

Under present judicial retirement law, retirement without a penalty for age is permitted only at age 62 with respect to those persons who do not serve a full twenty years. Moreover, the penalty for retirement at less than 62 years of age is $\frac{1}{2}$ or 1 percent for each month that the retiree is under the age of 62 at the time of his retirement, or 6 per cent per year.

Under present law, a member of Congress who has served at least ten years is eligible to receive a non-reduced deferred annuity at age 60 (5 U.S.C.A. 8338 (b)). H.R. 14202 would permit a judge to retire at age 60 without reduction in annuity if he has served at least 10 years, although the judicial retirement scheme would not be as liberal as the congressional retirement system in regard to retirement by those less than 60 years of age.

The bill would also reduce the penalty for retirement at less than age 60 from 6 per cent per year to 1 per cent per year. It is believed that there is no federal retirement statute which imposes a penalty as high as 6 per cent per year for retirement at an earlier age than normally contemplated. So high a penalty is particularly inappropriate with respect to judges who serve ten-year terms and who may or may not be reappointed at the termination of their terms. The Civil Service Retirement Act imposes a penalty of 1 per cent per year for the first five years with respect to the members of Congress who are under the age of 60 at the time of retirement, and 2 per cent for additional years (5 U.S.C.A. 8339(g)), and a penalty of 2 percent per year for civil service employees, under age 55, who are involuntarily separated after completing 25 years of service or after becoming 50 years of age and serving at least 20 years (5 U.S.C.A. 8339(g)).

Prior to the enactment of the District of Columbia Judges' Retirement Act, many of the judges were covered both under the predecessor statute to the 1964 Act and under the Civil Service Retirement Act. Pursuant to their coverage under the Civil Service Retirement Act, they made the regular and routine deposits in the fund created by that Act. When the 1964 judicial retirement statute was enacted, these judges, in order to purchase the equivalent amount of time under the judicial retirement statute, withdrew their deposits from the civil service fund and redeposited them in the judicial retirement fund. But while these monies drew no interest while on deposit in the civil service fund, the judges were required to pay interest for the same period of time when they transferred these monies to the judicial fund. Thus, what was merely a bookkeeping transaction turned out to cost these judges a substantial amount in interest. H.R. 14202 would eliminate the requirement of payment of interest upon the transfer of these funds when no interest was received for the equivalent period while the monies were held in the Civil Service Retirement Fund.

The civil service and congressional retirement systems provide for survivorship annuities (5 U.S.C.A. 8341) to be paid to dependent children who are between 18 and 22 years of age and are pursuing a fulltime course of study in an educational institution. H.R. 14202 would incorporate this provision in the District of Columbia Judges' Retirement Act of 1964.

If I can be of further service in connection with this bill or any other matter, please let me know.

Sincerely yours,

HAROLD H. GREENE.

Mr. WHITENER. Now, gentlemen, we have information here that there are 70 employees of the District of Columbia Government as of July 1 of this year, 1968, compensated at a rate which exceeds that salary now paid to judges down in the Court of General Sessions. So we would like to make this table a part of the record.

(The table referred to follows:)

Following are the officials of the District Government whose pay is now, or on 7/1/68 will be, more than the \$23,500.00 presently paid the Judges of the Court of General Sessions:

Executive

Level III: \$29,500 Commissioner-----	1
Level V: \$28,000 Deputy Commissioner-----	1
Total -----	<u>2</u>