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95-12 REINSTATEMENT OF SURVIVOR ANNUITIES FOR CERTAIN WIDOWS AND WIDOWERS

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON

ORGANIZATION AND EMPLOYEE BENEFITS

OF THE

COMMITTEE ON

POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

H.R. 3755

A BILL TO PROVIDE FOR THE REINSTATEMENT OF CIVIL SERVICE RETIREMENT SURVIVOR ANNUITIES FOR CERTAIN WIDOWS AND WIDOWERS WHOSE REMARRIAGES OCCURRED BEFORE JULY 18, 1966, AND FOR OTHER PURPOSES

MAY 24, 1977

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REINSTATEMENT OF SURVIVOR ANNUITIES FOR CERTAIN WIDOWS AND WIDOWERS

TUESDAY, MAY 24, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS,
Washington, D.C.

The subcommittee met at 9:30 a.m. in room 304 of the Cannon House Office Building, Hon. Gladys Noon Spellman presiding.

Mrs. SPELLMAN. The subcommittee will come to order.

We are convened this morning to take testimony on H.R. 3755 and all other related bills.

This legislation, if enacted, would restore survivor annuity retention rights to survivors who remarried before July 18, 1966, granting these survivors the same benefits now enjoyed by widows and widowers of Federal retirees who remarried after that date.

As I understand the situation, Public Law 89-504, passed in the 89th Congress, allowed widows and widowers age 60 or over to remarry without losing the title to their survivor annuity, but only applied to widows and widowers of employees who had retired or died on or after July 18, 1966. These provisions were expanded 3 years later in 1969, by Public Law 91-93, which applied the provisions to the widows and widowers of Federal employees regardless of when the employee retired or died, provided the remarriage took place on or after July 18, 1966.

The predecessor of today's bill introduced during the 94th Congress was H.R. 2516. That bill was not passed by the Rules Committee because of a large discrepancy in the cost of its enactment.

It appears to me that the issue this bill raises centers around the question, "What is equity?"

To give what I hope is sound cost figures and to point out the administration's views, I now call on our first witness, Mr. Thomas A. Tinsley, Director, Bureau of Retirement, Insurance, and Occupational Health, Civil Service Commission.

Because we have a large number of witnesses this morning, I would like to ask all witnesses, if they would, to limit their oral testimony to 10 minutes. We will do our best to limit our questioning so that we get to hear from everyone.

(1)

STATEMENT OF THOMAS A. TINSLEY, DIRECTOR, BUREAU OF RETIREMENT, INSURANCE, AND OCCUPATIONAL HEALTH, CIVIL SERVICE COMMISSION

Mr. TINSLEY. Thank you, Mrs. Chairwoman. I have a very brief prepared statement. If the Chair wishes, it can be placed in the record.

I believe your opening statement has correctly reflected the state of the law at present and very briefly the Commission position and the administration's position on this bill is one of opposition, not that they are not sympathetic to the plight of these older individuals who like many other citizens in the country need all that is available to them today in order to eke out an existence.

The basic reason for our opposition is the precedent which is set by applying retroactively a provision of law which, if carried to other areas, could prove extremely costly.

The second reason for opposition is the cost of the bill, which we estimate to be in terms of unfunded liability \$47.3 million. This would have to be amortized by 30 equal annual installments of \$2.9 million each. Enacting such legislation when we have a retirement system that is now costly would tend to have an impact on years in the future, when some liberalization might be desirable in terms of maintaining and attracting employees into the Federal service.

That, very briefly, Madam Chairwoman, is our position. I will be pleased to answer any questions that the committee may have.

Mrs. SPELLMAN. I will start with Mr. Heftel.

Mr. HEFTEL. I think your explanation as stated is sufficiently clear to not require any questioning from my standpoint, Madam Chairman.

Mr. LEACH. I have no questions.

Mrs. SPELLMAN. In the statement that you made during last year's proceedings on this legislation, you didn't mention the inclusion of cost of living annuity increases, yet this year on page 2 of your statement you said that the restored rate would include all the intervening cost of living annuity increases offered since their remarriage.

Could you tell the subcommittee the reason for the changing of your interpretation of this legislation and also would the inclusion of cost of living annuity increases be accomplished by law or by regulation?

Mr. TINSLEY. The inclusion of the cost of living increases is in this bill. There is a specific provision in the bill to include the cost of living increases. At this point in time I cannot recall why I failed to mention the cost of living increases during last year's hearing. There was no deliberate reason for not doing so.

Mrs. SPELLMAN. You indicate that enactment of this bill would set an undesirable precedent. If we are talking about precedent being set, should we say that the precedent for H.R. 7355 was set with the enactment of Public Law 91-93?

Mr. TINSLEY. They took a step in that direction at that time. There is no question about that, so I guess you could say a precedent was established.

This would carry it a step further and you would have a proliferation of precedents. It's much easier then to keep establishing them.

Mrs. SPELLMAN. It seems to me that you should consider each situation on its own merits. The mere fact that we would restore annuities

to cover this group that had been left out, doesn't necessarily affect other groups of people.

Mr. TINSLEY. That could be true. But each time something like this occurs, and certainly even when it doesn't occur, there is always pressures for individuals who retire prior to a certain date to be treated equally. A great deal of my mail comes in and argues in favor of why can't my annuity be computed of today's salaries. If you carried the retroactive equity argument to the extreme, each time you amended the law you would have to go back to 1920, the first date of enactment, and the cost would just be prohibitive.

Mrs. SPELLMAN. In this case, we are talking about older people, and you estimated that approximately 3,500 people would benefit by the passage of this legislation.

Since all of these people are over age 60, and in 1975 you estimated that approximately 3,500 people would benefit, isn't it safe to say that today we are talking about fewer than that number, and as time goes on, the attrition will pretty much take care of the problem?

Mr. TINSLEY. The numbers will decrease in future years, there is no doubt about that. Our estimate is 3,500. That estimate has not changed from the last time because one is just a year later, and I am not sure how solid that estimate is.

If I might just for the record, since this particular estimate created such problems for the committee, the Congress and the former chairman in particular, Mr. White, I would like to point out something in connection with estimates that at times makes me extremely cautious in furnishing them, unless I am convinced that they are really solid.

During the course of the hearing on the earlier bill in the last Congress, on page 11 of the committee transcript, I think you will find that I was clearly pointing out the deficiencies in our estimate at that time, and that this really was nothing more than a guesstimate, that we lacked at that point in time certain data, but since Congress was insisting on a cost figure, we gave them that one with caution.

