



**Legislative Alert #113-30: URGE Congress to Reject Budget Conference Deal Proposal that Breaks Current & Future Military Retiree Promises** [Take Action!](#)  
VETERANS

**Issue Background:** On Tuesday evening, 10 December 2013, the leaders of the Budget Conference Committee, Representative Paul Ryan (R-WI-01) and Senator Patty Murray (D-WA), announced their budget deal, known as the Bipartisan Budget Act of 2013, for the next two fiscal years. While the agreement does help alleviate Department of Defense (DOD) sequester cuts while aiming to reduce the deficit, there are many concerns in regards to our current and future military retiree and Veteran communities. The language of the bill includes changes to annual military retirement Cost-of-Living-Adjustments (COLA), reducing them to 1% below inflation, as determined by the Consumer Price Index (CPI), until age 62. Obviously servicemembers and Veterans rely on their military compensation, especially in an economic climate that has seen a high unemployment rate among Veterans. This change assumes that Veterans retiring after 20 years of service will be able to find a job immediately, but an unemployment rate of around 10% for recent Veterans shows otherwise.

**Action Required:** Contact your Representatives and Senators and urge them to reject the provision within the budget proposal that would reduce the compensation promised to current and future Veterans. The changes proposed slash military retirement benefits, with a budget paid for at the cost of breaking promises to our men and women in uniform.

**Details (To Be Put Into Letter):**

Our nation's Veterans have built their careers on the promise of retirement benefits to help alleviate the many sacrifices they make on behalf of their country. Cost-of-Living-Adjustments (COLA) are just that; benefits that Veterans need to continue their livelihoods. Compensation should not be sacrificed as a way to pay for other areas of government. The changes to annual COLA's would set each COLA rate at 1% below inflation each year, meaning that a Veteran who serves a 20 year career could see a nearly 20% reduction in their benefits by the time they reach age 62. In real-world figures, an E-7 retiring at age 40 would see a total loss of **\$83,000** in purchasing power, and an O-5 would lose **\$124,000**. These differences are substantial harmful to Veterans, who count on benefits to support them after the end of their military career. The changes are not even grandfathered in this plan, but instead would begin applying to servicemembers and Veterans next year.

Additionally, changes to benefits will likely have substantial impacts on future personnel issues. When REDUX was implemented in the 1990's, there was criticism not just from those currently serving, but the military saw a drop in recruitment and retention levels, which had a negative overall impact on our military readiness. Additionally, the financial impacts of REDUX had to be corrected all at once with large benefits payouts, turning a cost-saving measure into an expensive liability that has only recently been fully corrected. The same mistakes should not be repeated in this budget plan.

The Budget Conference Committee deal, also known as the Bipartisan Budget Act of 2013, has the admirable goal of funding the Federal government for the next two years and alleviating the stress of the current sequester for the Department of Defense (DOD), but this should not be done by raiding the promised benefits of Veterans and servicemembers. The deal's provisions that reduce Veterans' compensation have the negative ramifications which impact not only Veterans, but the military's readiness, retention, and effectiveness as a whole. These are not worth sacrificing for the money that would be saved from denying our current and future Veterans and retirees their promised benefits.

**Take Action:** Click the “**Take Action**” link at the top of the Alert to immediately email and/or write to your Senators and Representatives. This is the quickest and most effective method of expressing your views to Congress. You can also write and/or e-mail the ‘Details’ section or edit as you desire for a more personalized communication . Also, contact friends and family and urge them to use the Contact Congress feature on AUSN's website as well. Please direct any questions concerning this issue to our Director of Legislation, Anthony Wallis, at 703-548-5800 or at [Anthony.Wallis@ausn.org](mailto:Anthony.Wallis@ausn.org).

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