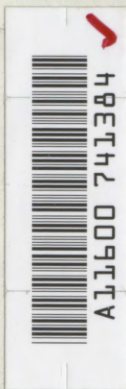


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AMENDMENTS TO DISABILITY RETIREMENT PROVISIONS

GOVERNMENT

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HEARING BEFORE THE COMMITTEE ON OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES EIGHTY-SEVENTH CONGRESS FIRST SESSION

ON
H.R. 6261 and H.R. 6287
BILLS TO AMEND THE DISABILITY RETIREMENT PROVISIONS
OF THE CIVIL SERVICE RETIREMENT ACT

AUGUST 2, 1961

Printed for the use of the
Committee on Post Office and Civil Service



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AMENDMENTS TO DISABILITY RETIREMENT PROVISIONS

WEDNESDAY, AUGUST 2, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 215, House Office Building, Hon. Joseph P. Addabbo (chairman of the subcommittee) presiding.

Mr. ADDABBO. The subcommittee will come to order.

This subcommittee was appointed to consider H.R. 6261 and H.R. 6287, identical bills to amend the disability retirement provisions of the Civil Service Retirement Act.

The members of the subcommittee are Mr. Ichord, Mrs. Norrell, Mr. Gross, Mr. Barry, and I was designated chairman.

(The bill H.R. 6261 follows:)

[H.R. 6261, 87th Cong., 1st sess.]

A BILL To amend the disability retirement provisions of the Civil Service Retirement Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 7(d) and 7(e) of the Civil Service Retirement Act (5 U.S.C. 2257 (d) and (e)) are amended to read as follows:

"(d) If such annuitant, before reaching age sixty, recovers from his disability, payment of the annuity shall cease (1) upon reemployment by the Government, or (2) one year from the date of the medical examination showing such recovery, whichever is earlier. If such annuitant, before reaching age sixty, 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, or (2) one year from the end of the calendar year in which earning capacity is so restored, whichever is the earlier. 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. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of an earning capacity provision of this or any prior law, annuity at the same rate shall be restored effective the first of the year following any calendar year in which his income from wages or self-employment, or both, is less than 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement, provided he has not recovered from the disability for which he was retired. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of a medical finding that the annuitant has recovered from disability, annuity at the same rate shall be restored effective from the date of medical examination showing a recurrence of such disability."

SEC. 2. This amendment shall become effective upon enactment, but no annuity payment as a result thereof shall be made for any period prior to January 1 of the year following the year in which enactment occurred.

SEC. 3. Notwithstanding any other provision of law, benefits provided by reason of this enactment shall be payable from the civil service retirement and disability fund.

Mr. ADDABBO. The purpose of this legislation is to correct certain inequitable conditions which have arisen under existing provisions of the Civil Service Retirement Act relating to disability annuities.

As the Retirement Act is now written, a Federal employee who retires on disability and then either recovers from the disability or regains earning capacity equal to 80 percent or more of the current salary of his former Federal position, loses his disability annuity. Nor can such a lost disability annuity be restored even though he suffers a recurrence of the disability or loses the earning capacity upon which discontinuance of his annuity was based.

This legislation would authorize restoration of disability annuity in any case in which disability recurs, or in which earning capacity is lost, after a disability annuity has been discontinued because of recovery from disability or because of demonstrated earning capacity.

We have several witnesses this morning, and, for the information of the witnesses, we would be willing to accept their statements for the record and take their summary statements, and then ask them to answer any questions the committee may have.

Our first witness this morning is Hon. John W. Macy, Jr., Chairman of the Civil Service Commission.

Mr. Macy.

STATEMENT OF HON. JOHN W. MACY, JR., CHAIRMAN, CIVIL SERVICE COMMISSION, ACCOMPANIED BY MR. DAVID F. LAWTON, DEPUTY DIRECTOR, BUREAU OF RETIREMENT AND INSURANCE

Mr. MACY. Thank you, Mr. Chairman and members of the subcommittee. I appreciate this opportunity to comment on the bills now before your subcommittee. H.R. 6261 and H.R. 6287, identical bills introduced by Mr. Murray and Mr. Corbett at the request of the Civil Service Commission, would amend the disability provisions of the Civil Service Retirement Act to allow a disability annuitant whose annuity has been discontinued after a finding that he is restored to earning capacity or is medically recovered, to be reinstated to the disability roll on a subsequent finding that such earning capacity has been lost or that the original disability has recurred. We believe that this liberalization is not only justified but necessary in the interest of equity. The Commission report of April 7 is already a part of your official file, and I shall try to overlap as little as possible the material contained therein.

Since enactment of the original Retirement Act in 1920, this law has authorized retirement of employees who become unable, physically or mentally, to perform their duties efficiently. As is true regarding most other retirement provisions, that portion of the statute governing disability retirements has been amended many times over the years. These amendments have, as the rate and amount of retirement contributions by employees steadily increased, generally been liberalizing—lowering the requirements for title to such benefit, increasing the annuity payable, and so forth.

One provision attaching to disability retirement has changed but little since 1920. The original act required discontinuance of a disability annuity whenever it developed that the recipient's condition had improved to an extent where he apparently could again perform satisfactorily the duties of the position from which he retired or duties of similar difficulty and responsibility. With a few variations not here material, this is still true.

The Government does not, nor is there any reason why it should, assume responsibility for an employee's welfare for the remainder of his life simply because he becomes a Federal employee. As an integral part of the Government's personnel policy, our Retirement Act promises an employee who completes 5 or more years' service a retirement benefit related in amount to the value of his services measured in terms of length of service and salary received. Should he complete a full career of 30 years or over, a retirement income adequate to maintain a decent standard of living is assured. The individual leaving Government employment after serving the public only part of his working career is, unless he falls into the interrupted-career category due to disability, basically entitled to deferred annuity benefits beginning when he reaches age 62.

