



THREAT: Cut cost-of-living allowance (COLA)

SITUATION: Currently, military pay raises and VA disability and pension payments are based on Social Security's COLA model, the Consumer Price Index-W (CPI-W). When Social Security gets an increase, DoD and VA get an increase. There are discussions to change COLA from CPI-W to a "chained CPI," effectively reducing COLA increases by half.

VFW POSITION:

- VFW opposes changing the COLA increase model from its current form.
- Chained CPI is based on changes in purchasing habits during poor economic times (buying hamburger instead of steak, renting a movie instead of going to the movies). However, military families and disabled veterans are often on fixed incomes and do not have the luxury of making these choices; they already buy hamburger and rent movies.
- Changing the CPI model will broaden the civilian/military pay gap.
- Many disabled veterans are already forced to live month-to-month because of their service-connected conditions. Nickel-and-diming cost-of-living benefits will only increase financial burdens on our disabled veterans.