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2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 2935

FEDERAL EXECUTIVE PAY, CIVIL SERVICE
RETIREMENT, AND OTHER MATTERS

JULY 26, 1956.—Ordered to be printed

Mr. MURRAY of Tennessee, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H. R. 7619]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—BASIC COMPENSATION FOR HEADS OF EXECUTIVE DEPARTMENTS AND OTHER FEDERAL OFFICIALS

SEC. 101. This title may be cited as "Federal Executive Pay Act of 1956".

SEC. 102. The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$25,000.

- (1) Secretary of State.
- (2) Secretary of the Treasury.
- (3) Secretary of Defense.
- (4) Attorney General.
- (5) Postmaster General.
- (6) Secretary of the Interior.
- (7) Secretary of Agriculture.
- (8) Secretary of Commerce.
- (9) Secretary of Labor.

(10) *Secretary of Health, Education, and Welfare.*

Sec. 103. (a) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$22,500.

- (1) *Director of the Bureau of the Budget.*
- (2) *Comptroller General of the United States.*
- (3) *Director, Office of Defense Mobilization.*
- (4) *Under Secretary of State.*
- (5) *Deputy Secretary of Defense.*

(b) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$22,000.

- (1) *Secretary of the Army.*
- (2) *Secretary of the Navy.*
- (3) *Secretary of the Air Force.*

Sec. 104. (a) The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$21,000.

- (1) *Commissioner of Internal Revenue.*
- (2) *Director of Central Intelligence.*
- (3) *Director of the Federal Bureau of Investigation.*
- (4) *Administrator of the Federal Civil Defense Administration.*
- (5) *Administrator of General Services.*
- (6) *Administrator of the Housing and Home Finance Agency.*
- (7) *Administrator of Veterans' Affairs.*
- (8) *Director of the International Cooperation Administration.*
- (9) *Director of the United States Information Agency.*
- (10) *Governor of the Farm Credit Administration.*
- (11) *President of the Export-Import Bank of Washington.*
- (12) *Under Secretary of the Treasury.*
- (13) *Under Secretary of the Treasury for Monetary Affairs.*
- (14) *Deputy Postmaster General.*
- (15) *Under Secretary of the Interior.*
- (16) *Under Secretary of Agriculture.*
- (17) *Under Secretary of Commerce.*
- (18) *Under Secretary of Commerce for Transportation.*
- (19) *Under Secretary of Labor.*
- (20) *Under Secretary of Health, Education, and Welfare.*

(b) Notwithstanding the provisions of subsection (a), the annual rate of basic compensation of the Director of the Federal Bureau of Investigation shall be \$22,000 so long as such office is held by the present incumbent.

Sec. 105. The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$20,500.

- (1) *Chairman, Civil Aeronautics Board.*
- (2) *Chairman of the United States Civil Service Commission.*
- (3) *Chairman of the Council of Economic Advisers.*
- (4) *Chairman, Federal Communications Commission.*
- (5) *Chairman, Board of Directors, Federal Deposit Insurance Corporation.*
- (6) *Chairman of the Federal Maritime Board.*
- (7) *Chairman, Federal Power Commission.*
- (8) *Chairman, Board of Governors of the Federal Reserve System.*
- (9) *Chairman, Federal Trade Commission.*
- (10) *Chairman, Foreign Claims Settlement Commission of the United States.*
- (11) *Chairman of the Federal Home Loan Bank Board.*

- (12) *Chairman, Interstate Commerce Commission.*
 - (13) *Chairman, National Labor Relations Board.*
 - (14) *Chairman, National Mediation Board.*
 - (15) *Chairman, Railroad Retirement Board.*
 - (16) *Chairman of the Renegotiation Board.*
 - (17) *Chairman, Securities and Exchange Commission.*
 - (18) *Chairman, Subversive Activities Control Board.*
 - (19) *Chairman, Board of Directors of the Tennessee Valley Authority.*
 - (20) *Chairman, United States Tariff Commission.*
 - (21) *Comptroller of the Currency.*
 - (22) *Assistant Comptroller General of the United States.*
 - (23) *Deputy Administrator of the Federal Civil Defense Administration.*
 - (24) *Deputy Administrator of Veterans' Affairs.*
 - (25) *Deputy Director of the Bureau of the Budget.*
 - (26) *Deputy Director of Central Intelligence.*
 - (27) *Deputy Director of the Office of Defense Mobilization.*
 - (28) *Deputy Director of the United States Information Agency.*
 - (29) *Deputy Under Secretary of the Department of State (3).*
 - (30) *Director of the Federal Mediation and Conciliation Service.*
 - (31) *First Vice President of the Export-Import Bank of Washington.*
- SEC. 106. (a) *The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$20,000.*
- (1) *Administrator, Bureau of Security and Consular Affairs, Department of State.*
 - (2) *Administrator of Civil Aeronautics.*
 - (3) *Administrator, Commodity Stabilization Service.*
 - (4) *Administrator of the Rural Electrification Administration.*
 - (5) *Administrator of the Small Business Administration.*
 - (6) *Administrator of the Saint Lawrence Seaway Development Corporation.*
 - (7) *Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor.*
 - (8) *Archivist of the United States.*
 - (9) *Assistant Directors of the Bureau of the Budget (2).*
 - (10) *Assistant Postmasters General (5).*
 - (11) *Assistant Secretaries of Agriculture (3).*
 - (12) *Assistant Secretaries of Commerce (3).*
 - (13) *Assistant Secretaries of Defense (9).*
 - (14) *Assistant Secretaries of Health, Education, and Welfare (2).*
 - (15) *Assistant Secretaries of the Interior (3).*
 - (16) *Assistant Secretaries of Labor (3).*
 - (17) *Assistant Secretaries of State (10).*
 - (18) *Assistant Secretaries of the Treasury (3).*
 - (19) *Assistant Secretaries of the Air Force (4).*
 - (20) *Assistant Secretaries of the Army (4).*
 - (21) *Assistant Secretaries of the Navy (4).*
 - (22) *Associate Director of the Federal Bureau of Investigation.*
 - (23) *Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.*
 - (24) *Commissioner, Community Facilities, Housing and Home Finance Agency.*
 - (25) *Commissioner, Federal Housing Administration.*
 - (26) *Commissioner, Public Housing Administration.*

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- (27) *Commissioner, Urban Renewal Administration.*
- (28) *Counselor of the Department of State.*
- (29) *Deputy Administrator of the Housing and Home Finance Agency.*
- (30) *Deputy Administrator of General Services.*
- (31) *Director of the Administrative Office of the United States Courts.*
- (32) *Director of the Bureau of Prisons.*
- (33) *Director of the National Advisory Committee for Aeronautics.*
- (34) *Director of the National Science Foundation.*
- (35) *Director of Selective Service.*
- (36) *Fiscal Assistant Secretary of the Treasury.*
- (37) *General Counsel of the National Labor Relations Board.*
- (38) *Librarian of Congress.*
- (39) *President of the Federal National Mortgage Association.*
- (40) *Public Printer.*
- (41) *Special Assistant to the Secretary (Health and Medical Affairs),
Department of Health, Education, and Welfare.*
- (42) *Under Secretary of the Army.*
- (43) *Under Secretary of the Navy.*
- (44) *Under Secretary of the Air Force.*
- (45) *Members of boards and commissions (excluding chairmen):*
 - Civil Aeronautics Board (4).*
 - United States Civil Service Commission (2).*
 - Council of Economic Advisers (2).*
 - Board of Directors of the Export-Import Bank of Washington (3).*
 - Federal Communications Commission (6).*
 - Federal Deposit Insurance Corporation (1).*
 - Board of Governors of the Federal Reserve System (6).*
 - Federal Maritime Board (2).*
 - Foreign Claims Settlement Commission of the United States (2).*
 - Federal Power Commission (4).*
 - Federal Trade Commission (4).*
 - Federal Home Loan Bank Board (2).*
 - Interstate Commerce Commission (10).*
 - National Labor Relations Board (4).*
 - National Mediation Board (2).*
 - Railroad Retirement Board (2).*
 - Renegotiation Board (4).*
 - Securities and Exchange Commission (4).*
 - Subversive Activities Control Board (4).*
 - Board of Directors of the Tennessee Valley Authority (2).*
 - United States Tariff Commission (5).*
- (b) *The annual rate of basic compensation of each of the offices or
positions listed in this subsection shall be \$19,000.*
 - (1) *Architect of the Capitol.*
 - (2) *Assistant to the Director of the Federal Bureau of Investigation.*
 - (3) *Commissioner of the United States Court of Claims (12).*
 - (4) *Governor of Alaska.*
 - (5) *Governor of the Canal Zone.*
 - (6) *Governor of Guam.*
 - (7) *Governor of Hawaii.*
 - (8) *Governor of the Virgin Islands.*
 - (9) *Legal adviser, solicitor, or general counsel of an executive or military
department (excluding the Department of Justice).*
- (c) *The annual rate of basic compensation of each of the offices or
positions listed in this subsection shall be \$18,000 per annum.*

(1) Commissioner of the Indian Claims Commission (3).