The Committee on Retirement Policy for Federal Personnel, generally cited as the Kaplan Committee, which was created by Congress to study all Federal civilian and military retirement systems, gave its thorough attention to the disability retirement situation. Two of the committee's recommendations were adopted by the legislative body when enacting the 1956 Retirement Act. The one here material is that provision terminating a disability annuity when the recipient has demonstrated his ability to earn an income fairly related to the salary of his Federal position; under this provision, a retiree's disability annuity ends if he, in each of 2 succeeding calendar years before reaching age 60, receives income from wages or self-employment, or both, equaling at least 80 percent of the salary currently attaching to the position from which he retired. In recommending enactment of this provision in 1956, the Commission concurred in the Kaplan Committee's rationale as follows:

The Committee maintains that career employees so disabled that they have lost their earning capacity should receive adequate benefits. * * * If a disabled annuitant, before he reaches age 60, is restored to an earning capacity comparable to that which he had prior to retirement, the payment of the annuity should be discontinued, regardless of complete recovery from the disability, thus reducing the cost to the system.

Our experience has convinced us that a recovery from disability or restoration to earning capacity should not continue to deprive a former employee of retirement income after the terminating condition no longer exists. Congress has already established a precedent in this area by effecting such relief under the District of Columbia Police and Firemen's Retirement Act. Enactment of H.R. 6261 would remove the uncertainty now existing in each case of disability retirement where any possibility of recovery or earning a livelihood may arise.

Further review of the bill's working has uncovered a possible administrative problem in handling certain cases under section 7(e) of the Retirement Act as it would be amended. We can visualize the possibility of an individual's claiming an election between a normal

retirement annuity and a reinstated disability annuity, which result was never contemplated. To forestall this possibility, the following sentence should be added at the end of proposed section 7(c):

Neither the second nor third sentence of this subsection shall be applicable in the case of any person receiving or eligible to receive annuity under the first sentence hereof and who has reached the age of 62 years.

Mr. Chairman, I think it might be helpful to the subcommittee if I supplemented this statement with reference to the paragraph in the Commission's letter to the Speaker proposing this legislation, dated April 7, 1961, which speaks to the question of cost on this proposed liberalization.

In a matter of this kind we are unable to determine with complete accuracy the cost occasioned by the enactment, since we do not know the number of annuitants who would be returned to the disability annuity roll and their rates of annuity.

To date there have been 1,017 disability annuitants dropped from the disability annuity roll because they were found to be restored to earning capacity: 156 were immediately eligible to receive their earned annuity and 861 had title to deferred annuity. A total of 47 have been dropped in the calendar years 1958 through 1960 due to a finding of medical recovery.

The annuity paid to 101,940 disability annuitants on the roll as of June 30, 1960, averages \$122.60 per month. If we assume this figure as applying to those dropped, each 100 disability annuitants returned to the annuity roll by enactment of this proposal would cost the retirement fund \$147,120 each year. One year's annuity for 500 such annuitants would total \$735,600. The annual cost of this bill would probably be somewhere between these two figures, somewhere between \$147,000 and \$735,000, depending upon the number of cases that arose where restoration was called for, because there was a recurrence of disability which had been subsequently eliminated.

In testifying on this bill before the Senate Post Office and Civil Service Committee, I was asked whether this particular amendment would affect those who were restored to Federal employment following the elimination of disability. My answer was in the negative, because Federal employees would go back on the rolls, and if a subsequent determination of disability were made they would be eligible for disability annuity. So that this deals with those instances where an individual is retired for disability in the Federal Government, then following restoration of his physical or mental capacity to work becomes either self-employed or placed on the payroll of some private employer, and if he were then to become disabled through a recurrence of the disabling condition which was the basis for his original disability annuity, he would be eligible under this amendment. At the present such a return to the disability annuity rolls would be precluded by the language in the law.

Thank you very much, Mr. Chairman.

Mr. ADDABBO. Thank you, Mr. Macy.

One further thing, Mr. Macy. I have a letter before me from Representative Bailey, of West Virginia, dated August 1, 1961, addressed to the Honorable Tom Murray, chairman, Post Office and Civil Service Committee, House of Representatives.

(The letter and a proposed amendment to H.R. 6261 follow:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 1, 1961.

Hon. TOM MURRAY,
Chairman, Post Office and Civil Service Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed you will find a proposed amendment to H.R. 6261, which would accomplish the purposes of S. 2015 introduced by the senior Senator from West Virginia, Mr. Randolph.

It is my understanding that the Civil Service Commission has made a favorable report on S. 2015.

I hope your committee will give favorable consideration of the proposed amendment.

Sincerely,

CLEVELAND M. BAILEY,
Member of Congress.

PROPOSED AMENDMENT¹ TO H.R. 6261 BY MR. BAILEY OF WEST VIRGINIA

SEC. 3. Section 13(b) of the Civil Service Retirement Act, as amended (5 U.S.C. 2263(b)), is amended by adding at the end thereof the following new sentence: "A similar right to redetermination after deposit shall be applicable to an annuitant (1) whose annuity is based on an involuntary separation from the service, and (2) who is separated, on or after the date of enactment of this sentence, after a period of reemployment on a full-time basis which began before October 1, 1956."

Mr. ADDABBO. Would you care to comment on that particular amendment?

Mr. MACY. In responding, if I may, I would like to consult with Mr. David Lawton, who is more familiar with S. 2015 than I.

Do you have any records on that?

Mr. LAWTON. I am sorry, I do not have.

I wonder if we might furnish it later?

Mr. MACY. May we furnish the Commission's observations on this proposal for the record? It is my impression that, as indicated in Congressman Bailey's communication, the Commission has supported S. 2015, but I don't believe we are prepared to give you the kind of authoritative reaction to it that you are certainly entitled to at this time.

So I will be happy to provide you with a written report of the Commission's views on this proposed amendment.

Mr. ADDABBO. I would appreciate it.

(The report follows:)

CIVIL SERVICE COMMISSION,
Washington, D.C., August 3, 1961.

Hon. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate.

DEAR SENATOR JOHNSTON: This refers further to your June 15 request for Commission report on S. 2015, a bill to amend the Civil Service Retirement Act so as to provide for redetermination of annuities of certain reemployed annuitants.

S. 2015 proposes to correct a problem situation confronting a very limited number of annuitants who have been reemployed in the Government on a full-time basis since before October 1, 1956. Because of the manner in which the Retirement Act was amended in 1956 respecting reemployment of annuitants, these few annuitants will not be entitled to have their annuities increased when they separate after several years of continuous full-time reemployment service.

¹ This amendment permits redetermination of annuities in cases of full-time reemployment beginning prior to October 1, 1956, of annuitants whose annuities are based on involuntary separation.

