



THREAT: Eliminate the 20-year retirement benefit plan

SITUATION: The Pentagon's Defense Business Board has proposed changing the military's retirement plan from a 20-plus years-of-service pension plan to a civilian-style 401(k) plan, effectively removing the incentive to serve 20-plus years in uniform and slashing retirement pay for service members who volunteer to serve a full career. The Pentagon is pressuring Congress to implement these changes.

VFW POSITION:

- The VFW opposes changing the retirement system to reflect civilian models.
- Changing models will greatly reduce DoD's ability to retain highly qualified senior leaders because there would no longer be an incentive to stay past 10 -15 years, when highly-skilled, highly-trained service members are in their prime recruitment zone for civilian occupations.
- Basing retirement payouts on what type of military occupation one has builds in a disincentive to retain quality, long-term service members in lower skilled, state-side jobs which are needed to support operations.
- Those who choose to stay for a full military career would see a drastic reduction in benefits for serving 20 years or more. This significant reduction in retirement benefits demonstrates a lack of investment in the human capital necessary to sustain the all-volunteer force.