
Defense Report

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The Erosion of Federal Retirement Pay— Again the Government Reneges

President Bush's proposal to deny federal retirees a cost-of-living adjustment in 1990 and a reduced COLA thereafter is far more than just a retiree issue. If enacted, the plan would modify by executive fiat the retirement plan of everyone now serving in uniform.

The 1990 budget proposal, long a pet project of the Office of Management and Budget, freezes COLAs for next year and pegs cost-of-living adjustments for the ensuing three years to the Consumer Price Index minus one percentage point. The COLA freeze-and-cap plan clearly discriminates against military and federal civilian retirees by specifically exempting social security recipients and veterans retirement programs.

The personal impact of this budget proposal is not insignificant. A typical retired sergeant with 20 years of service would experience a lifetime loss of retired pay of more than \$33,000. Further, it breaks faith with all the widows whose late spouses opted for the Military Retiree Survivor Benefit Plan (rather than buy added life insurance) because survivor benefits were guaranteed full COLA of protection.

No one is suggesting that those on social security and disabled veterans are not deserving of increases to help protect their purchasing power. But, it is patently unfair to provide full COLA protection to one group of veterans while concurrently denying the same protection to career veterans—many of whom have served their country in two and even three armed conflicts. By the same reasoning, retired federal employees have every right to be treated the same as other retirees, including social security beneficiaries.

Two legislators who have accepted the challenge of providing COLA equity for federal civilian and military retirees are Sen. Pete Domenici, R-N.M., and Rep. Mary Rose Oakar, D-OH. Both members of Congress have sponsored legislation that would honor the government's commitment to cost-of-living adjustments and would insure fairness in distributing the burden of reducing the federal deficit.

We salute them. Any reduction or constraint on the purchasing power of our senior citizens should be applied equally to all entitlement programs, and not just to those with the least political sting.