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# Defense Report

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## **Military Retirement—A Vital Part of the Military Compensation System**

If you were to ask a Congressman, a newspaper reporter or a member of the armed forces to describe the military retirement system you would probably get three very different answers, and the chances are high that none would be totally correct. This lack of complete understanding is one of the reasons military retirement is so often the subject of misinformed attack.

Few people outside the military look at the retirement program in its true light—as an inseparable part of the overall compensation system designed to encourage high-caliber men and women to serve, to compensate them adequately for their service and, finally, to provide adequately for their post-service life. Unfortunately, it is possible to find “experts” who would say that no single part of the compensation system performs as needed, but the retirement portion of the system is most likely to draw criticism.

Most of the criticism centers on the way the current system deals with relatively young people who have either crossed the 20-years-of-service threshold and want to move into another career or have failed to be selected for promotion and fall under the services’ “up-or-out” policies.

Over the past ten years there have been numerous efforts to create a better system. The Department of Defense drafted a proposed Retirement Modernization Act that died for lack of action by Congress. The Defense Manpower Commission made detailed recommendations in 1976 and the President’s Commission on Military Compensation did the same a couple of years later. None of the recommended plans was perfect, but each represented a worthwhile starting point.

Now the Fifth Quadrennial Review of Military Compensation is under way with retirement as a prime subject. This time action must follow the quadrennial review. The service members who are its beneficiaries, and the taxpayers who must support it, want the system improved. It should be equitable, easily understood and encourage longer service.