
Defense Report

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Career Veterans of the Military— Gramm-Rudman's First Casualties

The federal district court ruling that says a key provision of the Gramm-Rudman deficit reduction law is unconstitutional came too late to aid the first casualties of the draconian budget cuts mandated for 1986 and beyond. An immediate result of the legislation passed in December is the elimination of the cost-of-living allowance adjustment (COLA) for military and other federal retirees that was to have appeared in their January 1 paychecks.

COLAs for Social Security and Veterans' disability recipients are specifically protected by Gramm-Rudman, causing the four million federal and military retired people to feel discriminated against. Adding to their frustration is the fact that the federal budget for fiscal year 1987 proposes a 3.7 percent COLA for veterans and survivors who receive their payments from the Veterans Administration while recommending zero COLA for military retirees. If Gramm-Rudman is allowed to run its course, these COLA freezes would reduce the lifetime value of military retired pay by 20.5 percent by 1991.

The impact of the no-COLA provisions of Gramm-Rudman on present and future military retired people and their survivors is devastating. The average retired enlisted man, a Sergeant First Class with 23 years in the service, receives approximately \$1,000 monthly in retired pay. Without the purchasing power protection of the COLA program, and at a minimal inflation rate of three percent per year, that would shrink to an annuity for his widow of only \$270 a month in twenty years. That prospect is frightening.

These individuals and their families have paid and are still paying a high price for the privilege of serving a full career in the uniform of their country. Now it seems they are to be treated differently than other veterans with respect to cost of living adjustments to their earned entitlements.

Military retirees are veterans in every sense of the word and yet this fact seems to have been ignored by Congress. These career veterans and their survivors have earned and should receive equitable treatment with other veterans when the difficult decisions regarding federal budget cuts are being made.