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# Defense Report

AUSA



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## Military Retirement—It's Badly Misunderstood

A military career is unique. Civilian police and fire fighters share some of the same kinds of danger but only the military person can expect to face constant danger over periods of months and years and only the military careerist can look forward to years of family separation and seven-days-a-week duty without any overtime compensation.

Beyond the natural inclination to serve one's country one of the biggest incentives for a military career is a retirement program that is jealously guarded by military people and badly misunderstood by almost everyone else, including the Congress that keeps it going.

There is misunderstanding, for example, about the amount of retired pay an ex-service person receives. Few people realize that the retiree does not get a percentage of his gross active duty pay at the time of retirement but a percentage of base pay. Allowances worth hundreds of dollars a month are stripped out of the calculation so that a retiree entitled to 50 percent of his base pay will probably get about 40 percent of the total amount he had been earning. A 30-year careerist is authorized to retire with 75 percent of base pay but his retirement check will contain about 50 percent of his full active duty pay.

And why do so many military people retire when they are still young enough to start a second career? First, military service is predominantly a young person's game. If the military services permitted everyone to serve as long as they wished the force would rapidly become superannuated and incapable of facing the stress of combat. Second, military people seldom acquire civilian skills that might be marketable if they waited to retire until they reach middle age. Unless they seem marked to rise to the highest possible ranks they tend to leave the service while young enough to acquire new skills.

The military services "take care of their own." There is no "vesting" of retirement credit until the 20-year point is reached so the military personnel manager is often loath to terminate the career of a marginal performer who has given fourteen or fifteen years to the service. He is often permitted to "hang on" to the 20-year retirement point.

The military retirement system has faults, like the lack of vesting and its traditional accent on early retirement. So far there have been many proposals to improve the system. None of them, however, has found a way to make it less expensive without diminishing its value as an incentive to serve.

The system will change but its essential nature as an incentive must be preserved. As it changes, hopefully, public understanding will improve.