

# Money Talks

By Pete Duffy

**T**HE CENTER FOR STRATEGIC and Budgetary Assessment in Washington, D.C., reported last year that if personnel costs grow unabated at their current rate and the defense budget remains flat with inflation, troop outlays alone would consume all defense spending by 2039.

Concerned, Congress established the Commission on Military Pay and Retirement Modernization as part of the fiscal 2013 National Defense Authorization Act to review the situation. The commission began its work last month and hopes to make recommendations to Congress this spring.

Commission staff met with retired Maj. Gen. Gus

in Congress, but NGAUS suggested what is sure to be a controversial idea. We told the commission that raising the age active-duty members may draw retirement could provide the offset to pay for lowering the age Guard and Reserve members are eligible to receive retirement pay.

**Commissary Benefit:** This benefit is worth little for many members of the Guard. The Reserve Forces Policy Board found that 54 percent of reserve-component members live more than 20 miles from a commissary. In an informal survey at the recent NGAUS conference, company-graders said they would prefer a discount card for use at national retailers, a plan that has been suggested, while retirees favored maintaining commissary privileges.


**Contractor Use & Compensation:** NGAUS challenged the commission to look beyond Defense Department civilians and military members and examine the excessive pay for some defense contractors. For example, some security contractors overseas get close to \$1,000 a day.

**Military Technicians:** One commissioner asked about converting military technicians to Active Guard and Reserve status, wondering about the cost. No one, including the National Guard Bureau, has good cost figures for this.

NGAUS has since forwarded to the commission last year's congressionally mandated Report on the Termination of the Military Technician as a Distinct Personnel Category. The report recommends Congress continue the mil-tech program. We hope the commission reads this report and follows its recommendations.

Before ending the session at which NGAUS appeared, a commissioner asked the panel for help in identifying areas of excess personnel spending. In turn, we're asking our members to let us know if you have ideas.

Plus, you can contact the commission directly at [james.graybeal@mcrmc.gov](mailto:james.graybeal@mcrmc.gov).

Clearly, the success of this commission is something we all should support. 

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## The Commission on Military Pay and Retirement Modernization made clear to NGAUS that **everything is on the table.**

Hargett, the NGAUS president, and other association staff and made clear that everything is on the table. This includes veterans' benefits, TRICARE, military retirement pay, medical readiness and last year's recommendations of the Quadrennial Review of Military Compensation to cut drill pay in half.

There is, however, an implicit understanding that any changes in military retirement would be grandfathered to protect current and retired military members.

Here are some areas of review and the association perspective on them:

**Drill Pay:** Leave it alone. NGAUS formally testified before the commission last month that the Guard is the military's best bargain without cutting its compensation.

**Retirement Pay:** Retirement pay for the active component has been called the killer expense that is crowding out modernization. It's among the main reasons an active-component member is three times more expensive to the nation than a reserve-component troop.

Any change in retirement faces an uphill battle



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