Unfortunately, when you give somebody a figure, they usually forget the caution, and suddenly later on when you do have some more substantial data and you give them an estimate that is different, all of a sudden your first estimate was a mistake—you're accused of having been in error. We are satisfied that the best estimate we can come up with at this point in time is that 3,500. But nobody knows how many of these people are out there. There may be more, there may be less.

However, we believe that in terms of an estimate at this point in time, that that cost is probably as close as you're going to come to it in the absence of seeing what happens. We do know that there are over 256,000 survivors out there over 60 years of age. There are 157,000 over 70 years of age. And if I take this bill back to 1966, I am probably talking about 157,000 as a potential for having this bill applied.

But this one, unlike other estimates where you have a great deal of experience in terms of data, the estimate is the best we can come up with.

Mr. HEFTTEL. Madam Chairman. In 1966, would all recipients have been age 60, based on the law?

Mr. TINSLEY. Based on the law, yes.

Mr. HEFTTEL. So today they would be 70.

Mr. TINSLEY. Yes.

Mr. HEFTTEL. Which gives more credence to the passage of this corrective bill because now you're dealing with people over 70, who are denied this same benefit that all others would receive in the same circumstances.

Mr. TINSLEY. Today.

Mr. HEFTTEL. Except for the manner in which the legislation was passed. If it is a contest between imperfect legislation and the consequences to people over 70, it seems that the balance should be in favor of those over 70 rather than the reenforcement of legislation which is imperfect.

Mr. TINSLEY. Do you want me to comment?

Mr. HEFTTEL. Surely.

Mr. TINSLEY. I am not unsympathetic to this group, and if you look at it from that standpoint you're quite right. But I am pointing out what usually happens in these situations; while in this situation your sympathies may be very strong, you're running a risk that another group is going to come along with some equally distressing situations and each time you move in that direction you bring yourself to the point where almost everything you do is going to have some kind of a retroactive application.

The cost of doing that is going to become prohibitive, and then—

Mr. HEFTTEL. Have you done a study of legislation of this type where you have a single identifiable group, age 70 or older, who could be affected by other retroactive changes in retirement law for civil service?

Mr. TINSLEY. You're talking now about age 70. All these individuals on the roll who retired in years past under the Retirement Act, their annuities are based entirely on the provisions of the Retirement Act at the time of their retirement.

Now, the annuities are low in many of those situations. They could very well argue, and they do, that what we should use is current salaries for the jobs that they were in at the time they retired and base their current annuities on that.

The argument is presented in terms of when you change from 5 years to 3 years for averaging salary, that you should have gone back and adjusted all the earlier annuities which were based upon 5 years, and if you go back far enough on a much longer period of time than that, and use their final 3 years' salary and adjust it upward.

So there are situations where some of these individuals who retired years ago and are still on the roll have very low annuities. Those annuities have been increased by virtue of the cost of living provisions.

For example, annuities since 1966 have increased 101 percent based upon just cost of living alone. But these are the types of pressures you will encounter.

Mr. HEFTTEL. However, you do have a distinction here in that this application of the law applies in a way that a group will or will not receive any benefits.

Mr. TINSLEY. You're quite correct.

Mr. HEFTTEL. So there is a difference between adjusting the benefits you would receive retroactively and that which says you will or won't receive any benefits.

Mr. TINSLEY. You're quite correct.

Mr. HEFTEL. So you have a distinction in this particular piece of legislation in that it applies to a group of people who, for a quirk of the law during a given period of time, would be disqualified from benefits which are different from a variation in the amount of benefits received. So I think we can distinguish in many ways this piece of legislation which is perhaps more corrective than anything else because of the failure to recognize a given group, for a given period of time, that should have had continuing coverage if they remarried and then it was dissolved.

Mr. TINSLEY. You can make that distinction here. However, that same distinction would also apply, and I forget the exact year, but for a number of years there was no provision in the retirement law to provide a survivor benefit.

And that group, if the retirement occurred prior to a specified date—

Mr. HEFTEL. What was the date?

Mr. TINSLEY. I am not certain. I believe it was 1946.

Mr. HEFTEL. 1946, which was 29 years ago.

Mr. TINSLEY. Yes. But it would be another group where there was no survivor annuity provided at all. So that group, those who are around today, would be in a similar situation.

Mr. HEFTEL. Thank you.

Mrs. SPELLMAN. One comment. We have some older people today as I understand it who are living together and not marrying because of retirement problems, and somehow I hate to contribute to the delinquency of the older people.

Mr. TINSLEY. Madam Chairman, from my observation and reading the press, there are also a number of younger people who are doing the same thing and not for economic reasons.

Mrs. SPELLMAN. Just an old change in our morals, and here I am right in the middle.

Mr. TINSLEY. Welcome to the club.

Mrs. SPELLMAN. Thank you very much.

Mr. TINSLEY. You're quite welcome.

[Mr. Tinsley's statement follows:]

STATEMENT BY THOMAS A. TINSLEY, DIRECTOR, BUREAU OF RETIREMENT,
INSURANCE, AND OCCUPATIONAL HEALTH, U.S. CIVIL SERVICE COMMISSION

Madam Chairwoman and members of the subcommittee, I appreciate the opportunity to appear today to present the views of the Civil Service Commission on this legislation to amend the Civil Service Retirement law.

Public Law 89-504, allowed widows or widowers age 60 or over to remarry without losing the title to their survivor annuity. This law also allowed widows or widowers whose survivor annuities were terminated because of remarriage prior to age 60 to have their annuities restored upon the termination of the remarriage. However, these provisions only applied to widows and widowers of employees who had retired or died on or after July 18, 1966, the date of the law's enactment.

Public Law 91-93, which was enacted in 1969 expanded these provisions to apply to the widows and widowers of employees regardless of when the employee retired or died, provided the remarriage took place on or after July 18, 1966.

The Senate Post Office and Civil Service Committee in reporting out this legislation stated in part: "It has been the general policy of the committee to refrain from recommending legislation which has a retroactive effect upon civil service

retirement; however, in this instance the equities of the situation are such that language permitting continuance of annuity in the case of a spouse whose survivor annuity is based on a death or retirement occurring prior to July 18, 1966, but whose remarriage occurred on or after the date of enactment of the 1966 Act, should be approved."