The type of case involved is the annuitant whose retirement prior to October 1, 1956, was based on an involuntary separation (not for age) and who was reemployed after age 60 under authority of section 2(b) of the Civil Service Retirement Act as amended February 28, 1948. Section 2(b) provided for continuance of annuity payments, no retirement deductions, and for reduction of salary by the annuity allocable to the period of actual employment. It also specified that " * * * the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

This provision was modified by the 1956 Retirement Act Amendments (appearing in the current act as sec. 13(b)), but the change specifically did not apply to " * * * an annuitant whose annuity was based upon an involuntary separation from the service * * * ." Section 13(b) was silent as to what disposition was to be made of cases of involuntarily separated annuitants reemployed on or after the date it came into effect, and the Commission has covered the situation by regulation.

In brief, under the regulation, an involuntarily separated annuitant reemployed on a long-term, full-time basis may, regardless of age, resume regular Retirement Act coverage, with deductions withheld, and have his future annuity rights determined under the law in effect at time of subsequent final separation from reemployment. The Commission's regulation in this regard could not antedate October 1, 1956, the effective date of the 1956 Retirement Act revision and likewise did not affect the described involuntarily separated annuitant reemployed and still serving under section 2(b) of the 1948 law.

S. 2015 proposes to solve the problem of these few cases still under section 2(b) by extending to them, from and after enactment date, the recomputation privilege which was added to section 13(b) by the act of July 12, 1960 (Public Law 86-622). The act of July 12, 1960, amended section 13(b) to permit a reemployed annuitant subject to its terms to elect a complete recomputation of his annuity in lieu of the supplemental annuity provided if upon separation (after July 11, 1960) he meets the following conditions:

1. The period of reemployment must consist of at least 5 years of continuous full-time service (other than service under another retirement system for Federal or District of Columbia personnel, or as President or a judge of the United States).

2. He must make deposit in the retirement fund (deductions plus interest) covering his reemployment service and elect the recomputation.

When these conditions are met, the individual is entitled to a complete recomputation of annuity under the law then in effect, as though retiring for the first time. Annuity at the recomputed rate commences the day after separation from the reemployment service.

The Commission favors enactment of S. 2015. The benefits it will accord affected involuntarily separated reemployed retirees is warranted and appropriate. It will place them on a benefit par with annuitants in the same category who were reemployed on or after October 1, 1956, with the privilege of resuming regular coverage and having their rights redetermined under the law in effect when subsequently separated.

We have no precise data upon which to base an estimate of the cost involved in this bill. One specific case is at hand and doubtless others will arise, but the total number of cases coming under the bill will surely be very limited, making the expected cost quite small.

It is noted that the bill does not contain a provision excepting its resulting benefits from the restriction on the use of the retirement fund imposed by the paragraph headed "Civil Service Retirement and Disability Fund" in section 101 of title I of the act of August 28, 1958, Public Law 85-844 (72 Stat. 1064).

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

Mr. ADDABBO. Would the enactment of H.R. 6261 drastically affect the retirement fund?

Mr. MACY. No; the costs that I indicated represent a very modest demand on the retirement fund, and would not materially affect its financial condition.

Mr. ADDABBO. Thank you.

Mr. Gross, do you have any questions?

Mr. GROSS. Do I understand that this so-called Bailey amendment is the same as—who is it, Randolph—

Mr. MACY. It is a separate bill, Mr. Gross. The companion Senate measure to H.R. 6261 is S. 1640.

Mr. JOHNSON. This is the Randolph bill.

Mr. MACY. Yes. The Randolph bill deals with full-time reemployment of annuitants whose annuities are based on involuntary separation.

Mr. GROSS. Do I understand that the medical examiners of the Civil Service Commission would pass upon this reinstatement?

Mr. MACY. That is correct, Mr. Gross; just as they do on the initial determination of disability, so that there would be review in every case.

Mr. GROSS. If they go on the rolls as disabled, then recover and go into private employment, and then want to come back on the disability roll, it would be the Civil Service Commission's medical examiners who make a determination on that?

Mr. MACY. That there is a recurrence of disability; yes, sir.

Mr. GROSS. They would have final determination?

Mr. MACY. That is correct.

Mr. GROSS. Thank you.

Mr. ADDABBO. Mr. Barry?

Mr. BARRY. I don't believe I have any questions, except perhaps to inquire into whether there is partial disability after a person is off, then goes into private enterprise, and then comes back—could there be a determination as to partial disability, or would it be on a full basis?

Mr. MACY. In order to become an annuitant under disability, it is necessary for the Commission's medical examiners to determine that the individual is not able to perform the duties to which he is assigned, so that in that sense there is not a partial inability to perform the duties. If the individual were to recover his capacity sufficiently to seek private employment in this instance, and to earn a salary up to the equivalent of 80 percent of his previous salary, he would be removed from the annuity rolls. Then under the provisions of the amendment, if he became disabled once again, a further review would be made and, if warranted, the normally computed disability annuity would be awarded. It would not be a fractional one that would be awarded to him, but the same dollar amount that was previously awarded.

Mr. BARRY. Well now, if a man had a job and lost it because of a disability, then took private employment and worked himself up to a very good position, then this disability came back and threw him out of his job, he could then get his disability under the terms of this bill. Then what if at that time he got a job pumping gas or something of that kind and got, say, a substantial portion of his previous earning capacity back again, what would be the result then?

Mr. MACY. The same provisions would apply for removal from the annuitant roll if he recovered sufficiently to earn up to 80 percent of his original salary.

Mr. BARRY. But he could earn up to 79 percent of his original salary and still draw the annuity?

Mr. MACY. Technically, that would be the case.

Mr. BARRY. Have you any history with respect to such a practice as that?

Mr. MACY. No, sir. Generally our history has been pretty clear on this. As I indicated, we had over 100,000 disability annuitants on the rolls; in fact, we estimate that as of June 30 this year we had 111,000. Those who were dropped for recovery last year, for medical recovery last year, numbered only 124, and those who were dropped for restoration of earning capacity numbered about 108.

Mr. BARRY. On that 111,000, is there some sort of annual review? Do they have to fill out some kind of form to get their annuity each succeeding year?