SEC. 107. (a) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$17,500.

(1) Administrator, Agricultural Research Service, Department of Agriculture.

(2) Administrator, Bonneville Power Administration.

(3) Administrator, Farmers' Home Administration.

(4) Administrator, Soil Conservation Service, Department of Agriculture.

(5) Assistant Architect of the Capitol.

(6) Assistant Director of the Administrative Office of the United States Courts.

(7) Associate Director of the Federal Mediation and Conciliation Service.

(8) Chief Assistant Librarian of Congress.

(9) Chief Forester of the Forest Service, Department of Agriculture.

(10) Chief of Staff of the Joint Committee on Internal Revenue Taxation.

(11) Commissioner of Customs.

(12) Commissioner, Federal Supply Service, General Services Administration.

(13) Commissioner of Immigration and Naturalization.

(14) Commissioner of Narcotics.

(15) Commissioner, Public Buildings Service.

(16) Commissioner of Public Roads.

(17) Commissioner of Reclamation.

(18) Commissioner of Social Security.

(19) Deputy Administrator of the Saint Lawrence Seaway Development Corporation.

(20) Deputy Commissioner, Internal Revenue Service.

(21) Deputy Public Printer.

(22) Manager, Federal Crop Insurance Corporation, Department of Agriculture.

(b) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$17,000 per annum.

(1) Deputy Administrator, Small Business Administration (3).

(2) Treasurer of the United States.

SEC. 108. Except as otherwise specifically provided in this title, the chairman or other head of each independent board or commission in the executive branch shall receive, during the period of his service as chairman or other head of such board or commission, annual basic compensation at a rate which is \$500 more than the annual rate of basic compensation prescribed by this title for the other members of such board or commission.

SEC. 109. Section 105 of title 3 of the United States Code is amended to read as follows:

"§ 105. Compensation of secretaries and executive, administrative, and staff assistants to President.

"The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of eight other secretaries or other immediate staff assistants in the White House Office, as follows: Two at rates not exceeding \$22,500 per annum, three at rates not exceeding \$21,000 per annum, seven at rates not exceeding \$20,000 per annum, and three at rates not exceeding \$17,500 per annum."

SEC. 110. (a) The Surgeon General of the Public Health Service shall receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$20,000 per annum in addition to such allowances.

(b) The Deputy Surgeon General of the Public Health Service shall receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$19,000 per annum in addition to such allowances.

(c) The Director, National Institutes of Health, the Chief, Bureau of Medical Services, and the Chief, Bureau of State Services, of the Public Health Service, shall each receive such compensation, in addition to his pay and allowances under the Career Compensation Act of 1949, as amended, as will make his compensation equal to \$17,500 per annum in addition to such allowances.

SEC. 111. The annual compensation for each of the offices established by section 1 (d) of Reorganization Plan Numbered 7 of 1953, effective August 1, 1953 (67 Stat. 639) shall be established by the Secretary of State at a rate not more than \$19,000.

SEC. 112. Section 2 of Public Law 565, Seventy-ninth Congress, approved July 30, 1946 (60 Stat. 712), is amended by striking out "\$12,000" and inserting in lieu thereof "\$15,000".

SEC. 113. Section 527 (b) of the Mutual Security Act of 1954, approved August 26, 1954 (Public Law 665, Eighty-third Congress (68 Stat. 832)) is amended by striking out "\$15,000 per annum" and inserting in lieu thereof "\$19,000 per annum".

SEC. 114. (a) The compensation schedule for the General Schedule contained in section 603 (b) of the Classification Act of 1949, as amended, is amended by striking out:

"GS-17-----	13, 975	14, 190	14, 405	14, 620
GS-18-----	14, 800"			

and inserting in lieu thereof:

"GS-17-----	13, 975	14, 190	14, 405	14, 620	14, 835
GS-18-----	16, 000".				

(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a scheduled rate of grade 17 or 18 of the General Schedule, he shall receive a rate of basic compensation at the corresponding scheduled rate in effect on and after such date;

(2) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 17 of the General Schedule and is receiving basic compensation at a rate between two scheduled rates of such grade, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date;

(3) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 17 of the General Schedule and is receiving basic compensation at a rate which is in excess of the maximum scheduled rate of his grade as provided in this section, he shall continue to receive such higher rate of basic compensation until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant, the rate of basic com-

compensation of any subsequent appointee thereto shall be fixed in accordance with such Act, as amended.

SEC. 115. The Postal Field Service Schedule in section 301 (a) of the Act of June 10, 1955 (Public Law 68, 84th Congress), is amended by striking out:

"18-----	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19-----	13,600	13,900	14,200	14,500	14,800		
20-----	14,800"						

and inserting in lieu thereof:

"18-----	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19-----	14,000	14,300	14,600	14,900	15,200		
20-----	16,000"						

SEC. 116. Section 3 of the Act of January 3, 1946, as amended (38 U. S. C. 15b), is hereby amended as follows:

(a) The last sentence of section 3 (b) is amended to read: "During the period of his service as such, the Chief Medical Director shall be paid a salary of \$17,800 a year."

(b) The last sentence of section 3 (c) is amended to read: "During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of \$16,800 a year."

(c) That portion of section 3 (d) which precedes the proviso is amended to read: "Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of \$15,800."

SEC. 117. (a) The first section of the Act approved August 1, 1947 (61 Stat. 715; Public Law 313, Eightieth Congress), as amended, relating to salary limitations on research and development positions requiring the services of specially qualified scientific or professional personnel in certain departments and agencies, is amended by striking out "\$10,000" and "\$15,000" and inserting in lieu thereof "\$12,500" and "\$19,000", respectively.

(b) Section 208 (g) of the Public Health Service Act, as amended (42 U. S. C. 210 (g)), relating to salary limitations on research and development positions requiring the services of specially qualified scientific or professional personnel in the Public Health Service is amended by striking out "\$10,000" and "\$20,000" and inserting in lieu thereof "\$12,500" and "\$19,000", respectively.

SEC. 118. The salary amendments contained in section 117 shall not affect the authority of the Civil Service Commission or the procedure for fixing the pay of individual officers or employees under the statutes therein amended; except that the existing rate of basic compensation of any officer or employee to whom such section applies which is less than a rate of \$12,500 per annum shall be increased to such rate on the effective date of this title.

SEC. 119. Section 12 of the Act of May 29, 1884, as amended (21 U. S. C. 113a), relating to salary limitation on technical experts or scientists for research and study of foot-and-mouth disease and other animal diseases, is hereby amended by striking out "\$15,000" and inserting in lieu thereof "\$19,000".

SEC. 120. This title shall take effect at the beginning of the first pay period commencing after June 30, 1956.

TITLE II—PROVISIONS RELATING TO ORGANIZATION OF CIVIL SERVICE COMMISSION

SEC. 201. (a) The first section of the Act entitled "An Act to regulate and improve the civil service of the United States", approved January 16, 1883, as amended (5 U. S. C., sec. 632), is amended by inserting immediately after the first paragraph thereof a paragraph as follows:

"The term of office of each such Commissioner shall be six years, except that (1) the terms of office of the Commissioners holding office on the effective date of this paragraph (including the term of office of an individual appointed to fill any vacancy in the Commission existing on such effective date) shall expire, as designated by the President, one at the end of two years, one at the end of four years, and one at the end of six years, after such effective date; (2) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term of his predecessor shall be appointed for the remainder of such term; and (3) upon the expiration of his term of office a Commissioner may continue to serve until his successor is appointed and has qualified."

(b) Such first section of such Act of January 16, 1883, is further amended by adding at the end thereof the following paragraph:

"In addition to designating a Chairman of the Commission from time to time, pursuant to section 1 of Reorganization Plan Numbered 5 of 1949, the President shall from time to time designate one of the Commissioners, as Vice Chairman of the Commission. During the absence or disability of the Commissioner designated as Chairman, or in the event of a vacancy in the office of such Commissioner, the Commissioner designated as Vice Chairman shall perform those functions of the Chairman which were transferred to the Chairman by the provisions of section 2 (a) (2) to 2 (a) (6), inclusive, of such Reorganization Plan. During the absence or disability of both the Commissioner designated as Chairman and the Commissioner designated as Vice Chairman, or in the event of vacancies in the offices of both such Commissioners, the remaining Commissioner shall perform such functions. During the absence or disability of all three Commissioners, or in the event of vacancies in the offices of all three Commissioners, the Executive Director shall perform such functions; but the Executive Director shall at no time sit as a member or acting member of the Commission."

SEC. 202. (a) This section and section 201 (b) shall take effect on the date of enactment of this Act.

(b) Section 201 (a) shall take effect on March 1, 1957.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. (a) The President shall hereafter appoint, by and with the advice and consent of the Senate, a General Counsel of the Post Office Department, a General Counsel of the Department of Agriculture, and a General Counsel of the Department of Health, Education, and Welfare.

