
Defense Report

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The Severance Pay Quagmire—Yet Another Voice Is Heard

When a federal civilian employee is fired for any reason other than unsatisfactory performance he or she can receive severance pay amounting to as much as a full year's salary. When a military officer is separated from active duty short of retirement eligibility that officer can receive no more than \$15,000 in severance pay, no matter what his rank or length of service may be. When a military enlisted person is separated involuntarily, short of retirement, he or she receives nothing but travel pay to the point of enlistment.

The basic purpose of severance pay is to provide funds for a transition to another job. For the military people who have not reached the 20-year point prior to forced separation the severance payment must also be considered partial compensation for the retirement benefits supposedly accruing during their service but which will never be received.

The inequities of the separation pay system as it relates to military people were pointed out almost three years ago by the Defense Manpower Commission. Their report passed into oblivion with no action taken on any of their multitude of recommendations. Almost a year ago the President's Commission on Military Compensation went back over most of the ground covered by the Manpower Commission and made recommendations on improving severance pay. The Department of Defense is now translating those recommendations into legislation.

And now the General Accounting Office, Congress' watchdog over the executive departments has released a report saying, "We see no reason why military members and federal civilian employees should be treated differently if they lose their jobs. . . ." No one would disagree with the basic conclusion by the GAO but it still does not recognize the inequity of total loss of imputed retirement entitlements by a military person forced out of service before serving 20 years.

Of course, the GAO report does not say if its impetus came from within the agency or if some Member of Congress asked for it. In either case, the GAO seems unaware of all the work done by the Manpower and Compensation Commissions as well as many years of testimony to Congress by military manpower chiefs pointing out all the severance pay problems.

In one form or another, legislation to bring about a sensible and equitable severance pay system for all the categories of people who work for the federal government will find its way before the interested committees of Congress. When that happens the GAO recommendations, since they come from within the legislative mechanism, should carry some weight. But all the GAO really needed to do was to point out what had been said in the past—in great abundance.