

---

# Defense Report

AUSA



---

## **The Latest Blow to Reserve Readiness— A Pay Plan that Doesn't Do the Job**

After laboring for more than two years a Defense Department study group has made a series of recommendations about the future form of reserve force pay and benefits that seems more intent on saving money than on providing an instrument to encourage reserve service.

The members of the Reserve Compensation System Study group that have just sent their report to Secretary of Defense Harold Brown say that they want to see a substantial increase in pay for the younger members of the reserves and a decrease for those reservists with greater seniority. The report acknowledges the lack of any other concrete incentive, at the present time, that would attract the young people and decides, therefore, to take money from the older, more experienced reservists to "front load" the pay of the younger ones.

The basic weakness in this argument for "front loading" is that no effective incentive structure to get and keep reservists has ever been tried. The Army has proposed a complex package of enlistment and retention incentives but has had no success in getting anything more than a very scanty test of one narrow part of it—and the money available for that test in the current fiscal year was cut in half by DoD budgeteers. The front loading scheme tries to step into that vacuum but it would most likely create an imbalance on the senior end of the scale. For, whether the budgeteers like it or not, the Army will need large numbers of senior reservists in a mobilization, just as it will need privates and lieutenants.

In fact the study group was so intent on reducing incentives to stay in the reserves and become one of those senior people that it proposed to end the practice of paying reserve retirement for long service. One of its alternatives would pay a "Reserve Career Bonus" to those who serve between 10 and 20 years but deny those who reach the 20-year point any retirement. Instead they would get an annual bonus of about \$650 for enlisted people and \$1160 for officers in each of the years between 10 and 20. The accumulation of these bonuses over that ten-year period would not come close to the value of the present retirement but it would have the advantage—to the Department of Defense—of accumulating considerable money savings.

Before the Department of Defense accepts a series of recommendations that have already had a strong negative impact on reserve morale it would seem eminently wise to try a program of incentives that are not related to established pay policies. Without that kind of a full-fledged trial the Department will never know if the radical surgery proposed by the study is necessary.