H.R. 3755 proposes to extend these restoration rights to widows and widowers of former employees who were remarried prior to July 18, 1966. The restoration of annuity in the case of remarriages which have already been terminated would not be retroactive and would be contingent on repayment of any lump-sum payment previously made. However, for those widows and widowers who remarried prior to age 60 and prior to July 18, 1966, the restored rate would include all the intervening cost-of-living annuity increases authorized since their remarriage.

The Congress, since 1948, has by its actions recognized the principle that liberalizing benefits for the future is occasionally necessary to help the retirement system in accomplishing a major function—helping attract and retain good Government personnel. However, this reason does not exist for liberalizing benefits to persons already retired or to their survivors.

Widows or widowers who remarried prior to July 18, 1966, lost their survivor annuities and, under the present law, are not eligible to have their survivor annuity restored if the remarriage is dissolved. We believe that H.R. 3755 would set an undesirable precedent which could result in pressure to have other retirement liberalizations apply retroactively. Endorsing a policy of retroactivity would seriously impede the enactment of needed improvements in the retirement system. In the alternative, making liberalizations retroactive could not be done without placing an intolerable financial burden on the Civil Service Retirement System and on the taxpayers. It should also be noted that every time a law liberalizing retirement benefits is enacted, some individuals miss out on the liberalizations by only a short period of time. However, any action, short of making each retirement liberalization retroactive to the effective date of the original 1920 Retirement Act, would exclude some persons.

Although the Commission does not know the exact number of former survivor annuitants whose remarriages have been dissolved and who would be affected by this bill, our best estimate is that there would be approximately 3,500 such persons and that enactment of H.R. 3755 would increase the unfunded liability of the Retirement Fund by about \$47.3 million. This sum would be amortized by 30 equal annual installments of \$2.9 million each. The impact of a bill such as this on the cost of future legislation could be great. For these reasons, the Commission opposes enactment of H.R. 3755.

I thank you for the privilege of appearing this morning. I will be pleased to answer any questions.

Mrs. SPELLMAN. Our next witness is Mr. John McClelland, president of the National Association of Retired Federal Employees.

We welcome Mr. McClelland. It is a pleasure to see you here.

STATEMENT OF JOHN F. McCLELLAND, PRESIDENT, NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

Mr. McCLELLAND. Madam Chairwoman, I am John F. McClelland, president of the National Association of Retired Federal Employees. NARFE currently has a dues-paying membership of approximately 275,000 Federal retirees, spouses, and survivors. It is on behalf of a small group of our survivor members that I appear before you this morning to urge early, favorable action on H.R. 3755.

Under the present Civil Service Retirement Law, survivor annuitants who remarry after reaching age 60 are entitled to continued payment of the annuity elected for them by a deceased Federal employee or retiree spouse. Survivor annuitants who remarry before they become 60 have their survivor benefits stopped upon the remarriage, but are entitled to restoration of said benefits if the remarriage is later

terminated by death, divorce, or annulment. The above continuation and reinstatement rights governing survivor annuities apply in all cases, except those in which the remarriage of the survivor occurred before July 18, 1966. Thus, whether a survivor annuitant remarried before or after this arbitrary date determines the denial or retention of annuity rights. There is discrimination against certain survivors based solely on the fact that they married "too soon."

If enacted into law, the provisions of H.R. 3755 would end the current discrimination against those who remarried before July 18, 1966, by granting them the same survivor benefit retention rights presently applied to widows and widowers who remarried after the "magic" date.

We believe this equal treatment of survivors is long overdue. As a cosponsor of the considered legislation, it is obvious that you, Madame Chairwoman, agree with us.

The merits of this bill were recognized by the members of the House Post Office and Civil Service Committee in the 94th Congress, when they overwhelmingly issued a favorable report to identical legislation.

It was only because of an erroneous cost estimate from the Civil Service Commission that the bill failed to get to the House floor in the last Congress, where we believe passage could have been attained.

It appears that the official cost of financing H.R. 3755 would be \$2.9 million per year. While this is considerably more than the \$500,000 per annum cost figure we originally considered, we believe the merits of the case warrant the expenditure.

It would be impossible for us to explain to an affected survivor that benefits paid other survivors who remarried after July 18, 1966, are being denied him or her because the Government cannot see fit to spend \$2.9 million to pay the benefits.

This is not a creditable explanation, when the news media daily publicizes Government expenditures far greater than this for seemingly inane studies and funding for reports which tell us that inadequate income is one of the major problems of the Nation's elderly.

I believe, Madame Chairwoman, that H.R. 3755 would receive the approval of the House of Representatives.

In the last few days a companion bill has been introduced in the Senate as S. 1559.

We, therefore, urge that this subcommittee issue an early, favorable report of the bill, so that it may have a good chance for enactment by the end of this year.

Madam Chairwoman, on behalf of our members, we wish to thank you for holding the hearings, and it is a pleasure to be here before this committee.

Mrs. SPELLMAN. We are delighted to have you here and your excellent testimony will be very helpful.

Do you have any statistics in your association which would indicate how many people might be affected by such legislation?

Mr. McCLELLAND. We have to rely on the Commission for those figures.

Mrs. SPELLMAN. During last year's hearings you indicated that the age 60 requirement should be eliminated from the legislation. Do you still think that should be the case?

Mr. McCLELLAND. We feel so.

Mrs. SPELLMAN. Mr. Heftel?

Mr. HEFTEL. No questions. Thank you.

Mrs. SPELLMAN. We thank you very much for taking the time to come to testify.

Mr. McCLELLAND. Thank you.

Mrs. SPELLMAN. I personally have several other items I would like to talk with you about before you leave, if you should be here at the end of the hearing.

Our next witnesses are Mr. Lawrence G. Detrick, Sr., and Mr. James Hacking, National Retired Teachers Association and American Association of Retired Persons.

Mr. DERTHICK. Mr. Hacking was called home last night, due to the serious illness of his father, and Mr. John Martin of the legislative division, a consultant, is appearing with me today.

**STATEMENT OF LAWRENCE G. DERTHICK, SR., NATIONAL RETIRED
TEACHERS ASSOCIATION; ACCOMPANIED BY JOHN MARTIN, LEG-
ISLATIVE DIVISION, CONSULTANT**

Mr. DERTHICK. Madam Chairwoman and Mr. Heftel, we are aware that you are sympathetic to this bill and also I have become even more aware how well versed you are in it. I shall probably take a different approach and read very little of my prepared testimony.

Naturally, we are here to encourage and urge the passage of H.R. 3755.

I think, in view of some contribution I might make, I might clarify a little bit my motivation for being here. For 5½ years I have been engaged in "active" retirement. I have an office that I maintain, and I engage in projects without fees in line with what I have been doing for a great many years.

