without objection, put in the record, exhibit J, a summary of the GAO report.

(Exhibit J follows:)

EXHIBIT J.—SUMMARY OF GAO REPORT, "PROCEDURES RELATING TO THE CONTINUING ELIGIBILITY OF FEDERAL EMPLOYEES FOR DISABILITY RETIREMENT ANNUITIES—CIVIL SERVICE COMMISSION"

PROBLEM NUMBER 1

GAO found that long periods of time elapsed between reviews of case files and/or medical examinations of disabled annuitants which may have resulted in some annuitants remaining on the retirement roll after their recovery from disability. Many cases were noted where from 2 to as many as 10 years elapsed between reviews of the case files by medical officers.

The civil serice retirement law (5 United States Court 8337(c)) provides that each disability annuitant, unless the disability is permanent in character, shall be "examined" at the expiration of 1 year from the date of his retirement for disability, and annually thereafter until the annuitant reaches age 60.

Recommendation

GAO recommended that the existing procedures be revised to require, to the fullest extent practicable, an annual case review by a medical officer, and the scheduling of a medical (physical) examination of an annuitant whose case review indicated that the annuitant may have recovered from his disability.

Agency response

The Chairman of the Commission acknowledged the need for keeping the disability program under constant review, but stated he had reservations, involving the use of money and available medical manpower, about stepping the program up to the level of having each annuitant subject to review taking a medical examination each year.

(The GAO proposal did not contemplate annual physical examinations for each annuitant but that, at the least, a review should be made of each annuitant's case on an annual basis in accordance with the provisions of the civil service retirement law.)

Current status

The Commission has a cost-benefits study in process which is intended to serve as a basis for a decision regarding its reviews of diability annuity cases.

The Commission should expedite completion of its cost-benefits study and reach a conclusion to either comply with existing legal requirements or seek enactment of amendatory legislation.

PROBLEM NUMBER 2

GAO noted certain procedural weaknesses concerning (1) the removal of disabled annuitants from the retirement roll when their earned incomes exceeded the statutory limitation and (2) the discontinuance of retirement annuities upon recovery from disability.

Agency action

The ineligible annuitants were removed from the retirement roll. New procedures were initiated to help avoid possible recurrence of these situations.

Potential savings

An estimated savings of about $400,000 will result from the removal of the ineligible annuitants from the retirement roll.

Mr. BROOKS. I ask you to take a look at that. Would you, for the record, comment on what you are doing to meet the problem, what your evaluation is, and what can be done to eliminate it.

Mr. RUDDOCK. All right, sir, we will submit it.

Mr. BROOKS. It is a little involved to go into now.

Mr. MACY. It might be well on that one, Mr. Chairman, to give you a copy of our letter to the General Accounting Office with respect to that point.