Mr. MACY. Up to age 60 they have to file one annually with respect to this physical disability, and under the present arrangement, if found recovered, they are removed on notice at the end of 1 year after their condition has been reviewed.

Mr. GROSS. Will the gentleman yield?

Mr. BARRY. Yes.

Mr. GROSS. Following along on that annual report, must that be accompanied by a doctor's certificate?

Mr. MACY. Yes; a doctor's report as to the individual's condition.

Mr. GROSS. As a matter of information, do you have your own medical examiners in the Civil Service Commission, or do you use the Public Health Service?

Mr. MACY. We have our own examiners, Mr. Gross. However, they are primarily the reviewers. There are certain authorized physicians who can conduct the examination with respect to disability, but before any annuity is awarded by the Commission, the medical staff in the Bureau of Retirement and Insurance reviews the entire medical record and determines whether or not the disability is of sufficient degree and severity to indicate that the individual cannot perform his assigned duties. Then a medical certification is made that an annuity of this type is warranted.

Mr. GROSS. I assume you take into consideration the report of the private physician?

Mr. MACY. Oh, yes. That really is the central information of this review.

Mr. GROSS. Thank you.

Mr. ADDABBO. Mr. Macy, when we speak of this 80 percent, is that 80 percent of the rate he was making at the time he was disabled, or at any time?

Mr. MACY. No; at the time he was disabled—80 percent of the current salary paid in the job that he held at the time he was disabled, so if there have been any salary adjustments within that job, they are reflected when computing the 80 percent.

Mr. ADDABBO. Any further questions?

Mr. BARRY. No; but I think the Chairman of the Civil Service Commission should be commended for his very fine presentation on this proposal.

Mr. JOHNSON. Mr. Chairman, excuse me. May I add one thing here.

Before each committee member there is a committee reprint of H.R. 6261, and you will note there are three amendments shown in italic type: the amendment beginning on line 11 on page 3, which Mr. Macy has already proposed officially for the Civil Service Commission; the other two, which are identical, one is contained in lines 22 and 23 on page 2, and the same thing is repeated on lines 7 and 8 of page 3.

These are technical amendments. These additional two are direct to the point on which Mr. Macy testified; that is, that this legislation will not apply to a disability annuitant who is reemployed in the Federal Government. Now in consultation with the Senate, which has already concluded its hearings on this matter, these amendments were recommended to pin that point down in the law.

Would you be in agreement with these two technical amendments, Mr. Macy?

MR. MACY. I would indeed. I think these are desirable for the purpose of clarification.

MR. JOHNSON. Thank you, Mr. Chairman.

MR. ADDABBO. Thank you very much, Mr. Macy.

MR. MACY. Thank you, Mr. Chairman.

MR. ADDABBO. Our next witness is Mr. Jerome Keating, vice president, National Association of Letter Carriers.

STATEMENT OF JEROME KEATING, VICE PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS

MR. KEATING. Mr. Chairman, before I begin, may I ask Mr. Lawton a question with respect to this amendment?

Now would this amendment—

MR. GROSS. I am sorry to interrupt, but I would like to ascertain which amendment you are referring to.

MR. KEATING. It's the one that is in the testimony that was just presented.

MR. GROSS. All right. Thank you.

MR. KEATING. Would it apply now—take an employee that had 15 years of service and retired on disability. Under that, of course, he would be entitled to the minimum provided by law, which would be 40 percent of the salary for the amount of the annuity, but assume that he had reached the age of 60, computed on that basis.

Now if every disabled employee is subject to this amendment, if that man then suffers the disability again after he has reached 62, then he would have to retire under the 62-year provision, which means that he would get his computable annuity, which is only 26½ percent of the salary. Is that correct?

MR. LAWTON. That is correct.

MR. KEATING. We would be in opposition to that amendment under those circumstances because we think if the man was disabled in working for the Government, that if the disability recurs he should be entitled to the annuity he would have gotten if the disability would have continued, and for that reason we couldn't support the amendment, although we very much support this legislation and we think it's needed.

• Our experiences with our own people have been that usually someone who retires on disability has to seek outside employment because the annuity they receive is considerably less than their salary, and usually they go to work on jobs where the pay isn't very great. Occasionally they enter into some occupation where they do fairly well for a year or 2 years or even 3, but then the hazard of the disability or age or something creeps up and they don't stay in that level very long.

For that reason we opposed this particular provision when it was enacted into the retirement law. And there have been cases on record

where a man has secured a position for a couple of years where his earnings would go up, and he would earn 80 percent of his salary; and after 2 years then he gets a notice from the Commission, and he receives that the third year, and his earnings have ceased by that time. So actually, when the penalty is imposed, the man is back where he is not earning the 80 percent.

I have known of a couple of people that have gone into selling suburban real estate, for example, where they have a development and where they do fairly well for a year or two, and then they don't earn anything after that. Of course, those people run into that experience. They earn 80 percent, and then it drops off after that period.

I think the law is very much needed, but this amendment would have the effect of penalizing some people. There wouldn't be too many involved, very few actually, but these people would be people who suffered a disability and by the time the disability recurs they are 62 years of age. It would only apply to those who have short service. Actually, this particular provision principally affects those with short service, and we believe that the person that is getting a minimum annuity ought to be entitled, on reinstatement to annuity, to receive that minimum annuity rather than the lesser amount.

We think the bill is very much needed. We think it's fully justified, and we hope that it will be reported out, although we are a little less than enthusiastic about that one amendment.

MR. GROSS. Mr. Chairman.

MR. ADDABBO. Mr. Gross.

MR. GROSS. I wonder if we might hear from Mr. Lawton in response to that and have a little further discussion, with your permission, Mr. Chairman. I don't want to preclude these other gentlemen from testifying, but I would like to hear Mr. Lawton's response to that.

MR. ADDABBO. Surely.

MR. LAWTON. I am not sure that I understand Mr. Keating's question, but what this amendment would do, in the case of a man who, at the time of disability retirement, has 25 years of service—or 20 years of service—at age 50, when such an individual recovers or his earning capacity is restored and he again becomes disabled or loses his earning capacity up to age 62 at the present time, this man has to take the lower computation.

MR. KEATING. Well, I didn't understand it that way. I didn't understand that feature of it.

MR. LAWTON. What this amendment would do is give him the better of the two computations, you see.