(b) The existing office of Solicitor of the Post Office Department and the existing offices of General Counsel of the Department of Agriculture and the Department of Health, Education, and Welfare shall be abolished effective upon the appointment and qualification of the General Counsels of such respective departments provided for by subsection (a) or April 1, 1957, whichever is earlier.

SEC. 302. The positions of three Deputy Administrators of the Agricultural Research Service, Department of Agriculture, shall be in grade

GS-18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505 (b) of such Act.

TITLE IV—CIVIL SERVICE RETIREMENT

SEC. 401. The Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

“DEFINITIONS

“SECTION 1. Wherever used in this Act—

“(a) The term ‘employee’ shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this Act applies.

“(b) The term ‘Member’ shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a Member to whom this Act applies.

“(c) The term ‘congressional employee’ means an employee of the Senate or House of Representatives or of a committee of either House, an employee of a joint committee of the two Houses, an elected officer of the Senate or House of Representatives who is not a Member of either House, the Legislative Counsel of the Senate and the Legislative Counsel of the House of Representatives and the employees in their respective offices, an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, a member of the Capitol Police force, an employee of the Vice President if such employee’s compensation is disbursed by the Secretary of the Senate, and an employee of a Member if such employee’s compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.

“(d) The term ‘basic salary’ shall not include bonuses, allowances, overtime pay, military pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation: Provided, That for employees paid on a fee basis, the maximum amount of basic salary which may be used shall be \$10,000 per annum. For a Member, the term ‘basic salary’ shall include, from April 1, 1954, to February 28, 1955, the amount received as expense allowance under section 601 (b) of the Legislative Reorganization Act of 1946, as amended, and such amount from January 3, 1953, to March 31, 1954, provided deposit is made therefor as provided in section 4.

“(e) The term ‘average salary’ shall mean the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, or at a Member’s option over all periods of Member service subsequent to the date of enactment of the Legislative Reorganization Act of 1946 used in the computation of an annuity under this Act, a Member’s or an employee’s rates of basic salary in effect during such period, with each rate weighted by the time it was in effect.

“(f) The term ‘fund’ shall mean the civil service retirement and disability fund created by the Act of May 22, 1920.

“(g) The terms ‘disabled’ and ‘disability’ shall mean totally disabled for useful and efficient service in the grade or class of position last occu-

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plied by the employee or Member by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part within the five years next prior to becoming so disabled.

"(h) The term 'widow', for purposes of section 10, shall mean the surviving wife of an employee or Member who was married to such individual for at least two years immediately preceding his death or is the mother of issue by such marriage.

"(i) The term 'widower', for purposes of section 10, shall mean the surviving husband of an employee or Member who was married to such employee or Member for at least two years immediately preceding her death or is the father of issue by such marriage. The term 'dependent widower', for purposes of section 10, shall mean a 'widower' who is incapable of self-support by reason of mental or physical disability, and who received more than one-half his support from such employee or Member.

"(j) The term 'child', for purposes of section 10, shall mean an unmarried child, including (1) an adopted child, and (2) a stepchild or recognized natural child who received more than one-half his support from and lived with the Member or employee in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support.

"(k) the term 'Government' shall mean the executive, judicial, and legislative branches of the United States Government, including Government-owned or controlled corporations and Gallaudet College, and the municipal government of the District of Columbia.

"(l) The term 'lump-sum credit' shall mean the unrefunded amount consisting of (1) the retirement deductions made from the basic salary of an employee or Member, (2) any sums deposited by an employee or Member covering prior service, and (3) interest on such deductions and deposits at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually to December 31, 1956 or, in the case of an employee separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service or a Member separated before he has completed five years of Member service, to the date of the separation or transfer. The lump-sum credit shall not include interest if the service covered thereby aggregates one year or less, nor shall it include interest for the fractional part of a month in the total service.

"(m) The term 'Commission' shall mean the United States Civil Service Commission.

"(n) The term 'annuitant' shall mean any former employee or Member who, on the basis of his service, has met all requirements of the Act for title to annuity and has filed claim therefor.

"(o) The term 'survivor' shall mean a person who is entitled to annuity under this Act based on the service of a deceased employee or Member or of a deceased annuitant.

"(p) The term 'survivor annuitant' shall mean a survivor who has filed claim for annuity.

"(q) The term 'service' shall mean employment which is creditable under section 3.

"(r) The term 'military service' shall mean honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States, but shall not include service in the National Guard except when ordered to active duty in the service of the United States.

"(s) The term 'Member service' shall mean service as a Member and shall include the period from the date of the beginning of the term for which the Member is elected or appointed to the date on which he takes office as a Member.

"COVERAGE

"SEC. 2. (a) This Act shall apply to each employee and Member, except as hereinafter provided.

"(b) This Act shall not apply to the President, to any judge of the United States as defined under section 451 of title 28 of the United States Code, or to any employee of the Government subject to another retirement system for Government employees.

"(c) This Act shall not apply to any Member or to any congressional employee until he gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

"(d) This Act shall not apply to any temporary congressional employee unless such employee is appointed at an annual rate of salary and gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

"(e) The Commission may exclude from the operation of this Act any employee or group of employees in the executive branch of the United States Government, or of the District of Columbia government upon recommendation by its Commissioners, whose tenure of office or employment is temporary or intermittent.

"(f) This Act shall not apply to any temporary employee of the Administrative Office of the United States Courts, of the courts specified in section 610 of title 28 of the United States Code, or to construction employees or any other temporary, part-time, or intermittent employees of the Tennessee Valley Authority; and the Architect of the Capitol and the Librarian of Congress are authorized to exclude from the operation of this Act any employees under the office of the Architect of the Capitol and the Library of Congress, respectively, whose tenure of employment is temporary or of uncertain duration.

"(g) Notwithstanding any other provision of law or any Executive order, this Act shall apply to each United States Commissioner whose total compensation for services rendered as United States Commissioner is not less than \$3,000 in each of the last three consecutive calendar years (1) ending prior to the effective date of the Civil Service Retirement Act Amendments of 1956 or (2) ending prior to the first day of any calendar year which begins after such effective date. For the purposes of this Act, the employment and compensation of each such United States Commissioner coming within the purview of this Act pursuant to this subsection shall be held and considered to be on a daily basis when actually employed; but nothing in this Act shall affect, otherwise than for the purposes of this Act, the basis, under applicable law other than this Act, on which such United States Commissioner is employed or on which his compensation is determined and paid.

"CREDITABLE SERVICE

"SEC. 3. (a) An employee's service for the purposes of this Act including service as a substitute in the postal service shall be credited from the date of original employment to the date of the separation upon which title to annuity is based in the civilian service of the Government. Credit shall similarly be allowed for service in the Pan American Sani-

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tary Bureau. No credit shall be allowed for any period of separation from the service in excess of three calendar days.

"(b) An employee or Member shall be allowed credit for periods of military service prior to the date of the separation upon which title to annuity is based; however, if an employee or Member is awarded retired pay on account of military service, his military service shall not be included, unless such retired pay is awarded on account of a service-connected disability (1) incurred in combat with an enemy of the United States or (2) caused by an instrumentality of war and incurred in line of duty during an enlistment or employment as provided in Veterans Regulation Numbered 1 (a), part I, paragraph I, or is awarded under title III of Public Law 810, Eightieth Congress, except that for purposes of section 9 (c) (1), a Member (A) shall be allowed credit only for periods of military service not exceeding five years, plus any military service performed by the Member upon leaving his office, for the purpose of performing such service, during any war or national emergency proclaimed by the President or declared by the Congress and prior to his final separation from service as Member and (B) may not receive credit for military service for which credit is allowed for the purposes of retired pay under any other provision of law. Nothing in this Act shall affect the right of an employee or a Member to retired pay, pension, or compensation in addition to the annuity herein provided.

"(c) Credit shall be allowed for leaves of absence granted an employee while performing military service or while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended. Except for a substitute in the postal service, there shall be excluded from credit so much of any other leaves of absence without pay as may exceed six months in the aggregate in any calendar year.

"(d) An employee who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service shall not be considered, for the purposes of this Act, as separated from his civilian position by reason of such military service, unless he shall apply for and receive a lump-sum benefit under this Act: Provided, That such employee shall not be considered as retaining his civilian position beyond December 31, 1956, or the expiration of five years of such military service, whichever is later.

"(e) The total service of an employee or Member shall be the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

"(f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

"(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation.

"(h) An employee who (1) has at least five years' Member service and (2) has served as a Member at any time after August 2, 1946, shall not be allowed credit for any service which is used in the computation of an annuity under section 9 (c).

"(i) In the case of each United States Commissioner who comes within the purview of this Act pursuant to section 2 (g) of this Act, service rendered prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956 as United States Commissioner shall be credited for the purposes of this Act on the basis of one three-hundred-and-thirteenth of a year for each day on which such United States Commissioner renders service in such capacity and which is not credited for the purposes of this Act for service performed by him in any capacity other than United States Commissioner. Such credit shall not be granted for service rendered as United States Commissioner for more than three hundred and thirteen days in any one year.