And when you work for nothing, you get lots of business.

Mr. HEFTEL. I know.

Mr. DERTHICK. Two or 3 years ago my attention was attracted to this inequity, this distressing situation, and so I volunteered to help. I am also, I might say, a member of NARFE, and we all work together using different approaches sometimes and common approaches, and we keep close together in this effort.

But the approach I followed was that these people are scattered all over the United States, two or three in a State, and one might write his Congressperson a letter and describe in these vivid and moving terms—that you folks are familiar with—the distress and the suffering that they are experiencing with this discrimination, and that Congressperson naturally would be interested and sympathetic, but you can't do much by yourself.

So it occurred to me—and by the way, NARFE has its approach to these individual members—if we could just find out who they are and where they live and how they feel, and what their problems are, and to relate them to each other, the impact would be greatly magnified. So we did that.

I have had several statements in the publications, the news bulletins of NRTA and AARP, that have gone to 11 million people all over the United States. These people have friends, they have family members

who are deeply concerned; many of them bearing the burdens of helping these people along.

So we were searching for a small number of human needles in a great big people haystack. It seemed to us that if we could get close to their feelings and anxieties and identify their circumstances in these inflationary times, we could help them tell their story to you and other Members of Congress. This has been going on, for 2 years, and I think you will find that a good many of your colleagues are getting concerned about this and are sensitive to it and want to do something about it.

They are getting letters now not just saying, "well, I will certainly bear your interest, your point of view in mind when this matter comes up," but they are pledging their support. And in the course of time, I think your committee will be glad to have copies of those letters.

Mrs. SPELLMAN. I think it would be very helpful to us, if I might say, to have a list of the names of the Members of Congress who said, "we will be glad to support you."

Mr. DERTHICK. At the outset, we didn't ask them to do so, so we missed some. We are asking them now, and we are getting some pretty fine letters from pretty key Congresspeople.

It has been a sobering experience. I have been impressed with the dire financial distress suffered by many of these people. The case file is an eloquent argument for correction.

Mr. HEFTTEL. I was interested in your catching the fact that these people are not 60 we are talking about. The youngest is 70. And I find some high up in their seventies, and in their eighties, and what a story they can tell.

Another thing, frequently the situation is that being widowed and very lonely, after a long and happy marriage, they are remarried, and it is a bad mistake, and within 2 or 3 years they are divorced or separated, and then, thinking that they would have the other income, many of them, Mrs. Spellman, have said: "We didn't want to live in sin, so we just got married."

And so there is illness, you see in this age group. There is surgery. There is cancer. There is all those things. So you can see having lived with these letters, how much I have gotten really emotionally involved, as well as intellectually involved. The key to the situation has been the approach that NARFE has made to get these people to communicate and the approach we have made to find who they are and to relate them to their other folks.

In this mobile population, it is astonishing how their ties reach all over the United States in every congressional district—not everyone, but most.

Since you are so well informed, instead of taking my time to read my testimony—I wouldn't be telling you anything that you don't already know, and in many instances know much better than I do—I thought I would pick out a few cases. I am only sorry that I got to it a little late. I had letters that were in the file. I just took a few cases from these letters. I so wish I could read them, but I will just give you the points.

Here is a lady in Arizona. I didn't even pick States. I have got some from Maryland. But here is a lady who is age 76, and she married in 1966, only 8 days too soon.

Now you people in Congress and those of us accustomed to administration have got to draw a line, of course, but it is very hard for our people to understand why the persons who married 8 days later or 2 months later are in the fold and others just miss it.

Another thing kind of tragic about this person, you know they use to say if the old Greek gods wanted to punish somebody, they would raise them up high so they would fall farther. This woman had a letter from the Civil Service Commission saying everything is OK, and then about a month later she got the other letter and said we made a mistake.

Here is another lady on Long Island who tells quite a story about the embarrassment, and the humiliation, and the concern of being forced to go live with her son, who had a big family with special responsibilities in that family. She does get \$120 a month from somewhere, I don't know where. But she naturally has to live with her son.

Here is another one in Illinois that tells about her income being cut 80 percent. She's had extensive surgery.

You know what the letters would say. They would tell it in a more moving way than I would. I am giving the facts.

Bit by bit she's been selling her possession. Oh, if she could only have this annuity restored, she could save her home.

This is one of the young ones in Ohio. She's only 62, and she tells about her job being surplusd. That was their expression, and she's been trying to get another job, but because of her age, she can't get another job. And that she needs that pension so much, she is getting desperate, and then she was telling us what makes it worse, is the feelings that due to this magic date she's lost out. She said she got a divorce. She said it was dangerous to live with a psychopath, and she had to get a divorce.

Here is another one. This came about 60 days ago. This woman had been in correspondence with me for sometime, but in the last 6 months she said she had been declared legally blind. She is a cardiac case. She had a triple bypass open heart surgery, and then she concluded: "Why should I be so severely penalized because of an ill-fated marriage?"

Here is a case of a woman in her 80's whose husband worked for the Postal Service for almost 50 years, and she remarried 2 months early. For 11 years she has been fretting and frustrated and troubled over this inequity, just missing it by 2 months.

Then, in New Mexico, here is a woman that is 79. She remarried in 1965 and divorced in 1967. She gets \$143 a month, and she's been getting along by babysitting, but now she is physically unable to do that. I don't know what she is going to do.

Texas: A woman married 4 months too soon, suffered this injustice for 11 years. Her husband has throat cancer, and it was such a distressing case, I was impressed to know that her minister wrote me a special letter about this case.

Then here is one case of a younger woman. I don't know, probably she lost her husband maybe when she was 45, something like that, and she wanted, for companionship, to remarry. She thought this man would make a good father for her 16-year-old daughter. It was a disastrous situation. She was young enough to go to work, but she had

given up that income for that purpose. Now, then, so much for a few highlighted examples.

By the way, you might be interested in some unexpected dividends that were very rewarding for me for the effort that I made.

We had a case of a lady last year, but we have some more, and she was an intelligent lady, you could tell that, but she was quite illiterate. I don't fault the Civil Service Commission; she didn't communicate the facts. But the minute I read her letter and when she said, if you do something for me, do it quick, because—and then she related her circumstances.

I realized that she qualified under the old law, and to make a long story short, she got \$6,000 back pay, and in the mountains of Kentucky, you can imagine what that meant.