MR. KEATING. If he has 20 or 25 years of service, then he is not taken off the annuity rolls?

MR. LAWTON. That is right.

MR. KEATING. I was a little apprehensive that somebody who might have 15 years of service would actually lose his annuity.

MR. LAWTON. Oh, no; he would not do that.

MR. KEATING. This would not apply to him?

MR. LAWTON. No, sir; it would not.

MR. KEATING. This other man, when he loses his annuity, or resigns, he is entitled to annuity rights under some provisions of the law, and he gets that annuity. Now he will continue to receive that annuity even during that period when he is not disabled, like if he is involuntarily separated?

Mr. LAWTON. Right.

Mr. KEATING. So we wouldn't, I don't think, be inclined to insist that he be reinstated at the disability rate, but I was afraid—and I don't have the bill with me—it might apply to a 15-year man—

Mr. LAWTON. No.

Mr. KEATING (continuing). Where he is getting a minimum annuity, but the minimums—if you have the 20 to 25 year limit, you move out of that minimum area. Usually a fellow that has 25 years—and I am figuring roughly—he would be almost up to the 40 percent. He would get 36.25 percent of his salary.

Mr. Chairman, fully understanding the amendment, we have no objection to it. It wasn't clear in my mind, and not having the bill with me, I wasn't able to analyze the language completely.

But we are in support of the bill, and we support the Commission's position, and we think it's a good bill and hope it will be speedily enacted into law.

With your permission, Mr. Chairman, I will proceed with my statement.

I am vice president of the National Association of Letter Carriers, an organization of 143,000 members, located in the 50 States of the Union and Puerto Rico. On behalf of the National Association of Letter Carriers, I wish to endorse H.R. 6261, a bill introduced by the able and distinguished chairman of the House Committee on Post Office and Civil Service, Congressman Tom Murray, and H.R. 6287 introduced by Congressman Robert J. Corbett. These bills would amend the disability retirement provisions of the Civil Service Retirement Act.

Under present law, if an annuitant who is retired on disability earns more than 80 percent of the salary for the position which he occupied in the Government for a period of 2 consecutive years, he loses his annuity. In the event that he has no immediate retirement privileges under some other provision of the law, he will not be entitled to an annuity, even though his earnings disappear completely. If a man who is retired on disability recovers from the specific injury that has caused retirement, he also loses his annuity. He has no assurance that he can be reemployed and, as a usual thing, finds it very difficult to discover a means of earning a living. If, in either of the above-cited cases, the individual possesses retirement rights under some other provision of the law, he will receive an annuity, but there are many cases where an annuitant has lost his annuity and subsequently lost his outside income that caused the loss of annuity, or suffered a recurrence of the disability that was responsible for his annuity and has not been able to regain any annuity rights until reaching the age of 62.

We opposed the provision of the law wherein a man lost his disability annuity because he earned 80 percent of the salary in the position in which he was employed at the time it was presented for inclusion in the Retirement Act. We opposed it for two valid reasons. First, we do not believe that disability retirement should be subject to a means test. We do believe that a man who is actually disabled and unable to continue his employment with the Government should be entitled to retirement benefits as long as that disability continues, even though he may be fortunate enough to earn some money in outside endeavors. The second reason that we opposed the enactment of this provision of the retirement law is that retirees sometimes are

fortunate enough to secure a position, but the position may last for only a limited period of time. The experience of the Commission with this particular provision has established the fact that this is true.

While we would much prefer to see the 80-percent limitation taken out of the law entirely, we believe that the enactment of this legislation will certainly cure the worst situations that have developed under the administration of this provision. We believe that the enactment of this legislation would do away with a great many injustices.

In some instances, a man who is retired on disability, while still suffering from that disability, is able to secure a job that he can perform which pays a salary equal to more than 80 percent of his salary in the Government. Letter carriers' salaries are extremely low compared to salaries paid in private industry and, in many cases, if an annuitant secures a job, there is a strong probability that the position will pay in excess of 80 percent of what the annuitant would earn as a letter carrier. In a great majority of instances, these jobs are temporary in nature, and if a man earns 80 percent of his previous salary for 2 years in a row he loses his annuity. In many instances, at the time his annuity is taken away from him the other job is gone and he is left without any income whatsoever.

We are heartily in favor of the enactment of this legislation, and urge this committee to take prompt and favorable action.

Thank you.

Mr. ADDABBO. Thank you, Mr. Keating.

Our next witness is Mr. Luther Steward, Jr., assistant to the president, National Federation of Federal Employees.

STATEMENT OF LUTHER C. STEWARD, JR., ASSISTANT TO THE PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. STEWARD. Mr. Chairman and members of the committee, my name is Luther C. Steward, Jr. I am assistant to the president of the National Federation of Federal Employees.

Mr. Chairman, our organization, the National Federation of Federal Employees, is supporting H.R. 6261, a measure which will correct inequities which have arisen in the disability provisions of the Retirement Act.

It is our understanding that this bill has the approval of the administration, and our organization appreciates the initiative of the Civil Service Commission in this area.

The Civil Service Retirement Act, as amended, provides that in the case of a disabled annuitant who for 2 years earns 80 percent of the current rate of pay of the position from which he retired shall be stricken from the annuity rolls and then must wait until he reaches eligible retirement age before he can again draw an annuity. If an annuitant retiring for disability recovers and is removed from the rolls as is required by law, he cannot be restored to the annuity rolls if he has a recurrence of the same disability until he reaches eligible retirement age.

It is recognized that these provisions of existing law have worked hardships never intended by the Congress. The bills now under consideration, sponsored by the Civil Service Commission, will correct this situation. This legislation is similar to S. 1640 which has been ordered favorably reported by the Senate Post Office and Civil Service

Committee, and would enable the Commission to restore an annuitant to the rolls within a reasonable period when his earnings shall have fallen below the 80-percent figure or after a recurrence of his disability.

Mr. Chairman, this is humane legislation and is the kind of legislation in which this committee has always displayed keen and sympathetic interest.

We urge a favorable report by the subcommittee on H.R. 6261.

Thank you, Mr. Chairman.

Mr. ADDABBO. Mr. Gross, any questions?

Mr. GROSS. No; except that I assume you support the amendment we just discussed?

Mr. STEWARD. We support the amendment, particularly in light of the explanation by Mr. Lawton of the Commission.