"(j) Notwithstanding any other provision of this section, any military service (other than military service covered by military leave with pay from a civilian position) performed by an individual after December 1956 shall be excluded in determining the aggregate period of service upon which an annuity payable under this Act to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled), at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act based on such individual's wages and self-employment income. If in the case of the individual or widow such military service is not excluded under the preceding sentence, but upon attaining retirement age (as defined in section 216 (a) of the Social Security Act) he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits

"DEDUCTIONS AND DEPOSITS

"SEC. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act Amendments of 1956 there shall be deducted and withheld from each employee's basic salary an amount equal to 6½ per centum of such basic salary and from each Member's basic salary an amount equal to 7½ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund. There shall also be so credited all deposits made by employees or Members under this section. Amounts contributed under

this subsection from appropriations of the Post Office Department shall not be considered as costs of providing postal service for the purpose of establishing postal rates.

"(b) Each employee or Member shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

"(c) Each employee or Member credited with civilian service after July 31, 1920, for which, for any reason whatsoever, no retirement deductions or deposits have been made, may deposit with interest an amount equal to the following percentages of his basic salary received for such service:

	Percentage of basic salary	Service period
Employee-----	2½-----	August 1, 1920, to June 30, 1926
	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to June 30, 1948
	6-----	July 1, 1948, to October 31, 1956
	6½-----	After October 31, 1956
Member for Member service--	2½-----	August 1, 1920, to June 30, 1926
	3½-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to August 1, 1946
	6-----	August 2, 1946, to October 31, 1956
	7½-----	After October 31, 1956

"(d) Each employee or Member who has received a refund of retirement deductions under this or any other retirement system established for employees of the Government covering service for which he may be allowed credit under this Act may deposit the amount received, with interest. No credit shall be allowed for the service covered by the refund until the deposit is made.

"(e) Interest under subsection (c) or (d) shall be computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. The interest shall be computed at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually. Such deposit may be made in one or more installments.

"(f) Under such regulations as may be prescribed by the Commission, amounts deducted under subsection (a) and deposited under subsections (c) and (d) shall be entered on individual retirement records.

"(g) No deposit shall be required for any service prior to August 1, 1920, for periods of military service or for any service for the Panama Railroad Company prior to January 1, 1924.

"MANDATORY SEPARATION

"SEC. 5. (a) Except as hereinafter provided, an employee who shall have attained the age of seventy years and completed fifteen years of service shall be automatically separated from the service. Such separation shall be effective on the last day of the month in which such employee attains the age of seventy years or completes fifteen years of service if then beyond such age, and all salary shall cease from that day.

"(b) Each employing office shall notify each employee under its direction of the date of such separation from the service at least sixty days in

advance thereof: Provided, That subsection (a) shall not take effect without the consent of the employee until sixty days after he has been so notified.

"(c) The President may, by Executive order, exempt from automatic separation under this section any employee when, in his judgment, the public interest so requires.

"(d) The automatic separation provisions of this section shall not apply to any person named in any Act of Congress providing for the continuance of such person in the service, to any Member, to any congressional employee, to the Architect of the Capitol or any employee under the office of the Architect of the Capitol, or to any employee in the judicial branch who has been appointed to hold office for a definite term of years.

"(e) In the case of an employee of The Alaska Railroad, Territory of Alaska, or an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Company or the Canal Zone Government, the provisions of this section shall apply upon his attaining the age of sixty-two years and completing fifteen years of service on the Isthmus of Panama or in the Territory of Alaska.

"IMMEDIATE RETIREMENT

"SEC. 6. (a) Any employee who attains the age of sixty years and completes thirty years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

"(b) Any employee who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9.

"(c) Any employee the duties of whose position are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, including any employee engaged in such activity who has been transferred to a supervisory or administrative position, who attains the age of fifty years and completes twenty years of service in the performance of such duties, may, if the head of his department or agency recommends his retirement and the Commission approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9. The head of the department or agency and the Commission shall give full consideration to the degree of hazard to which such employee is subjected in the performance of his duties, rather than the general duties of the class of the position held by such employee. The word 'detention', as used in this subsection, shall be construed to include the duties of—

"(1) all employees of the Bureau of Prisons and Federal Prison Industries, Incorporated,

"(2) all employees of the Public Health Service assigned to the field service of the Bureau of Prisons or to the field service of Federal Prison Industries, Incorporated,

"(3) all civilian employees employed in the field services at Army or Navy disciplinary barracks or at confinement and rehabilitation facilities operated by any of the United States armed services, and

"(4) all employees of the Department of Corrections of the District of Columbia, its industries and utilities,

whose duties in connection with persons in detention suspected or convicted of offenses against the criminal laws of the United States or of the District of Columbia or offenses against the punitive articles of the Uni-

form Code of Military Justice require frequent (as determined by the appropriate administrative authority with the concurrence of the Commission) direct contact with such persons in the detention, direction, supervision, inspection, training, employment, care, transportation, or rehabilitation of such persons.

"(d) Any employee who completes twenty-five years of service or who attains the age of fifty years and completes twenty years of service shall upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.

"(e) Any employee who attains the age of sixty-two years and completes five years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

"(f) Any Member who attains the age of sixty-two years and completes five years of Member service, or who attains the age of sixty years and completes ten years of Member service, shall, upon separation from the service, be paid an annuity computed as provided in section 9. Any Member who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9. Any Member who completes twenty-five years of service, or who attains the age of fifty years and completes twenty years of service, shall, upon separation from the service (other than separation by resignation or expulsion), be paid a reduced annuity computed as provided in section 9. No Member or survivor of a Member shall be entitled to receive an annuity under this Act unless there shall have been deducted or deposited the amounts specified in section 4 with respect to his last five years of Member service.

"DISABILITY RETIREMENT"

"SEC. 7. (a) Any employee who completes five years of civilian service and who is found by the Commission to have become disabled shall, upon his own application or upon application by his department or agency, be retired on an annuity computed as provided in section 9. Any Member who completes five years of Member service and who is found by the Commission to have become disabled shall, upon his own application, be retired on an annuity computed as provided in section 9.

"(b) No claim shall be allowed under this section unless the application is filed with the Commission prior to separation of the employee or Member from the service or within one year thereafter. This time limitation may be waived by the Commission for an individual who at the date of separation from service or within one year thereafter is mentally incompetent, if the application is filed with the Commission within one year from the date of restoration of such individual to competency or the appointment of a fiduciary, whichever is the earlier.

"(c) Each annuitant retired under this section or under section 6 of the Act of May 29, 1930, as amended, unless his disability is permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Commission. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

“(d) If such annuitant, before reaching age sixty, recovers from his disability or is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease (1) upon reemployment by the Government, (2) one year from the date of the medical examination showing such recovery or (3) one year from the date of determination that he is so restored, whichever is earliest. Earning capacity shall be deemed restored if in each of two succeeding calendar years the income of the annuitant from wages or self-employment or both shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

“(e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position included in the provisions of this Act, he shall be considered, except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act.

“(f) No person shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision in such Act of September 7, 1916, as amended, shall deny to any person an annuity accruing to such person under this Act on account of service rendered by him, or deny any concurrent benefit to such person under such Act of September 7, 1916, as amended, on account of the death of any other person.

“(g) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Department of Labor, shall be refunded to the Department of Labor, to be covered into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Department the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Department of Labor shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

“DEFERRED RETIREMENT

“SEC. 8. (a) Any employee who is separated from the service or transferred to a position not within the purview of this Act after completing

five years of civilian service may be paid an annuity beginning at the age of sixty-two years computed as provided in section 9.

"(b) Any Member who on or after January 1, 1956, has been or is separated from the service as a Member after completing five years of Member service may hereafter be paid an annuity beginning at the age of sixty-two years, computed as provided in section 9. Any Member who is separated from the service after completing ten or more years of Member service may be paid an annuity beginning at the age of sixty years, computed as provided in section 9.

"COMPUTATION OF ANNUITY

"SEC. 9. (a) Except as otherwise provided in this section, the annuity of an employee retiring under this Act shall be (1) the larger of (A) 1½ per centum of the average salary multiplied by so much of the total service as does not exceed five years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as does not exceed five years, plus (2) the larger of (A) 1½ per centum of the average salary multiplied by so much of the total service as exceeds five years but does not exceed ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds five years but does not exceed ten years, plus (3) the larger of (A) 2 per centum of the average salary multiplied by so much of the total service as exceeds ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary: Provided further, That the annuity of an employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor.