Madam Chairwoman and Mr. Heftel, that pretty well briefs some of the things on my mind and heart without burdening you with repeating things you already know. I don't know whether there are any questions that we could answer. I really think you have your own answers. But it is really wonderful to be here, and I want you to know that these people over the United States know that you people on this committee are their friends and are sensitive and sympathetic and have a lot of empathy for this kind of situation.

Thank you very much.

[Complete statement follows:]

STATEMENT OF THE NATIONAL RETIRED TEACHERS ASSOCIATION AND THE
AMERICAN ASSOCIATION OF RETIRED PERSONS

Madam Chairwoman, I am Lawrence G. Derthick, Sr. For most of my professional life I have served as a school administrator and during the Eisenhower Administration became the United States Commissioner of Education. I am now a life member of the National Retired Teachers Association and member of the American Association of Retired Persons. I and Mr. James M. Hacking, the Assistant Legislative Counsel, are appearing as the spokesmen for these two affiliated organizations to urge upon this Subcommittee to favorably report legislation to eliminate the discrimination of the July 18, 1966 date (contained in § 8341 of the civil service retirement law) against the survivors who, solely because of remarriage prior to that date, lost the survivor annuities or options for restoration of such annuities that they would not have lost if their marriages had occurred after that date.

Let me clarify my motivation for being here. I am concerned for those who suffer from this discriminatory date. In the past two years several of my statements critical of this civil service inequity have been published in the NRTA and AARP News Bulletins, which are distributed to the more than 11 million Association members. We were searching for a very small number of human needles in the haystack of people. It seems to me that if we were to help these senior citizens, we had to get close to their feelings and anxieties. We had to identify them and their circumstances in these inflationary times. We wanted to help them tell their story to you and to other members of the Congress.

In response to these articles, we have over the past two years received hundreds of replies but probably not more than 450 of those writing are involved in the subject inequity. But each letter has been read, analyzed and answered.

It has been an impressive experience, sometimes very touching, and occasionally humorous. But judged as a whole, this experience has been a sobering one. I have been impressed by the dire financial distress suffered by many of those who are thus victimized by this minor inequity of the civil service law. The case file of these persons is an eloquent argument for the correction of this particular feature.

Time permitting, I could report on typical individual cases. Since the cut-off date is now nearly 11 years "old", a large percentage of these victims are well

along in their 70's and a number, of course, are in their 80's. The second marriage often failed. They rarely seemed to last more than one to three years. Many live on severely reduced incomes, generally ranging from \$100 or less to \$300 per month. To make ends meet, many have had to sell off possessions, or undertake odd jobs like baby-sitting.

A letter I noted this week from one of the younger victims spoke of her "... job having been surplusd" ... of her futile efforts to get another at age 62 and concluded "... I need the pension. I am getting desperate." Then there are those who missed the magic date by only a few weeks or a few days. And these are senior citizens who, in most cases, were provided for by comfortable survivor benefits involving long terms of service by their husbands.

Prior to July 18, 1966, survivor benefits were terminated upon remarriage. Public Law 89-504 provided for: (1) a continuation of annuities for the survivors of employees who died in service or who retired after July 18, 1966, if such survivors remarried after age 60, and (2) an option to have annuities restored for survivors of such deceased employees or retirees if such survivors remarried before age 60 and their remarriage was subsequently dissolved.

This newly created category of benefits was further expanded by Public Law 91-93 enacted in 1969. It restored annuities or annuity options to survivors who had remarried after July 18, 1966 but whose deceased spouse had retired from or died in service before that date.

Unfortunately, this partial retroactive restoration of annuities and annuity options did not eliminate the civil service retirement law's inequitable and dissimilar treatment among survivors. Under current law, survivors who remarried either before or after reaching age 60 but prior to July 18, 1966, do not have their annuities or annuity options restored (in the latter case, upon dissolution of the second marriage).

Our Associations wish to see this situation corrected. We therefore support H.R. 3755. While we realize that other matters affecting large numbers of civil service employees, annuitants and their dependents have and will continue to occupy the attention of this Subcommittee, nevertheless, we recognize that the conduct of these hearings is a demonstration of the Subcommittee's interest in and sympathy for the small number of survivors who are not being treated equitably.

We heard the Civil Service Commissioner's arguments against this legislation in 1975. The Commission, of course, conceded that the pool of potential eligibles is a relatively small 3,500 and because of that, the increase in the unfunded liability of the retirement system would be a relatively modest \$47 million (which would be amortized over a 30 year period of time). But the Commission suggested that the retroactive restoration of annuities and annuity options would be bad precedent because it might result in cumulative retroactive extensions that would be costly and that changes in the system should be made prospectively in order to attract and hold new or current civil service employees.

Our Associations agree with the Commission as to the relative insignificance of the number of potential eligibles and the cost to the system that would result from the enactment of corrective legislation. We do not believe that the cost factor is sufficiently significant to counterbalance the arguments in favor of legislation to correct this distressing inequity.

As to the Commission's first argument, our Associations recognize the value of precedents. As a general rule, we believe that legislation to correct discriminatory aspects of the laws governing the operations of major retirement systems is desirable per se. While we also recognize that factors such as cost may counterbalance the desirability of such legislation from time to time, that is not the case with respect to the legislation under consideration. While precedents can be set, they cannot always control. In the legislative process, there is no strict adherence to the doctrine of stare decisis as there is in the judicial process.

We believe that the correction of this discriminatory feature would justify the confidence which civil service employees, annuitants, and their dependents have in the continuing willingness of the Congress to perfect and change the retirement system to meet their changing needs and circumstances. Certainly, the maintenance of confidence in the various retirement systems on the part of beneficiaries they serve is at least as important a consideration as the fear expressed by the system's administrators that a small retroactive extension of benefits may lead to other and bigger ones.

With respect to the Commission's second argument, our Association would suggest that continuing efforts on the part of this Subcommittee and the Congress to improve a system which is already one of the best for those served by it is a more weighty inducement to employment and the retention of employees than the introduction of benefit liberalizations that apply only prospectively. An employee may be less likely to leave federal service if he feels that, when he retires, he will not simply be abandoned by the Congress and denied future benefit improvements.

This concludes our statement, Madam Chairwoman. Mr. Hacking and I shall attempt to answer any questions which you or other members of your subcommittee may have.

Mrs. SPELLMAN. Your testimony both written and oral was just delightful and you certainly are to be commended for doing the work that you are doing.

I think it is just absolutely fabulous. I know, I live with a member of NARFE, who is busier today than he ever was before he retired and I guess you are the same kind of person, just staying so busy.

