
Defense Report

AUSA



The Military Retirement System— What Is Fact and What Is Fiction?

There are many aspects of a military career that have an air of mystery about them. But there is one body of law and regulation even less well understood by all concerned, even by the military careerist—the military retirement system.

The tendency is to forget that what a service careerist ultimately receives in retirement benefits has been accruing to him or to her as “deferred compensation” over the years of service. We forget, too, that relatively few military families have the opportunity to put down roots in a community and acquire an investment in the form of a home. Once they receive those final separation orders, they must begin to do what their civilian counterparts started 20 or 30 years earlier.

Few people realize that no service member accrues any vested interest in his or her eventual retirement until reaching the 20-year point and that if they are forced out of uniform before that point, officers are entitled to severance pay, but enlisted people leave with empty pockets. These same people wonder why so many people are permitted to retire after just 20 years.

Twenty-year retirement was intended to be a discretionary management tool to keep the ranks young and vigorous. It has been taken advantage of by service members seeking early second careers and mismanaged by the service leadership letting too many people retire too early. The system emphasizes short, not long, careers.

In this brief space it would be impossible to trace all the considerations that have been worked into the system as it exists today. Needless to say, it needs to be changed; and there are ways to do so which both satisfy the need to keep people longer and recognize the fact that not everyone need be kept in uniform for a full 30-year (or longer) career.

In the last analysis, it is Congress, with advice from DoD and the services, which has the responsibility to remove the ambiguities and create a military retirement system that is fair to those whom it serves, understood by its critics and supportive of enlightened manpower management.