"(b) The annuity of a congressional employee retiring under this Act shall, if he so elects at the time his annuity commences, be (1) 2½ per centum of the average salary multiplied by his military service and service as a congressional employee, not exceeding a total of fifteen years, plus (2) 1½ per centum of the average salary multiplied by so much of the remainder of his total service as does not exceed five years, plus (3) 1½ per centum of the average salary multiplied by so much of the remainder of his total service as exceeds five years but does not exceed ten years, plus (4) 2 per centum of the average salary multiplied by so much of the remainder of his total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary. This subsection shall not apply unless the congressional employee (1) has had at least five years' service as a congressional employee, (2) has had deductions withheld from his salary or made deposit covering his last five years of civilian service, and (3) has served as a congressional employee during the last eleven months of his civilian service: Provided further, That the annuity of a congressional employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his service as a congressional employee by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

“(c) The annuity of a Member retiring under this Act shall be an amount equal to—

“(1) $2\frac{1}{2}$ per centum of the average salary multiplied by the total of his Member and creditable military service;

“(2) $2\frac{1}{2}$ per centum of the average salary multiplied by his total years of service, not exceeding fifteen, performed as a congressional employee prior to his separation from service as a Member, other than any such service which he may elect to exclude;

“(3) $1\frac{1}{2}$ per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as does not exceed five years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude;

“(4) $1\frac{1}{4}$ per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as exceeds five years but does not exceed ten years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude; and

“(5) 2 per centum of such average salary multiplied by so much of his total service, other than service used in computing annuity under clauses (1) and (2), as exceeds ten years, performed prior to his separation from service as a Member, and other than any such service which he may elect to exclude.

In no case shall an annuity computed under this subsection exceed 80 per centum of the basic salary that he is receiving at the time of such separation from the service, and in no case shall the annuity of a Member retiring under section 7 be less than (A) 40 per centum of the average salary or (B) the sum obtained under this subsection after increasing his Member service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

“(d) The annuity as hereinbefore provided, for an employee retiring under section 6 (b) or 6 (d) or a Member retiring under the second or third sentence of section 6 (f), shall be reduced by one-twelfth of 1 per centum for each full month not in excess of sixty, and one-sixth of 1 per centum for each full month in excess of sixty, such employee or member is under the age of sixty years at date of separation.

“(e) The annuity of an employee retiring under section 6 (c) shall be 2 per centum of the average salary multiplied by the total service: Provided, That the annuity shall not exceed 80 per centum of the average salary.

“(f) The annuity as hereinbefore provided shall be reduced by 10 per centum of any deposit described in section 4 (c) remaining unpaid, unless the employee or Member shall elect to eliminate the service involved for purposes of annuity computation.

“(g) Any employee or Member retiring under section 6, 7, or 8 may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing his wife or husband to receive an annuity after the retired individual's death computed as provided in section 10 (a) (1). The annuity of the employee or Member making such election, excluding any increase because of retirement under section 7, shall be reduced by $2\frac{1}{2}$ per centum of so much of the portion thereof designated under section 10 (a) (1) as does not exceed \$2,400 and by 10 per centum of so much of the portion so designated as exceeds \$2,400.

“(h) Any unmarried employee or Member retiring under section 6 or 8, and found by the Commission to be in good health, may at the time of

retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest in the employee or Member to receive an annuity after the retired individual's death. The annuity payable to the employee or Member making such election shall be reduced by 10 per centum of an annuity computed as provided in section 9 and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

"(i) The annuity as hereinbefore provided, for an employee who is a citizen of the United States, shall be increased by \$36 multiplied by total service in the employ of either the Alaska Engineering Commission or The Alaska Railroad in the Territory of Alaska between March 12, 1914, and July 1, 1923, or in the employ of either the Isthmian Canal Commission or the Panama Railroad Company on the Isthmus of Panama between May 4, 1904, and April 1, 1914.

"SURVIVOR ANNUITIES

"SEC. 10. (a) (1) If a Member or employee dies after having retired under any provision of this Act and is survived by a wife or husband designated under section 9 (g) such wife or husband shall be paid an annuity equal to 50 per centum of so much of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, as is designated in writing for such purpose by such Member or employee at the time he makes the election provided for by section 9 (g).

"(2) An annuity computed under this subsection shall begin on the first day of the month in which the retired employee or Member dies, and such annuity or any right thereto shall terminate upon the survivor's death or remarriage.

"(b) The annuity of a survivor designated under section 9 (h) shall be 50 per centum of the reduced annuity computed as provided in subsections (a), (b), (c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. The annuity of such survivor shall begin on the first day of the month in which the retired employee or Member dies, and such annuity or any right thereto shall terminate upon the survivor's death.

"(c) If an employee dies after completing at least five years of civilian service, or a Member dies after completing at least five years of Member service, the widow or dependent widower of such employee or Member shall be paid an annuity equal to 50 per centum of an annuity computed as provided in subsections (a), (b), (c), (e), and (f) of section 9 as may apply with respect to the employee or Member. The annuity of such widow or dependent widower shall begin on the first day of the month after the employee or Member dies, and such annuity, or any right thereto shall terminate upon death or remarriage of the widow or widower, or upon the widower's becoming capable of self-support.

"(d) If an employee dies after completing five years of civilian service or a Member dies after completing five years of Member service, or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who received more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per

centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. The child's annuity shall begin on the first day of the month after the employee or Member dies, and such annuity or any right thereto shall terminate upon (1) his attaining age 18 unless incapable of self-support, (2) his becoming capable of self-support after age 18, (3) his marriage, or (4) his death. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

"(e) In case a Member separated from service with title to a deferred annuity under this Act, either prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956, shall hereafter die before having established a valid claim for annuity and is survived by a wife or husband to whom married at date of separation, such surviving wife or husband (1) shall be paid an annuity equal to one-half of the deferred annuity of such Member beginning the first day of the month following the death of such Member and terminating upon the death or remarriage of such surviving wife or husband or (2) may elect to receive a lump-sum credit in lieu of annuity if such wife or husband is the person who would be entitled to the lump-sum credit and files application therefor with the Commission prior to the award of such annuity.

"LUMP-SUM BENEFITS

"SEC. 11. (a) Any employee or Member who is separated from the service, or is transferred to a position wherein he does not continue subject to this Act, shall be paid the lump-sum credit provided his separation or transfer occurs and application for payment is filed with the Commission at least thirty-one days before the earliest commencing date of any annuity for which he is eligible. The receipt of payment of the lump-sum credit by the individual shall void all annuity rights under this Act, unless and until he shall be reemployed in the service subject to this Act. This subsection shall also apply to any employee or Member separated prior to the effective date of the Civil Service Retirement Act Amendments of 1956 after completing at least twenty years of civilian service.

"(b) Each present or former employee or Member may, under regulations prescribed by the Commission, designate a beneficiary or beneficiaries for the purposes of this Act.

"(c) Lump-sum benefits authorized under subsections (d), (e), and (f) of this section shall be paid in the following order of precedence to such person or persons surviving the employee or Member and alive at the date title to the payment arises, and such payment shall be a bar to recovery by any other person:

"First, to the beneficiary or beneficiaries designated by the employee or Member in a writing received in the Commission prior to his death;

"Second, if there be no such beneficiary, to the widow or widower of the employee or Member;

"Third, if none of the above, to the child or children of the employee or Member and descendants of deceased children by representation;

"Fourth, if none of the above, to the parents of the employee or Member or the survivor of them;

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member;

"Sixth, if none of the above, to other next of kin of the employee or Member as may be determined by the Commission to be entitled under the laws of the domicile of the individual at the time of his death.

"(d) If an employee or Member dies (1) without a survivor, or (2) with a survivor or survivors and the right of all survivors shall terminate before claim for survivor annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid.

"(e) If all annuity rights under this Act based on the service of a deceased employee or Member shall terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

"(f) If an annuitant dies, any annuity accrued and unpaid shall be paid.

"(g) Any annuity accrued and unpaid upon the termination (other than by death) of the annuity of any annuitant or survivor annuitant shall be paid to such person. Any survivor annuity accrued and unpaid upon the death of any survivor annuitant shall be paid in the following order of precedence, and such payment shall be a bar to recovery by any other person:

"First, to the duly appointed executor or administrator of the estate of the survivor annuitant;

"Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such next of kin of the survivor annuitant as may be determined by the Commission to be entitled under the laws of the survivor annuitant's domicile at the time of his death.

"ADDITIONAL ANNUITIES

"SEC. 12. (a) Any employee or Member may, under regulations prescribed by the Commission, voluntarily contribute additional sums in multiples of \$25, but the total may not exceed 10 per centum of his basic salary for his creditable service from and after August 1, 1920. The voluntary contribution account in each case shall be the sum of such unrefunded contributions, plus interest at 3 per centum per annum compounded annually to date of separation or transfer to a position not within the purview of this Act or, in case of an individual who is separated with title to a deferred annuity and does not claim the voluntary contribution account, to the commencing date fixed for such deferred annuity or date of death, whichever is earlier.

"(b) Such voluntary contribution account shall be used to purchase at retirement an annuity in addition to the annuity otherwise provided. For each \$100 in such voluntary contribution account, the additional annuity shall consist of \$7, increased by 20 cents for each full year, if any, such employee or Member is over the age of fifty-five years at the date of retirement.