The person I am speaking of living with is my husband.

Mr. DERTHICK. You scared me for a moment.

I have read about your fine family and we see you on television.

My wife, who is here today, said she felt like she knew you.

Mrs. SPELLMAN. My husband doesn't anymore.

But you have had so much contact with people around the country, would you have any idea whether that 3,500 figure might be realistic?

Mr. DERTHICK. I am glad you asked that question.

I suppose I have had a thousand letters, just since about the 20th of February and out of all the letters that we have had in the 2½ years I have been working on it, we have only found 450 people that really qualified.

Now, we answer all the letters and maybe we give them some tips or try to comfort them this way or that way or the other way, but when you think about, I can't challenge the 3,500, that may be right; but this is no scientific survey.

But when you think of the 11 million people, when you think of more than a quarter of a million that NARFE has contacted, and when you think of all their relatives and friends and their concerns, that is some indication that this number is not very large. It is just ridiculous to think that we can't pay \$2.9 million on an amortization basis to correct a glaring injustice. It may well be that the figures are considerably the 3,500. I don't challenge it.

But I do think this is an indication because our coverage has been so thorough about a very sensitive matter that catches people's attention.

Mrs. SPELLMAN. Would you have any suggestions as to changes in the bill?

Mr. DERTHICK. No; I do not.

Really, Mr. Martin has confirmed the fact that we are satisfied with the bill.

Mr. MARTIN. Yes.

Mrs. SPELLMAN. Mr. Martin.

Mr. MARTIN. I might comment on the fact that we are dealing with this population which is now at least 70. That is a population which is being affected by illness and death. So, that the 3,500, if it were correct a year ago is substantially smaller than that today.

Mrs. SPELLMAN. Sure.

Mr. MARTIN. And 5 years from now will be very much smaller than that.

Mr. DERTHICK. Very good.

Mrs. SPELLMAN. We certainly do thank you.

Mr. HEFTTEL. Thank you.

Mr. DERTHICK. Thank you very much. We will be in touch.

Mrs. SPELLMAN. Our next witness is Mr. George Tilton, counsel, National Federation of Federal Employees.

STATEMENT OF GEORGE TILTON, COUNSEL, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. TILTON. Madam Chairman, it is a pleasure to appear before you.

As you requested, I will not read our testimony. I merely ask that it be placed in the record.

I would like to address some of the comments that Mr. Tinsley made.

I am a bit surprised at the administration's opposition. I guess I really shouldn't be, after all these years, but I am still surprised at their opposition to this particular bill.

The costs are very small, very minor. Frankly, I would suggest to you at twice the price it would still be a bargain in terms of equity and fairness to that group of people.

What Mr. Tinsley suggests is the domino theory, and I think that theory has been discredited for a long time, merely because the Congress passes one law which will correct an inequity doesn't mean that other parts of the retirement system are also going to be changed or liberalized.

I think we have to separate the retirement system into two different factors. If there is an inequity, the Congress ought to correct it.

This doesn't mean that other parts are going to be liberalized.

The question isn't really, I would suggest, whether or not this will create a bad precedent or whether it is going to cost money. The question is arbitrariness of the date involved. It is very, very difficult, as the previous witnesses have testified to much more eloquently than I can, but it is very, very difficult to tell a person that just because you were divorced and remarried prior to July 18, 1966 that you are no longer entitled to a certain benefit.

The question also that I think someone should ask Mr. Tinsley is, what other group of employees would be entitled to benefits under this theory?

I suggest to the committee, if there is another group, that is similarly treated like this, then the law ought to be changed to protect them too.

But I don't believe there are all that many groups of employees around or I think the committee would probably have heard about them.

Mr. Tinsley also mentioned the fact that in 1948, the law was changed, I believe he said, or perhaps it wasn't 1948, from the high 3 to the high 5, and as Mr. Heftel correctly pointed out, there was a change but the people still received an annuity. These people do not receive an annuity.

Finally, he said in 1948 that survivors, the annuities for survivors were first permitted. That may well be true, but that is still different from this situation in that a person who opts for a survivor's annuity takes a lower annuity, and the annuitant who had a survivor after that time received a lower annuity to start with. So, the situations are not the same.

I benefited greatly by listening to the previous witnesses. I only have one minor quarrel with the previous witness. He says we have to draw the line somewhere. I agree, but we don't have to draw the line on an arbitrary date. The date of July 18 makes no sense whatsoever.

You shouldn't treat people differently just because of the date the law was passed. An annuitant cannot help when the Congress passes a law. And although the legislative history is somewhat unclear, at least in my mind, I really don't think that the Congress intended such a harsh result.

I regard this legislation more as a correction of an oversight, something that should have been done many, many years ago, rather than as a new endeavor to change the law.

That will conclude my statement, Madam Chairman.

[The complete statement follows:]

STATEMENT OF GEORGE TILTON, ASSOCIATE GENERAL COUNSEL, NATIONAL
FEDERATION OF FEDERAL EMPLOYEES

We appreciate the opportunity of appearing and testifying before this subcommittee on behalf of H.R. 3755, a bill to provide for the reinstatement of the Civil Service Retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966.

Madam Chairwoman, in 1966 Public Law 89-504 was enacted. That legislation permitted the surviving spouse of a deceased Federal employee to remarry and to retain his/her annuity if over 60 years of age. For those surviving spouses who were less than 60, Public Law 89-504 permitted them to resume receiving benefits if the second marriage was dissolved by divorce or the death of the second spouse. Unfortunately, the Congress, when it passed this very enlightened and progressive law, did not make it retroactive.

The failure of the Congress to make the provisions of Public Law 89-504 retroactive was, we believe, the result of an unintentional oversight rather than a deliberate intent to discriminate against spouses who remarried prior to July 18, 1966. The unfortunate aspect of this situation is that it has remained uncorrected for so long.

We are advised that as of 1977 there are only 3,500 spouses who would be entitled to benefits under H.R. 3755. The total cost is small, some \$2.9 million per year over a 30-year period. When weighed against the real inequity of the present situation, we think this is a very small price.

Retirement benefits should not depend upon accidental factors such as the date of marriage or divorce. All persons who are similarly situated should be treated similarly. There is simply no good reason, either in law or equity, why a person merely because he or she remarried prior to July 18, 1966, should be denied the benefits of a progressive and enlightened law. H.R. 3755, which would correct this situation, is itself a good, progressive bill which deserves favorable and immediate consideration.

