When a nonpermanent disability annuitant fails to submit to a required examination, payment of the annuity will be suspended until continuance of the disability is established to the satisfaction of the **C/P&B**.
 - (d) Disability annuitants who have not reached age 60 will certify the amount of their income from wages and self-employment for a calendar year by 1 March of the following year. The certification form sent by the **Human Resources Office** must be signed by the annuitant (or if incapacitated, by a legal representative) and state the amount of income from wages and self-employment. The **C/P&B** may extend the date for filing the certification if the circumstances of the case warrant an extension. When a disability annuitant refuses or fails to certify to the **C/P&B** the amount of income from wages and self-employment for any calendar year, payment of the annuity will be suspended until certification is made.
- (6) ALLOWABLE EXPENSES FOR MEDICAL EXAMINATION.** Reasonable and necessary travel, subsistence, and related expenses and medical fees that are incurred in connection with required medical examinations and evaluations may be paid from the CIARDS fund if appropriate.

(7) TERMINATION OF ANNUITY

- (a) **Recovery from Disability.** If the Board of Medical Examiners determines that an annuitant has recovered to the extent that he or she can return to duty, the **C/P&B** shall continue payment of the annuity until a date one year after the date of the examination showing recovery or until the date of reemployment by any Government agency, whichever is earlier.
- (b) **Restoration to Earning Capacity.** The annuity of a disability annuitant who has not reached age 60 will be terminated if restoration is made to earning capacity. Restoration to "earning capacity" will be considered to be achieved if in any calendar year the annuitant receives income from wages and self-employment of at least 80 percent of the current rate of pay of the position occupied immediately before retirement. Termination of annuity under this paragraph will be effective 180 days after earning capacity is restored, or upon reemployment by the Government, whichever is earlier. The provisions of this paragraph apply to all individuals

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receiving a disability annuity on 1 October 1976 and to all individuals awarded a disability annuity after that date.

- (8) **CHANGE IN RETIREMENT STATUS.** If disability annuitants are found to be recovered and are not reemployed by the Government, or are restored to earning capacity, they are considered, except for service credit purposes, to have been separated from the service as of the date the annuity was discontinued and retirement rights are based on the law in effect on the date of discontinuance. Annuitants may be entitled to voluntary retirement, or may be placed by the DCI in an involuntary retired status, or may be eligible for a deferred annuity if they qualify under the pertinent provision of the Act. They also may become eligible for reinstatement of their disability annuities under conditions outlined in paragraph (10) below.
- (9) **REEMPLOYMENT.** A recovered disability annuitant may apply for reemployment in the Agency within one year from the date of recovery as determined by the **Chief Human Resources Officer**. The **Chief Human Resources Officer** may reinstate a recovered disability annuitant to the grade in which service was performed at the time of retirement, or may, by taking into consideration the annuitant's age, qualifications, experience, and present grade of contemporaries in the Agency, appoint the annuitant to a grade higher than the one in which service was performed prior to retirement.
- (10) **REINSTATEMENT OF DISABILITY.** If, based on a current medical examination, the Board of Medical Examiners determines that a recovered annuitant has, before reaching age 62, again become totally disabled due to recurrence of the disability for which originally retired, the **Chief Human Resources Officer** or designee shall reinstate the terminated disability annuity (same type and rate) from the date of such medical examination. If a restored-to-earning-capacity annuitant has not recovered medically from the disability for which retired and establishes to the **Chief Human Resources Officer's** satisfaction that income from wages and self-employment in any calendar year before reaching age 62 was less than 80 percent of the pay rate attached to the position from which retired, the terminated disability annuity (same type and rate) will be reinstated from the first of the next following year. If the individual has been allowed a nondisability retirement annuity in the meantime, the reinstated disability annuity is substituted for it unless election is made to retain the former benefit.