"(c) A retiring employee or Member may elect a reduced additional annuity in lieu of the additional annuity described in subsection (b) and designate in writing a person to receive after his death an annuity of 50

per centum of his reduced additional annuity. The additional annuity of the employee or Member making such election shall be reduced by 10 per centum, and by 5 per centum for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

"(d) Any employee or Member who is separated from the service before becoming eligible for immediate or deferred annuity or who transfers to a position wherein he does not continue subject to this Act shall be paid the voluntary contribution account. Any employee or Member who is separated from the service after becoming eligible for a deferred annuity under section 8 may elect to receive, in lieu of additional annuity, the voluntary contribution account, provided his separation occurs and application for payment is filed with the Commission at least thirty-one days before the commencing date of annuity.

"(e) If any present or former employee or Member not retired dies, the voluntary contribution accounts shall be paid under the provisions of section 11 (c). If all additional annuities or any right thereto based on the voluntary contribution account of a deceased employee or Member terminate before the total additional annuity paid equals such account, the difference shall be paid under the provisions of section 11 (c).

"REEMPLOYMENT OF ANNUITANTS

"SEC. 13. (a) Notwithstanding any other provision of law, an annuitant heretofore or hereafter retired under this Act shall not, by reason of his retired status, be barred from employment in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

"(b) If an annuitant under this Act (other than (1) a disability annuitant whose annuity is terminated by reason of his recovery or restoration of earning capacity, (2) an annuitant whose annuity was based upon an involuntary separation from the service, excluding a separation under the automatic separation provisions of this Act, or (3) a Member retired under this Act) hereafter becomes employed, or on the date of enactment of the Civil Service Retirement Act Amendments of 1956 is serving, in an appointive or elective position, his service on and after the date he was or is so employed shall be covered by this Act. No deductions for the fund shall be withheld from his salary, but there shall be deducted from his salary, except for lump-sum leave payment purposes under the Act of December 21, 1944, a sum equal to the annuity allocable to the period of actual employment, and this provision concerning the lump-sum leave payments shall also be effective in the case of each retired employee separated from reemployment after December 15, 1953, and before the effective date of the Civil Service Retirement Act Amendments of 1956: Provided, That if such annuitant serves on a full-time basis for at least one year in employment not excluding him under section 2 (b) from coverage, (1) his annuity upon termination of employment shall be increased by an annuity computed under subsections (a), (b), (d), (e), and (f) of section 9 as may apply based upon the period of and the basic salary (before deduction) averaged during such employment, and (2) his lump-sum credit shall not be reduced by annuity paid during such employment. The employment of an annuitant under this subsection shall not operate to create an annuity for or in any manner affect the annuity of any survivor.

"(c) If a Member heretofore or hereafter retired under this Act hereafter becomes employed in an appointive or elective position, annuity payments shall be discontinued during such employment and resumed in the same amount upon termination of such employment: Provided, That if such retired Member takes office as Member and gives notice as provided in section 2 (c), his service as Member during such period shall be credited in determining his right to and the amount of his subsequent annuity: Provided further, That this subsection shall not apply to a Member appointed by the President of the United States to a position not requiring confirmation by the Senate.

"PAYMENT OF BENEFITS

"SEC. 14. (a) Each annuity is stated as an annual amount, one-twelfth of which, fixed at the nearest dollar, accrues monthly and is payable on the first business day of the month after it accrues.

"(b) Except as otherwise provided, the annuity of an employee shall commence on the first of the month after separation from the service, or on the first of the month after salary ceases provided the employee meets the service and the age or disability requirements for title to annuity at that time. The annuity of a Member or of an elected officer of the Senate or House of Representatives shall commence on the day following the day on which salary shall cease provided the person entitled to such annuity meets the service and the age or disability requirements for title to annuity at that time. The annuity of an employee or Member under section 8 shall commence on the first of the month after the occurrence of the event on which payment of the annuity is based.

"(c) An annuity shall terminate on the last day of the month preceding the month in which death or any other terminating event provided in this Act occurs.

"(d) Any person entitled to annuity from the fund may decline to accept all or any part of such annuity by a waiver signed and filed with the Commission. Such waiver may be revoked in writing at any time, but no payment of the annuity waived shall be made covering the period during which such waiver was in effect.

"(e) Where any payment is due a minor, or a person mentally incompetent or under other legal disability, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: Provided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, payment may be made to any person who in the judgment of the Commission is responsible for the care of the claimant, and such payment shall be a bar to recovery by any other person.

"EXEMPTION FROM LEGAL PROCESSES

"SEC. 15. (a) None of the moneys mentioned in this Act shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

"(b) Notwithstanding any other provision of law, there shall be no recovery of any payments under this Act from any person when, in the judgment of the Commission, such person is without fault and such recovery would be contrary to equity and good conscience; nor shall there

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be any withholding of recovery of any moneys mentioned in this Act on account of any certification or payment made by any former employee of the United States in the discharge of his official duties unless the head of the department or agency on behalf of which the certification or payment was made certifies to the Commission that such certification or payment involved fraud on the part of such employee.

"ADMINISTRATION

"SEC. 16. (a) This Act shall be administered by the Commission. Except as otherwise specifically provided herein, the Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

"(b) Applications under this Act shall be in such form as the Commission shall prescribe, and shall be supported by such certificates from departments or agencies as the Commission may deem necessary to the determination of the rights of applicants. The Commission shall adjudicate all claims under this Act.

"(c) Questions of dependency and disability arising under this Act shall be determined by the Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the disability or dependency of any person receiving or applying for annuity under this Act, and may suspend or deny any such annuity for failure to submit to any such examination.

"(d) An appeal to the Commission shall lie from any administrative action or order affecting the rights or interests of any person or of the United States under this Act, the procedure on appeal to be prescribed by the Commission.

"(e) Fees for examinations made under the provisions of this Act, by physicians or surgeons who are not medical officers of the United States, shall be fixed by the Commission, and such fees, together with reasonable traveling and other expenses incurred in connection with such examinations, shall be paid out of the appropriations for the cost of administering this Act.

"(f) The Commission shall publish an annual report upon the operations of this Act and shall include in each such report a statement with respect to the status of the fund on a normal cost plus interest basis.

"(g) The Commission is hereby authorized and directed to select three actuaries, to be known as the Board of Actuaries of the Civil Service Retirement System. It shall be the duty of such Board to report annually upon the actuarial status of the system and to furnish its advice and opinion on matters referred to it by the Commission, and it shall have the authority to recommend to the Commission and to the Congress such changes as in the Board's judgment may be deemed necessary to protect the public interest and maintain the system upon a sound financial basis. The Commission shall keep or cause to be kept such records as it deems necessary for making periodic actuarial valuations of the Civil Service Retirement System, and the Board shall make such valuations at intervals of five years, or oftener if deemed necessary by the Commission. The compensation of the members of the Board of Actuaries, exclusive of such

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members as are in the employ of the United States, shall be fixed by the Commission.

"CIVIL SERVICE RETIREMENT AND DISABILITY FUND

"SEC. 17. (a) The fund is hereby appropriated for the payment of benefits as provided in this Act.

"(b) The Secretary of the Treasury is hereby authorized to accept and credit to the fund moneys received in the form of donations, gifts, legacies, or bequests, or otherwise contributed for the benefit of civil-service employees generally.

"(c) The Secretary of the Treasury shall immediately invest in interest-bearing securities of the United States, such currently available portions of the fund as are not immediately required for payments from the fund, and the income derived from such investments shall constitute a part of the fund.

"(d) The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the fund. Such obligations issued for purchase by the fund shall have maturities fixed with due regard for the needs of the fund and bear interest at a rate equal to the average rate of interest computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate. Such obligations shall be issued for purchase by the fund only if the Secretary of the Treasury determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

"(e) The Commission shall submit estimates of the appropriations necessary to finance the fund on a normal cost plus interest basis and to continue this Act in full force and effect.

"SHORT TITLE

"SEC. 18. This Act may be cited as the 'Civil Service Retirement Act'.

MEMBERS OF FACULTY OF NAVAL ACADEMY

SEC. 402. (a) On and after the effective date of this title persons employed as members of the civilian faculties of the United States Naval Academy and the United States Naval Postgraduate School shall be included within the terms of the Civil Service Retirement Act, and on and after that date the Act of January 16, 1936 (49 Stat. 1092), as amended, shall not apply to such persons.

(b) In lieu of the deposit prescribed by section 4 (c) of the Civil Service Retirement Act, an employee who by virtue of subsection (a) is included within the terms of such Act shall deposit, for service rendered prior to the effective date of this title as a member of the civilian faculty of the United States Naval Academy or of the United States Naval Post-

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graduate School, a sum equal to so much of the repurchase price of his annuity policy carried as required by the Act of January 16, 1936, as amended, as is based on the monthly allotments which were registered with the Navy Allotment Office toward the purchase of that annuity, the deposit to be made within six months after the effective date of this title. Should the deposit not be made within that period no credit shall be allowed under the Civil Service Retirement Act for service rendered as a member of the civilian faculty of the United States Naval Academy or of the United States Naval Postgraduate School subsequent to July 31, 1920, and prior to the effective date of this title. If the deposit is made, such service shall be held and considered to be service during which the employee was subject to the Civil Service Retirement Act.