This will conclude our testimony. I shall be pleased to respond to any questions.

Mrs. SPELLMAN. Thank you very much.

I just wanted to ask one question, and that was about the 3,500 estimate. Are you using a civil service estimate?

Mr. TILTON. I don't know what it is, but it is still a bargain if it were twice that. I frankly feel it is overinflated. As Mr. Heftel pointed out, the average would be 70 by now. There is a high mortality rate at that point. And correspondingly, a greater need for money, not a lesser need.

My feeling would be the figure is basically immaterial. If it were three times the price I would still think we ought to support it. The Commission has come down with what seems to me a conservative figure, probably on the high side.

I would like to point out one other thing, while I was thinking about it. There have been other precedents before this committee: The 100 percent retirement bill for technicians. A former chairman of this subcommittee was very instrumental in that bill. I don't think that we have to worry about creating an additional precedent that somehow is going to bankrupt the system.

We are talking about an upcoming liability right now of some \$100 billion. Another \$43 million, or \$100 million spread out over 30 years isn't going to affect the system one iota.

Mrs. SPELLMAN. I thank you very much.

We have a statement from Mr. Kenneth T. Blaylock, the president of the American Federation of Government Employees. We also have a statement from Mr. Patrick Nilan, the legislative director of the American Postal Workers Union, which without objection will be submitted for the record.

[The statements referred to follow:]

STATEMENT OF KENNETH T. BLAYLOCK, NATIONAL PRESIDENT, AMERICAN
FEDERATION OF GOVERNMENT EMPLOYEES

We welcome this opportunity to testify on H.R. 3755, for this bill offers hope to the survivors of Federal employees who are being unfairly penalized because they happened to marry prior to July 18, 1966.

The American Federation of Government Employees. AFL-CIO, as the elected representative of some 700,000 Federal employees, is necessarily concerned about the post-retirement future and well-being of all Federal workers.

For this reason, we strongly support the passage of H.R. 3755, and wish to thank Mr. Lehman and Mrs. Spellman for introducing this legislation.

We would like to begin by saying that we feel that progress is slowly being made to extend equity to survivors of Federal employees and that the bill before you now is a reflection of that progress.

With the enactment of Public Law 89-504, the Federal Salary and Fringe Benefits Act of 1966, the Civil Service Retirement Act was amended to provide: (1) that when a survivor-spouse of a Federal employee remarried after reaching age 60, her/his annuity would not be terminated, and (2) that if she/he remarried prior to age 60 and that marriage was terminated her/his annuity would be reinstated.

However, the Act, which was signed by the President on July 18, 1966, was not retroactive and, therefore, did not apply to survivors of persons who retired or died in service before the law's enactment.

With the enactment into law of Public Law 91-93, the Civil Service Retirement Amendments of 1969, the continuance of annuities was permitted in the case of a spouse whose survivor annuity was based on death or reinstatement occurring before July 18, 1966, but whose remarriage occurred on or after the date of enactment of the 1966 legislation.

Clearly, therefore, some progress has been made in correcting inequities.

What is equally apparent, however, and painfully clear is the injustice which continues to inflict those survivor-annuitants who happened to marry prior to July 18, 1966.

We believe that the legislative history of the Civil Service Retirement Amendments of 1969 serves as a basis for extending annuities to survivors of Federal

employees who married before July 18, 1966, just as it met the need to permit continuing an annuity in the case of a spouse whose survivor annuity is based on a death occurring prior to July 18, 1966.

To quote from that legislative history:

"... The benefits provided by that Act (signed by the President July 18, 1966) were not retroactive and had no effect upon the survivor annuity of any spouse whose annuity was based on a death or retirement occurring prior to the date of enactment of the legislation. The effect of this was that two surviving spouses of two federal employees, one of whom retired on July 17, 1966 and the other of whom retired on July 19, 1966, would be treated quite differently if they remarried at any time after their husband's deaths. Twenty years later, the same two surviving spouses could remarry after achieving age 60, and one would continue to receive her annuity while the other would not.

"It has been the general policy of the committee to refrain from recommending legislation which has a retroactive effect upon civil service retirement; however, in this instance the equities of the situation are such that language permitting continuance of annuity in the case of a spouse whose survivor annuity is based on a death or retirement occurring prior to July 18, 1966, but whose remarriage occurred on or after the date of enactment of the 1966 Act, should be approved."

We applauded the Congress for extending the benefits of survivor annuitants with the passage of Public Law 91-93.

We now urge this Subcommittee to once again recognize the "equities of the situation" and to pass H.R. 3755.

Approval of this bill would do more than add equity and fairness to the civil service survivor annuitant laws. It would make these laws credible where they are now hard to justify, and would make them understandable where they are now hard to explain.

STATEMENT OF PATRICK J. NILAN, LEGISLATIVE DIRECTOR, AMERICAN POSTAL WORKERS UNION (AFL-CIO)

Mrs. Spellman and members of the subcommittee, for the record, I am Patrick J. Nilan, Legislative Director of the American Postal Workers Union (AFL-CIO) accompanied this morning with our Legislative Aide, Edward L. Bowley, with offices at 817-14th Street, N.W., Washington, D.C. I am very pleased to appear before the Subcommittee this morning and present our testimony concerning H.R. 3755.

In addition to the more than 300,000 active postal workers for whom we have the exclusive bargaining rights, we also represent nearly 30,000 retired members and their survivors.

We have attached hereto as part of our statement some of the letters¹ we have received from some of the survivors who have been denied the benefits provided in H.R. 3755, and they tell the story far better than any evidence we might be able to present.

We are extremely grateful to your colleague and member of the House Post Office and Civil Service Committee, Congressman William Lehman (D-Fla.) for introducing H.R. 3755 and also grateful to you, Mrs. Spellman, for your co-sponsorship of the bill and for scheduling these hearings.

The bill would restore survivor annuities to those who lost them by remarrying before July 18, 1966. Passage of the bill would correct a glaring inequity in the area of survivor benefits.

There is little more that could be said, Mrs. Spellman, except to urge early action by the Subcommittee and the full Committee. We are confident the House and the Senate will ultimately approve the passage of H.R. 3755.

Again, we want to thank you for holding the hearings and providing the American Postal Workers Union an opportunity to add our support to this measure.

Mrs. SPELLMAN. I would like to make a short announcement. The subcommittee is interested in reconsidering that 70-year mandatory requirement. A mandatory retirement age creates something of a prob-

¹ Retained in the files of the subcommittee.

lem, and we are going to be holding a 1-day oversight hearing on the elimination of mandatory retirement age for Government employees. That hearing will be held sometime the latter part of the summer. While you ladies and gentlemen are here, we might express to you that this is something we are very concerned about.

