
Defense Report

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A Mid-Stream Change in the Way Military Retirement Is Computed — Another Broken Promise

The computation of how much retired pay a career service member will receive is an involved process but there is one significant constant that everyone understands—the computation will start with the base pay of the member at the time of retirement. This has been the case for many years and every person now serving in the uniform of the United States has been told that this is the way it will happen when they retire.

Over the past six years two detailed studies of the military retirement system have been made, first by the Defense Manpower Commission and then by the President's Commission of Military Compensation. Each of these bodies recommended that the computation of military retired pay follow the same pattern as that for federal civil service: with an average of the highest three years of pay as the base. The commissions recommended that this change, and many others, become effective for people entering the service *after* the changes became law and that they should not be applied retroactively. Congress has never held hearings on any of the detailed recommendations of either commission.

But now the Senate Armed Services Committee has recommended that the "high three" system be applied retroactively to all people with less than ten years of service. No hearings were held to discuss this change openly or to solicit comment from the military personnel managers. The committee did not see fit to acknowledge the proposal in the press release describing the features of the legislation in which it appears.

What it means, of course, is that every serviceman and woman with fewer than ten years on active duty and either committed to a full career or seriously considering a military career, can expect to get less retired pay than they were promised at the time of their enlistment. It is not an expectation that would be of much help in convincing them to stay in uniform.

This action typifies the kind of tinkering with the military compensation system that has been going on for ten years or more. Congress and a series of administrations have tended to deal with parts of the system in isolation from the whole and without giving due considerations to the impact these isolated changes would have on the way military people perceive the system. Taken in their sum, these odds and ends of change are seen in an almost totally negative way—as diminishing everything from take home pay to medical care and fringe benefits.

Admittedly, the military compensation system, in full array, is a complex subject and Congress would have to devote many hours of its valuable time to do justice to any proposal for improvement. But that is the only way the needed changes can ever be brought about without creating an atmosphere of suspicion and a sense of loss on the part of the system's beneficiaries. If this latest proposal becomes law it will be correctly viewed by those with fewer than ten years of service as a breach of a promise made at the time of enlistment. The relatively few dollars it may save will be eaten up by the need to replace fully trained but now disgruntled people.