CONTINUATION OF PRIOR RIGHTS

SEC. 403. Except as otherwise provided, the amendments made by this title shall not apply in the case of employees or Members retired or otherwise separated prior to its effective date, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if this title had not been enacted. In the case of any Member heretofore separated with title to an annuity under the Act of May 29, 1930, as amended, the annuity of such Member and of any survivor of such Member shall be computed, and shall be paid only from and after the effective date of this title, as if the Act of August 11, 1955 (69 Stat. 692), had been in effect on the date of the separation of such Member.

VICE PRESIDENT

SEC. 404. In the case of any person holding the office of Vice President on the effective date of this title, service performed in such office shall be considered service during which he was subject to the Civil Service Retirement Act for the purpose of section 3 (g) thereof.

FORFEITURE OF ANNUITIES OF PERSONS REMAINING OUTSIDE UNITED STATES TO AVOID PROSECUTION

SEC. 405. The Act entitled "An Act to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes", approved September 1, 1954 (68 Stat. 1142), is amended by adding at the end of section 2 thereof a new subsection as follows:

"(c) In any case in which, after the date of enactment of this subsection, any person under indictment for any offense within the purview of the first section of this Act wilfully remains outside the United States, its Territories, and possessions, for a period in excess of one year with knowledge of such indictment, no annuity or retired pay shall be paid, for any period subsequent to the end of such one-year period to such person or to the survivor or beneficiary of such person, on the basis of the service of such person, as an officer or employee of the Government unless and until a nolle prosequi to the entire indictment is entered upon the record or such person returns and thereafter the indictment is dismissed or after trial by court the accused is found not guilty of the offense or offenses charged in the indictment."

EFFECTIVE DATE

SEC. 406. This title shall take effect on the first day of the first month which begins more than sixty days after the date of enactment of this Act.

SHORT TITLE

SEC. 407. This title may be cited as the "Civil Service Retirement Act Amendments of 1956."

TITLE V—ADDITIONAL SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 501. (a) Subsections (a) and (b) of the first section of the Act of August 1, 1947 (61 Stat. 715; Public Law 313, Eightieth Congress), as amended, are amended to read as follows: "(a) the Secretary of Defense is authorized to establish and fix the compensation for not more than one hundred and twenty positions in the Department of Defense and not more than twenty-five positions in the National Security Agency, each such position being established to effectuate those research and development functions, relating to the national defense, military and naval medicine, and any and all other activities of the Department of Defense and the National Security Agency, as the case may be, which require the services of specially qualified scientific or professional personnel.

"(b) The Chairman of the National Advisory Committee for Aeronautics is authorized to establish and fix the compensation for, in the headquarters and research stations of the National Advisory Committee for Aeronautics, not to exceed thirty positions in the professional and scientific service, each such position being established in order to enable the National Advisory Committee for Aeronautics to secure and retain the services of specially qualified personnel necessary in the discharge of the duty of the Committee to supervise and direct the scientific study of the problems of flight with a view to their practical solution."

(b) Nothing contained in the amendment made to such Act of August 1, 1947, by subsection (a) of this section shall affect any position existing under authority of subsection (a) of the first section of such Act of August 1, 1947, as in effect immediately prior to the effective date of such amendment, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (a) of such first section of such Act of August 1, 1947, as contained in the amendment made by subsection (a) of this section.

SEC. 502. Section 505 (b) of the Classification Act of 1949, as amended (69 Stat. 179; 5 U. S. C., sec. 1105), is amended to read as follows:

"(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed twelve hundred and twenty-six) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed three hundred and twenty-nine for grade 17 and one hundred and thirty for grade 18."

SEC. 503. (a) The United States Civil Service Commission, the Librarian of Congress, the Comptroller General of the United States, and the Director of the Federal Bureau of Investigation of the Department of Justice, respectively, with respect to those positions within the purview of subsec-

tions (b), (c), (d), and (e), respectively, of section 505 of the Classification Act of 1949, as amended, and the appropriate authority, with respect to those positions under jurisdiction of such authority which are allocated to or placed in grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949, as amended (including such positions so allocated or placed on a temporary or present incumbency basis), under any provision of law (including any reorganization plan) other than the above-specified subsections, which is in effect on or after the date of enactment of this subsection, shall submit, so long as such provision of law or reorganization plan remains in effect, to the Congress, not later than February 1 of each year, a report which sets forth—

(1) the total number of such positions allocated to or placed in all of such grades during the immediately preceding calendar year, the total number of such positions allocated to or placed in each of such grades during such immediately preceding calendar year, and the total number of such positions in existence during such immediately preceding calendar year and the grades to or in which such total number of positions in existence are allocated or placed,

(2) the name, rate of compensation, and description of the qualifications of each incumbent of each such position, together with the position title and a statement of the duties and responsibilities performed by each such incumbent,

(3) the position or positions in or outside the Federal Government held by each such incumbent, and his rate or rates of compensation, during the five-year period immediately preceding the date of appointment of each such incumbent to such position, and

(4) such other information as the Commission, officer, or other appropriate authority submitting such report may deem appropriate or which may be required by the Congress or a committee thereof.

Nothing contained in this subsection shall require the resubmission of any information required under paragraphs (2) and (3) of this subsection which has been reported pursuant to this subsection and which remains unchanged.

(b) In any instance in which the Commission, officer, or other appropriate authority so required to submit such report may find full public disclosure of any or all of the above-specified items to be detrimental to the national security, such Commission, officer, or authority is authorized—

(1) to omit in such annual report those items with respect to which full public disclosure is found to be detrimental to the national security,

(2) to inform the Congress of such omission, and

(3) at the request of any congressional committee to which such report is referred, to present all information concerning such items. And the Senate agree to the same.

TOM MURRAY,
EDWARD H. REES,
JAMES H. MORRISON,
Managers on the Part of the House.

OLIN D. JOHNSTON,
JOHN O. PASTORE,
FRANK CARLSON,
WILLIAM E. JENNER,
W. KERR SCOTT,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment and that the Senate agree to the same.

The conference substitute consists of five titles:

- (1) Title I. Executive Pay
- (2) Title II. Terms of Civil Service Commissioners and Succession to Duties of Chairman
- (3) Title III. Miscellaneous Provisions
- (4) Title IV. Civil Service Retirement
- (5) Title V. Scientific and Professional Positions

The House bill related only to executive pay.

TITLE I. EXECUTIVE PAY

Title I of the conference substitute establishes salary levels for Cabinet officers, sub-Cabinet officers, and other executives of the Federal Government generally conforming to the salary levels for such officials provided by the bill as passed by the House. The salary levels for Cabinet officers (\$25,000), for the Under Secretary of State, the Deputy Secretary of Defense, the Director, Office of Defense Mobilization, the Director, Bureau of the Budget, and the Comptroller General (\$22,500), and for the Secretaries of the Army, Navy, and Air Force (\$22,000), are the same as in the House bill.

Principal differences in the conference substitute and the bill as passed by the House are: (1) Chairmen of major boards and commissions are in salary level \$20,500 under the conference substitute, compared to levels of \$19,500 and \$20,000 in the House bill and (2) Assistant Secretaries of executive and military departments (including Assistant Postmasters General), administrators of certain bureaus and agencies, and members of major boards and commissions are placed in the \$20,000 salary level under the conference substitute, compared to a salary level of \$19,000 in the House bill. The salaries of governors of Territories and possessions are placed at \$19,000 under the conference substitute.

The conference substitute establishes a proper alinement between salaries of Cabinet officers, sub-Cabinet officers, and the heads of the

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various agencies, independent establishments, and bureaus in accordance with the level of the duties and responsibilities of such positions.

The Senate amendment provided for the establishment of specified numbers of administrative assistants and other secretaries or immediate staff assistants in the White House Office. The conferees on the part of the House agreed to the total number of such positions as contained in the Senate amendment, and the conference substitute approves such positions without regard to the assignment and distribution thereof.

In accordance with the bill as passed by the House, the conference substitute increases the maximum salaries under the Classification Act of 1949 (grade GS-18) and under the Postal Field Service Compensation Act of 1955 (salary level 20) from \$14,800 to \$16,000, with appropriate adjustments in salary steps for the immediate lower grade and levels provided in those acts. Maximum salaries for chief medical officers and assistants in the Veterans' Administration are increased, under the conference substitute and the bill as passed by the House, to maintain the existing relationship between such salaries and the salaries of other Government officials and of classified and postal field service positions.