Mr. ADDABBO. Mr. Barry, do you have any questions?

Mr. BARRY. No questions, Mr. Chairman.

Mr. ADDABBO. Our next witness is Mr. Glenn Simcox, president of the National Association of Retired Civil Employees.

STATEMENT OF GLENN SIMCOX, PRESIDENT, NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

Mr. SIMCOX. We favor the enactment of this legislation, and we would like to commend the Civil Service Commission for having proposed it. It's a very humane thing, it seems to us.

I am president of the National Association of Retired Civil Employees, organized in 1921, less than a year after the first Civil Service Retirement Act was enacted. We have well over 100,000 paid-up members and local chapters in 404 congressional districts. It is our responsibility to promote the welfare of all retired civilian employees of the Federal Government and of the District of Columbia, and of their dependents and survivors.

We favor the objectives of H.R. 6261 and H.R. 6287 to restore disability annuity to a person who loses such annuity because he was able for a limited time to earn as much as 80 percent of the salary of the position from which he retired and later found himself unable to continue that earning capacity. Upon recovery it is unlikely that he can return to his former Government position, even though the agency was so disposed, because that position probably has been filled by another employee. If he seeks outside employment he is constantly under apprehension, because if he is temporarily successful he loses his annuity and should his disability reoccur he is without assured income for the balance of his life.

Our association requests also that consideration be given to making retroactive the 1956 disability benefits as well as the 1956 penalty. Persons retired because of disability since October 1, 1956, are guaranteed a minimum annuity equal to the annuity they would have earned had they continued in service until they reached the age of 60, or 40 percent of their high 5-year average salary. H.R. 3315 and H.R. 4097 would allow the same benefits to persons retired on account of disability before October 1, 1956. The additional benefits would be available only to persons with low annuities whose careers were interrupted by disability. We urge inclusion of such provisions on consideration of H.R. 6261 and H.R. 6287.

We invite your attention to H.R. 3315 which proposes that—

Earning capacity shall be determined to be restored if in each of five succeeding calendar years immediately prior to such determination the income of the annuitant from wages or self-employment or both shall equal at least 90 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

In conclusion may I commend the Civil Service Commission for its institution of the proposals embodied in H.R. 6261 and H.R. 6287. It is an excellent illustration of the interest in employees and retirees constantly being displayed by the Commission.

I thank you for this opportunity to appear and express the views of the National Association of Retired Civil Employees on this legislation.

Mr. ADDABBO. Thank you, Mr. Simcox.

Our next witness is Mr. C. L. Dorson, president of the Retirement Federation of Civil Service Employees of the United States.

STATEMENT OF C. L. DORSON, PRESIDENT, RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES OF THE UNITED STATES

Mr. DORSON. Mr. Chairman and members of the subcommittee, my name is C. L. Dorson. I am president of the Retirement Federation of Civil Service Employees of the U.S. Government, an organization of about 95,000 members, most of whom are presently employed in the Department of Defense.

H.R. 6261 and H.R. 6287, identical bills, propose amendment of the disability retirement provisions, section 7 (d) and (e), of the Civil Service Retirement Act. They provide for the restoration of disability annuities upon recurrence of the disability or loss of earning capacity, a much-needed protection which the Federal employee does not now have.

Under present law, the disability annuitant, who recovers or whose earning capacity is restored before he reaches age 60, loses his disability annuity permanently. Unless his service and age are such that he can qualify for an annuity under the involuntary separation provisions of the act, he must wait until age 62 for resumption of his annuity. Should his death occur in the interim, his survivors would not be eligible for benefits other than the lump sum, if any, remaining to his credit in the fund. This would be the case even if he had made the survivor election when he retired and had his annuity reduced for the purpose.

These bills would correct the present condition, thereby eliminating much anxiety and hardship. Therefore, we endorse H.R. 6261, including the amendment proposed by the Civil Service Commission this morning. We urge that it be favorably reported and enacted at an early date.

Mr. Chairman, we appreciate the interest of the sponsors and the subcommittee in these bills. We thank the subcommittee for the opportunity to express our views.

Mr. ADDABBO. Thank you, Mr. Dorson.

The next witness scheduled to appear before the committee today is Mr. Paul Nagle, president, National Postal Transport Association.

**STATEMENT OF PAUL NAGLE, PRESIDENT, NATIONAL POSTAL
TRANSPORT ASSOCIATION**

Mr. NAGLE. Mr. Chairman, my name is Paul A. Nagle. I appear before you in a status of transition from the presidency of the National Postal Transport Association to the administrative vice presidency of the United Federation of Postal Clerks. We are now in the process of developing the final stages of merger procedures. This is a multiple combination affecting four postal organizations, which we hope will enable the employees we seek to represent to be heard with a clearer and more unified voice than has heretofore been possible.

Mr. Chairman, I appear before you in support of H.R. 6261 and H.R. 6287, identical bills designed to improve administration of disability retirement benefits. We compliment you for scheduling the current hearings because it is undeniably important that proper protection be extended to persons whose health obliges them to take disability retirement. We recognize that it would be inappropriate for persons whose health is recovered to continue to receive disability retirement income and we recognize also that this same condition properly applies when earning power is restored and when, consequently, there is no longer any right of an individual to continue to receive disability benefits. However that may be, the legislation before you introduces a very beneficial new ingredient by providing that if disability recurs following restoration to duty or if income declines following withdrawal from the disability retirement rolls, the affected individual may then be reinstated on the disability retirement register and his annuity under the appropriate section of the Retirement Act may be resumed.

We extend our hearty support to these features of H.R. 6261 and H.R. 6287.

Recognizing that to attempt to amend the bill which has already completed a substantial part of its legislative progress would be to incur the hazard of delay, we are not now advocating an amendment to H.R. 6261 or H.R. 6287. Nevertheless, we do wish to place before this august subcommittee the observation that the entire field of disability retirement is in need of reappraisal. This fact has been recognized by the U.S. Civil Service Commission in that employee leaders like myself have been invited to comment to the Commission on certain problems of disability retirement. One problem cited is that an individual may currently be separated for disability without at the same time having sufficient handicap to enable him to receive disability retirement income.

