
Defense Report

AUSA



A Sound Military Retirement System —Essential Part of Servicemember's Compensation

One of the most discussed, but least understood, issues now facing the Administration and Congress is the military retirement system. If you were to ask a Congressman, news reporter or a soldier to describe that system, you would probably get three distinctly different responses, none of which would be totally correct. This lack of complete understanding is one of the reasons military retirement is so often the subject of misinformed attack.

Far too many people outside the military look on the service retirement program as a pension program—which it is not—rather than as a part of the total compensation package of our men and women in the armed forces. The retirement program is just one part, albeit a vital element, of an overall compensation system designed to encourage high-caliber people to serve, to compensate them fairly for their service and, finally, to provide adequately for their post-service life. Unfortunately, there are legions of “experts” who would propose radical reforms to the retirement system, giving absolutely no consideration to the fundamental role it plays in the overall compensation system or what effect some of those ill-conceived changes would have on military readiness.

A lot of the criticism of military retirement completely ignores the fact that it is a powerful career incentive and a most effective management tool for shaping the kind of force needed to support U.S. security commitments.

The services went through a traumatic conversion to the all-volunteer force in the mid and late 1970s, encountering extreme difficulty attracting the bright recruits required to sustain an increasingly complex armed force. During that same period, all the services struggled through a hemorrhage of talent that depleted the ranks of noncommissioned and petty officers and pilots. The solution to these problems was found in improved military compensation.

In their present review of the defense budget, the Office of Management and Budget and Congress should study carefully the impact any changes to the military retirement program could have on the morale and retention of the people in uniform and the overall readiness of our armed forces.