TITLE II. TERMS OF CIVIL SERVICE COMMISSIONERS AND SUCCESSION TO DUTIES OF CHAIRMAN

Title II of the conference substitute establishes 6-year, staggered terms of office for United States Civil Service Commissioners; provides for designation by the President of a Vice Chairman of the Commission; and provides a line of succession to perform the duties and responsibilities of the Chairman of the Civil Service Commission by the Vice Chairman, in the absence of the Chairman, and by the other member of the Commission in the absence of the Chairman and Vice Chairman. The bill as passed by the House contained no such provision. However, this provision of the conference substitute is identical to the recommendation of the House committee in House Report No. 1844 with respect to the terms of office of Civil Service Commissioners and succession to the responsibilities of Chairman of the Commission in his absence.

TITLE III. MISCELLANEOUS PROVISIONS

Title III of the conference substitute provides for the appointment by the President, by and with the advice and consent of the Senate, of a General Counsel of the Post Office Department, a General Counsel of the Department of Agriculture, and a General Counsel of the Department of Health, Education, and Welfare to replace the existing offices of the chief legal officers of such Departments, which will be abolished. The House bill contained no such provision.

The Senate amendment authorized the Director of the Administrative Office of the United States Courts to place a total of 4 positions in grade GS-18 of the general schedule of the Classification Act of 1949, and provided that the positions of 7 directors of commodity offices, Commodity Stabilization Service, Department of Agriculture, shall be in grade GS-16 of such schedule. The bill as passed by the House contained no such provisions. The conference substitute does not contain such provisions, but increases by 11 positions the total

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number of supergrade positions which a majority of the Civil Service Commissioners are authorized to place in appropriate grades of the general schedule. It is the understanding of the committee on conference that the Civil Service Commission will immediately consider the 11 positions in question to determine if they merit these grades.

Three positions allocated by the Senate bill in grade 18 for deputy administrators for the Agricultural Research Service are contained in the conference substitute. The bill as passed by the House contained no such provision.

TITLE IV. CIVIL SERVICE RETIREMENT

The conference substitute contains a complete revision of the Civil Service Retirement Act of May 29, 1930. The House bill contained no such provision.

The conference substitute greatly liberalizes retirement benefits of Federal employees. The cost to the Government of the added benefits is estimated at \$310 million a year. The major new employee benefits provided by the conference substitute are:

Annuities will be computed at (a) 2 percent of the high average salary multiplied by all years of service in excess of 10 plus 1½ percent of such salary multiplied by the first 5 years of service, plus 1½ percent of the years of service from 5 to 10, or (b) 1 percent of high average salary, plus \$25, multiplied by total years of service, whichever is greater. Under present law annuities are computed on the basis of 1½ percent of high average salary, or 1 percent of such salary plus \$25, multiplied by total years of service, whichever is greater.

The annuity of an employee electing a survivor annuity will be reduced by 2½ percent of the first \$2,400 and 10 percent of the balance. The present reduction is 5 percent of the first \$1,500 and 10 percent of the balance.

Optional retirement is authorized at age 62 after 5 years of service, with the right to elect survivor benefits. Present law provides an annuity after 5 years of service, but requires 15 years of service for election of survivor benefits.

The present right to retire on a reduced annuity at age 55 after 30 years of service is continued.

The reduction factor for retirement before reaching age 60 is changed from 3 percent a year to 1 percent for each year the retiring employee is under age 60 and 2 percent for each year under age 55.

Disability benefits are liberalized by providing a minimum of 40 percent of the average salary, or the annuity which would have been earned at age 60, whichever is the lesser.

An annuity is granted upon involuntary separation after attaining the age of 50 years with 20 years of service, and the existing provision for annuity upon involuntary separation after 25 years of service, regardless of age, is continued.

Upon death of an employee after 5 years of service, or of a retired employee, the surviving widow or widower will receive an annuity equal to 50 percent of the earned annuity of the decedent, beginning the first month after such death.

Survivor annuities of children of an employee who dies after 5 years of service, or of a retired employee who dies, are increased by an average of 150 percent.

An annuitant who is reemployed and serves at least 1 full-time year on active duty in a position covered by the Retirement Act will receive an annuity based on his reemployed service as well as his annuity based on the original retirement. Any lump-sum leave credit will not be reduced by reason of annuity paid to him during reemployment.

Members of the civilian faculties of the Naval Academy and Naval Postgraduate School, and United States commissioners who meet certain tests of minimum compensation and service, are brought into the civil service retirement system.

STATUS OF CIVIL SERVICE RETIREMENT FUND

In the judgment of the managers on the part of the House, the conference substitute is both generous and realistic. It provides greatly liberalized retirement benefits and at the same time improves the financial soundness of the civil service retirement fund.

The financial condition of the retirement fund has deeply concerned the House Post Office and Civil Service Committee for some time past. Recommendations of the committee based on its extensive study of methods of financing the fund were presented to the House and printed in House Report No. 1844, 84th Congress.

The committee found that there are three essentials to proper financing of the retirement fund. They are (1) employee contributions to the fund in amounts related to benefits provided and to recognized standards for a staff annuity system, (2) equal contributions to the fund by the Government as a payroll cost of each department and agency, and (3) appropriations by the Government to the fund in amounts which, when added to such contributions by the employees and matching contributions by the Government, will place in the fund each year the sum required to maintain it on a "normal cost plus interest" basis.

The normal cost-plus-interest basis for financing the retirement fund is defined in the conference substitute. In brief, it requires appropriations to the retirement fund each year to cover that part of the Government's share of accrued normal costs for the current year which are not met by the matching contributions of the departments and agencies and, in addition, interest on the past deficiency of the fund. When added to the contributions of the employees and of the departments and agencies, such appropriations will maintain the fund on a sound basis and the present deficit (\$13,435,000,000 at June 30, 1955) will not be further increased.

The Civil Service Commission estimates that upon approval of the conference substitute an appropriation of approximately \$555 million will be required each fiscal year to maintain the retirement fund on a normal cost-plus-interest basis. The fund also will receive \$582 million from employee deductions and a like amount from contributions by the departments and agencies.

The normal cost plus interest method of financing the retirement fund is recommended by the board of actuaries of the civil service retirement and disability fund, by the Committee on Retirement Policy for Federal Personnel (created by Public Law 555, 82d Cong., to study all Federal retirement systems) and by independent actuarial and retirement authorities. It is the traditional basis of appropriation estimates by the Civil Service Commission for financing the fund.

It is emphasized that the major portion of the past deficiency, on which the Government pays interest, results from two factors—first, the “starting load” when the retirement system was first established, that is, the requirement to pay annuities based on long periods of service during which little or no contributions were made by the employees being retired under the system, and second, numerous increases in benefits throughout the years since with no accompanying provision for adequate financing. This condition necessitates the adoption of a firm basis for financing the retirement fund which will prevent further increase in the deficiency. The conference substitute contains the three essentials for financing the retirement fund on a normal cost plus interest basis, which will accomplish this purpose. It requires employees’ contributions of 6½ percent of salary and matching contributions by the departments and agencies. It directs the Civil Service Commission to submit annual estimates of appropriations necessary to finance the fund on a normal cost plus interest basis and to continue the retirement system in full force and effect.

These and certain other fiscal adjustments provided by the conference substitute will greatly strengthen the financing of the retirement fund and assure its soundness in the future. The benefits granted by the conference substitute are the maximum benefits that could be granted Federal employees within the limits of sound financing.

The conference substitute authorizes the Secretary of Defense to establish not more than 120 scientific and professional positions (in lieu of 45 now authorized) in the Department of Defense and not more than 25 such positions in the National Security Agency, to carry out research and development functions relating to national defense and military and naval medicine. It authorizes the Chairman of the National Advisory Committee for Aeronautics to establish 30 such positions in his agency. A salary range of \$12,500 to \$19,000 is established for such positions by title I of the conference substitute. The bill as passed by the House contained no such provision. However, the House in this Congress already has passed H. R. 11040, to create a substantially larger number of such positions. It is expected that the need for additional positions of this type will be reexamined early in the next Congress.

The conference substitute also increases, from 1,200 to 1,226, the maximum number of positions in grades 16, 17, and 18 of the general schedule in the Classification Act of 1949 which a majority of the Civil Service Commissioners are authorized to establish in accordance with that act. The existing provision for reports by the Civil Service Commission to Congress on the total number of such positions and the number thereof in each supergrade, contained in the Senate amendment, is replaced in the conference substitute by a requirement for reports to Congress by the Commission, and by other authorities authorized to establish like positions, setting forth, in addition to such information, information with respect to qualifications of incumbents of these positions and other information that is deemed appropriate or required by the Congress or a committee thereof.

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The language in the conference substitute is identical to many sections of S. 2875, as reported to the House, and in other respects to the language contained in the bill as it passed the Senate. In this respect attention is directed to a more complete analysis in House Report No. 2854 and Senate Report No. 1787, reports on S. 2875.

TOM MURRAY,
EDWARD H. REES,
JAMES H. MORRISON,
Managers on the Part of the House.

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