That feature is in the administrative sphere and is of no direct concern to this subcommittee. However, there is another aspect which does concern this group, Mr. Chairman, and that is the computation of retirement annuity income. In the provisions of Public Law 854 approved in 1956, the disability annuitants are assured that the lesser of two figures, either 40 percent of average salary or the amount that would have been earned in annuity had the retiree remained in service until retirement age, shall be paid. We would recommend that in conjunction with what we hope will be an enthusiastic report for the legislation before you, that you also find it possible to recommend to the full committee that its attention be drawn to the way in which a recomputation might be made of disability

annuities begun before July 31, 1956. We feel that it would be eminently proper that persons disabled during their tenure of employment by the Federal Government should have their incomes adjusted to reflect the economic changes occurring since Public Law 854 was approved.

Mr. Chairman, we consider H.R. 6261 and H.R. 6287 to be extremely worthwhile legislation. We commend your distinguished subcommittee for having scheduled action on the bills and we are indeed grateful for the opportunity to appear before you and to express our thinking on the reference matters.

I would like to associate myself, Mr. Chairman, with the remarks of the previous witnesses. I wish particularly to associate myself with the remarks of Mr. Keating in which he declared that he favors the amendment offered by the Civil Service Commission, with the express understanding and awareness that approval of this amendment would act in no way to cause a person reinstated on the rolls of disability retirement to receive less following reinstatement than he would have received had he continued.

I would also like to comment, if I may, on the remarks of Congressman Barry in regard to the matter of restored earning capacity, and what would happen in an annuity situation affecting an individual under those circumstances.

I think it is a tribute to the Civil Service Commission that not only has the Commission endorsed this legislation, and, in fact, brought it around for enactment, but that further the Commission is now undertaking a series of inquiries to determine what happens administratively in the handling of disability retirement.

One of the things that they intend to look at, as I am able to comprehend, is quite closely related to the remarks made by Congressman Barry, and that is the situation in which an individual may be unable to perform his service, his accustomed job, but still is not disabled to the extent that he is eligible to receive disability retirement. And I believe the Civil Service Commission is in the process of considering that now.

And I would like if I may to direct myself to the letter from Congressman Bailey concerning S. 2015. The whole standard of computing disability retirement and annuities, I think, is a subject for proper reappraisal. I think it's particularly appropriate to make these remarks now in view of the fact that President Kennedy has just signed into law a bill to extend permanently the temporary increase in annuities which was approved in 1958.

The reason I mention that is that people on disability retirement, of course, as Mr. Keating referred to it, have a dual computation. Either at time of retirement they are entitled to 40 percent of their earned salary, or they are entitled to the annuity they would have earned had they continued in service until the time of entering on normal retirement. And so I would like to draw attention to the fact that—without asking for an amendment—that the need to afford recomputation of annuity for persons who are retired for disability is quite great. In fact, I think it may be a little bit more severe for these particular groups of people than it is for the average member of retired civil employees.

With those comments, I endorse the bill and I hope that the committee will give it a favorable report.

Mr. ADDABBO. Thank you very much, Mr. Nagle.

Mr. NAGLE. Thank you for allowing me to appear.

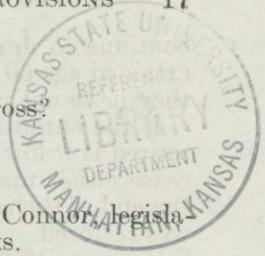
Mr. ADDABBO. Do you have any questions, Mr. Gross?

Mr. GROSS. No.

Mr. ADDABBO. Mr. Barry?

Mr. BARRY. I have no questions, Mr. Chairman.

Mr. ADDABBO. The next witness is Mr. John F. O'Connor, legislative director of the United Federation of Postal Clerks.



STATEMENT OF JOHN F. O'CONNOR, LEGISLATIVE DIRECTOR OF THE UNITED FEDERATION OF POSTAL CLERKS

Mr. O'CONNOR. Mr. Chairman and members of the committee, for the record my name is John F. O'Connor and I am legislative director of the United Federation of Postal Clerks. This is the new title of our organization that came about as a result of merger agreements between the former National Federation of Post Office Clerks, the former United National Association of Post Office Craftsmen, and the former National Postal Transport Association.

I desire to express the appreciation of our organization to the chairman of the committee and the members of the committee for scheduling hearings on this important legislation. May I also express our appreciation to Chairman Murray of the House Post Office and Civil Service Committee and to Congressman Corbett, the ranking minority member, for their introduction of H.R. 6261 and H.R. 6287. Both of these bills are designed to correct an obvious injustice and inequity that presently exists under the law.

We believe that it is highly proper that an annuitant should be restored to the retirement rolls immediately following the period of time that said annuitant whose income from wages or self-employment, or both, is less than 80 percent of the current rate of compensation of the position said annuitant occupied immediately prior to retirement. We believe that the same is true of an annuitant whose annuity may have been discontinued because he had recovered from the disability that caused him to retire and then has been found to have a recurrence of said disability. In both instances we believe that it is correct that these annuitants be restored to the retirement rolls.

We trust that the committee will report favorably on this legislation and we appreciate the opportunity of presenting our viewpoint.

Mr. ADDABBO. Our next witness is Mr. John McCart, director of legislation, American Federation of Government Employees.

STATEMENT OF JOHN McCART, DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. McCART. The bills H.R. 6261, sponsored by Chairman Murray, and H.R. 6287 introduced by Representative Corbett, are endorsed by the American Federation of Government Employees because they provide a needed change in the retirement law. They would not affect a large number of annuitants, but those who would profit from these bills well deserve the benefits they would confer.

The amendments contained in these bills would remove the distinction now in the retirement law between those persons who may

continue to draw a disability retirement annuity because they have attained age 60 and those who lose their retirement payments because they have not reached age 60.

If the annuitant who recovers from the disability for which he was retired is below age 60, present law requires the annuity payments to cease either upon reemployment by the Government or 1 year from the end of the calendar year in which the annuitant's earning capacity was restored. Earning capacity is considered as having been restored if the annuitant has earned from wages or self-employment as much as 80 percent of the rate of compensation he was receiving at the time of his retirement. The law stipulates, however, that to come within the definition of restoration of earning capacity his income must attain the level of 80 percent in each of 2 succeeding calendar years.

