
Defense Report

AUSA



Capping Cost-of-Living Adjustments Creates A Lifetime Burden

Probably no single item in the federal budget has been under such scrutiny over the years as has the value of military retired pay. Regardless of the political party in power, somebody always has a proposal to reduce the horrendous budget deficit by capping, cutting or wiping out cost-of-living adjustments. That's the annual increase in retired pay that ensures military personnel that the value of their retired pay will not be diminished by inflation.

Last year, the Office of Management and Budget suggested eliminating COLAS for military retirees. Congress refused to act on that suggestion and allowed retirees and their survivors to receive a 3.0 percent COLA, the smallest in six years.

This year the COLA-cutting knife is wielded by the House Budget Committee who, without benefit of public hearings on the matter, wrote into the 1994 concurrent budget resolution proposals that would: (1) cancel a planned 2.2 percent military and federal civilian pay raise; (2) put a \$400 cap on retirees' 1994 COLA; (3) restrict COLAs for retirees under the age of 62 to half the rise in the Consumer Price Index; and (4) hold COLAs for those over age 62 to one percentage point less than the CPI through 1997, at which time full inflation-matching increases would resume.

In a conference between the House and Senate it was decided to reduce COLAs only for federal retirees under the age of 62. Who really pays? Military retirees carry the brunt of the proposal since they almost always retire before 62, while federal civilians retire at about 62 years of age. This means that, of the estimated savings of \$2.7 billion, military retirees are expected to shoulder about \$2.3 billion.

The question again raised in the retired military community is, Why single out one segment of society to once again carry the burden for everybody? Whatever sacrifices are required should be equitably distributed to all segments of the population. If curtailment of earned entitlements is the answer to the deficit problem, then apply the reductions to all entitlements, Social Security included. It's time to put a stop to discrimination against military retirees and their survivors.