We would like to be hearing both sides of the subject. There are those who are comfortable with a mandatory retirement and yet we have sitting before us people who prove every day that people need not retire at any specific age. I did want to make that announcement.

We thank you very much for coming. We appreciate your attendance.

[Whereupon, at 10:30 a.m., the hearing adjourned.]

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

May 20, 1977

Honorable Robert N.C. Nix
Chairman, Committee on Post Office
and Civil Service
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is in reply to your request for the Commission's views on H.R. 486, a bill to amend title 5, United States Code, to restore the survivor annuities of certain remarried spouses whose remarriages have terminated, and on identical bill, H.R. 3755.

Public Law 89-504, approved July 18, 1966, permitted a widow or widower age 60 or over to remarry without losing title to survivor annuity. The same law also permitted a widow or widower whose survivor annuity was terminated because of remarriage prior to age 60 to have the annuity restored upon termination of the remarriage. These provisions, however, applied only to widows and widowers of employees who retired or died on or after July 18, 1966.

Public Law 91-93, approved October 20, 1969, expanded these provisions to apply to the widows and widowers of former employees regardless of when the employee retired or died, provided the remarriage took place on or after July 18, 1966.

H.R. 486 proposes to extend the same restoration rights to those widows and widowers of former employees who were remarried prior to July 18, 1966. Restoration of annuity in the case of remarriages which have already terminated would be prospective only and would be contingent on repayment of any lump-sum payment previously made; however, the restored benefit of any widow or widower who remarried before July 18, 1966 and who was already age 60 at the time of the remarriage would include all the intervening cost-of-living annuity increases authorized since the remarriage.

A widow or widower whose remarriage took place prior to July 18, 1966, lost her(his) survivor annuity and, under present law, is not eligible to have that survivor annuity restored if the remarriage is dissolved. While the Commission sympathizes with these people, we believe that legislation as proposed by H.R. 486 and H.R. 3755 would set an undesirable precedent for the future which could generate pressure to have any retirement liberalization apply retroactively. Endorsing such a policy of retroactivity would seriously impede the enactment of needed improvements in the retirement system because of the high costs that would be involved.

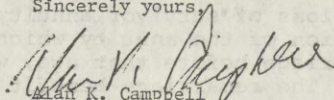
The Commission does not know the exact number of former survivor annuitants whose remarriages have been dissolved and who would be affected by these bills. However, assuming a population of approximately 3500 persons, we estimate that enactment of H.R. 486 would increase the unfunded liability of the Civil Service Retirement and Disability Fund by approximately \$47.3 million. Under the provisions of section 8348(f) of title 5, United States Code, this amount would be amortized by 30 equal annual installments of \$2.9 million. The impact on the cost of future legislation if a bill such as H.R. 486 or H.R. 3755 were enacted could be very great.

For these reasons, the Commission opposes enactment of H.R. 486 or H.R. 3755.

The Office of Management and 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,


Alan K. Campbell
Chairman

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 24 1977

Honorable Robert N. C. Nix
Chairman, Committee on Post Office
and Civil Service
House of Representatives
Suite 309 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

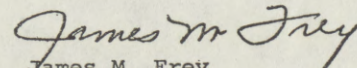
This is in reply to the Committee's request for the views of this Office on H.R. 486, "To provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes."

The purpose of this bill is to make retroactive the 1966 amendment to the retirement law which permits the widow or widower of a Federal employee to remarry after age 60 without loss of survivor annuity, and which also allows restoration of the annuity which was terminated because of remarriage before that age, when a remarriage is dissolved. The remarriage benefit was prospective, applying only to remarriages that occurred after the 1966 effective date.

In its report on this bill, the Civil Service Commission states its reasons for opposing retroactive application of retirement liberalizations.

We concur in the views expressed by the Civil Service Commission and, accordingly, recommend against enactment of H.R. 486.

Sincerely,


James M. Frey
Assistant Director for
Legislative Reference

95TH CONGRESS
1ST SESSION

H. R. 3755

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 1977

Mr. LEHMAN (for himself and Mrs. SPELLMAN) introduced the following bill;
which was referred to the Committee on Post Office and Civil Service

A BILL

To provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) upon application to the Civil Service Commission,
4 the annuity of—

5 (1) a surviving spouse of an employee which was
6 terminated under the provisions of section 8341 (b) or
7 (d) of title 5, United States Code, or of any prior appli-
8 cable law, because of the remarriage of such spouse
9 before July 18, 1966, and

I—O

1 (2) a surviving spouse of a Member who died before
2 January 8, 1971, which was terminated under any such
3 provision, because of the remarriage of such spouse,
4 shall be restored in accordance with the provisions of sub-
5 section (b) of this section.

6 (b) (1) In the case of a remarriage occurring after the
7 surviving spouse became sixty years of age, the annuity shall
8 be restored to such spouse under subsection (a) of this sec-
9 tion only if any lump sum paid on termination of the an-
10 nuity is returned to the Civil Service Retirement and Disa-
11 bility Fund. If such amount is paid, the annuity shall be so
12 restored commencing on the effective date of this section
13 at the rate which would have been in effect if the annuity
14 had not been terminated.

15 (2) In the case of a remarriage occurring before the
16 surviving spouse became sixty years of age, the annuity shall
17 be restored to such spouse under subsection (a) of this sec-
18 tion only if—

19 (A) such spouse elects to receive this annuity in-
20 stead of a survivor benefit to which the spouse may be
21 entitled under subchapter III of chapter 83 of such title
22 5 or under another retirement system for Government
23 employees by reason of the marriage; and

24 (B) any lump sum paid on termination of the an-
25 nuity is returned to such fund.

1 If the requirements of the preceding sentence are satisfied,
2 such annuity shall be so restored commencing on the effect-
3 tive date of this section or on the first day of the month fol-
4 lowing the date the remarriage is dissolved by death, annul-
5 ment, or divorce, whichever date is later, at the rate which
6 was in effect when the annuity was terminated.

7 SEC. 2. Section 8341 (g) of title 5, United States Code,
8 is amended by striking out "after July 18, 1966,".

9 SEC. 3. The foregoing provisions of this Act shall take
10 effect on—

11 (1) the first day of the month following the date
12 of the enactment of this Act, or

13 (2) October 1, 1977,
14 whichever date is later. ·