The retirement law further provides that annuity payments may not be resumed until the individual has attained normal retirement age, and this provision applies both to restored earning capacity and recovery from disability. The annuitant who can satisfy the requirements for discontinued-service annuity may have his payments restored if he has had 20 years of service and is aged 50 years. If his service has amounted to 25 years, the annuity may be resumed at once. Unless the annuitants can qualify for a discontinued-service annuity, resumption of payments could not take place until age 62.

The primary effect of the Murray and Corbett bills would be to eliminate the requirement that the annuitant whose annuity payments have stopped must wait until normal retirement age to have them resumed. Resumption could take place in the case of restoration of earning capacity only if the person had not recovered from the disability for which he was retired. While this stipulation recognizes disability as the primary reason for the person's retirement, it would not penalize him because his income had in two or more consecutive years equaled 80 percent of the salary he earned in his last government position. The annuity would be restored the first of the year following the calendar year in which the amount earned from wages or self-employment was less than 80 percent of his last fulltime salary.

If the annuity were discontinued because of a determination that the annuitant had recovered from his disability, these bills would permit payments to be resumed if it could be shown that there had been a recurrence of the disability for which he had been retired. The resumption of payments would be effective as of the day of medical examination indicating the recurrence of the disability. The law now provides for the continuance of the annuity temporarily for 1 year after it had been indicated that payments must cease. The bills recognize this provision by permitting restoration at the beginning of the year following the year in which income was less than 80 percent of the individual's last Federal salary.

An example will serve to illustrate the benefits of these bills. Let us assume that the annuity has been discontinued when the retired employee is aged 50 years because his disability is no longer present. Three years later, at age 53, it has been medically determined that his former disability has recurred. Such recurrence under present law does not permit the restoration of annuity payments until age 62. The Murray and Corbett bills would very logically permit restoration if the individual could otherwise qualify for retirement on the basis

of age or length of service. If the individual involved in our example had served 20 years, he could, because of his age 50, qualify for a discontinued-service annuity.

Restoration of the annuity would be permitted only for the recurrence of the former disability. An injury not the result of the disability for which the person had been retired would not permit the resumption of annuity payments.

It is our belief, Mr. Chairman, that these bills would amend the retirement law to an extent that is greatly needed. We desire to express our appreciation for this opportunity to comment on these proposed changes in the law.

We urge favorable action on the bills now before the subcommittee, and we urge inclusion also of the amendment that has been proposed by the Civil Service Commission.

Mr. ADDABBO. Thank you very much.

Is there anyone else present who would like to be heard?

Mr. JOHNSON. The representative of the National Association of Postal Supervisors is present and would like to make a brief statement.

Mr. ADDABBO. We will be glad to hear from him.

**STATEMENT OF DANIEL JASPAN, LEGISLATIVE REPRESENTATIVE,
NATIONAL ASSOCIATION OF POSTAL SUPERVISORS**

Mr. JASPAN. Mr. Chairman, my name is Daniel Jaspan, and I am legislative representative of the National Association of Postal Supervisors.

I knew that the bill would be well covered by other witnesses today, and I don't have a prepared statement, but I would endorse what was said before, and I hope that this will be enacted into law very soon.

Thank you.

Mr. ADDABBO. Thank you, Mr. Jaspan.

Any further witnesses?

**STATEMENT OF ROSS A. MESSER, LEGISLATIVE REPRESENTATIVE,
NATIONAL ASSOCIATION OF POST OFFICE & GENERAL
SERVICES MAINTENANCE EMPLOYEES**

Mr. MESSER. Mr. Chairman, I am Ross Messer, legislative representative for the National Association of Post Office and General Services Maintenance Employees.

We would like to endorse the provisions of H.R. 6261 and the amendment offered by the Civil Service Commission, and hope that it may be enacted into law.

Mr. ADDABBO. Thank you for appearing today, Mr. Messer.

Any further witnesses?

**STATEMENT OF GEORGE L. WARFEL, PRESIDENT, NATIONAL
ASSOCIATION OF SPECIAL DELIVERY MESSENGERS OF THE
U.S. POSTAL SERVICE**

Mr. WARFEL. Mr. Chairman, I am George Warfel, representing the National Association of Special Delivery Messengers in the postal service.

On behalf of our members I wish also to endorse the provisions of this bill, and trust that the committee will be able to report it out favorably.

Thank you.

Mr. ADDABBO. Thank you, Mr. Warfel.

The next witness is Mr. James K. Langan, operations director, Government Employees' Council, AFL-CIO.

**STATEMENT BY JAMES K. LANGAN, OPERATIONS DIRECTOR,
GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO**

Mr. LANGAN. Mr. Chairman and members of the subcommittee, my name is James K. Langan, operations director of the Government Employees' Council, AFL-CIO, a federation of 24 unions comprising 600,000 members in all categories of Government employment.

Under current language of the retirement law provision is made for a retirement on a permanent disability which incapacitates a man from performing the normal functions of his position. However, no thought has been given to the fact that occasionally there are occurrences where a disability annuitant unexpectedly finds himself in a position where he can no longer meet the requirements for disability retirement. When this occurs his disability annuity ceases within 1 year and unless he is reemployed there will be no further income. H.R. 6261 corrects this condition and makes a provision that if health is restored the annuitant still may be reemployed by the Government facility, or some other suitable employment, and if this is not accomplished the administrators of the Civil Service Retirement Act are required to continue the annuity.

If a former employee is receiving disability annuity and has secured outside employment which over a period of 2 years will pay 80 percent or more of the current rate of compensation of the position occupied immediately prior to retirement, his annuity will cease within 1 year. Under H.R. 6261 the provision for involuntary separation can be invoked and he shall be entitled to continued annuity if he has 20 years of service and is 50 years of age, or 25 years of service. If the length of service is less than enumerated he would still be eligible for a deferred annuity at age 62. If the annuitant had his disability annuity terminated because he earned 80 percent of the current rate for his position and later it develops he does not earn 80 percent, his disability annuity will be restored 1 year from the end of the calendar year in which the earning capacity is reduced. This bill eliminates some injustices and inequities in the current civil service law and we urge its approval by this committee.

Mr. ADDABBO. Gentlemen, that concludes the hearing, and we thank you very much for appearing.

The committee stands adjourned.

(Thereupon, at 11:05 a.m., Wednesday, August 2, 1961, the committee adjourned.)