

# VFW Urges House to Approve Defense Bill

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WASHINGTON — The Veterans of Foreign Wars of the United States is urging the U.S. House of Representatives to approve the National Defense Authorization Act when it comes up for a vote next week.

The \$495.9 billion base budget provides additional funding for fighter aircraft, helicopters, ship building and missile defense. It also includes VFW-supported provisions to improve financial literacy training and create a new blended military retirement system, beginning Oct. 1, 2017, that VFW National Commander John W. Stroud says will benefit all who serve in uniform, not just the 17 percent who serve 20 years or longer.

“Aside from hostilities, one of the greatest threats to an All-Volunteer Force is a strong economy that offers other employment options,” said Stroud, who wants the Senate Armed Services Committee to retain the new retirement feature when it begins discussing the fiscal year 2016 defense bill next week. “In order to meet future enlistment and retention goals, the military must be able to compete with a civilian sector that by and large offers some type of contributory retirement program for its employees.”

Enhancing financial education and modernizing the military retirement system are two of 15 recommendations made by the Military Compensation and Retirement Modernization Commission. The retirement proposal creates a government match to individual Thrift Savings Plan investment accounts, plus adds a one-time continuation bonus at the 12-year-mark as an extra reenlistment incentive. Those who retire at 20 would see their retirement pay percentage drop from 50 percent of base pay to 40 percent, but due to compound interest and the government match, the overall package’s worth should be considerably more. The TSP account can also be rolled over into other 401(k)-type investment programs, plus its proceeds can be passed along to heirs, whereas just a portion of military retiree pay can go to surviving spouses. Everyone in uniform prior to the implementation date would be grandfathered under the old system but with an opportunity to opt into the new.

The VFW national commander extends his appreciation to HASC Chairman Mac

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Thornberry (R-Texas) and Ranking Member Adam Smith (D-Wash.), and Military Personnel Subcommittee Chairman Joe Heck (R-Nev.) and Ranking Member Susan Davis (D-Calif.), for their willingness to include both recommendations in the 2016 defense bill, and for inserting a provision to continue the government match throughout an individual's career, and not just stopping at 20 years, as originally proposed by the retirement commission.

“I have always said that if you take care of the troops, they will take care of the mission,” said Stroud, a retired Air Force first sergeant. “Allowing our troops and their families to build retirement nest eggs sends a powerful message of appreciation, which could result in this becoming the military’s greatest recruiting and retention tool ever.”

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**ABOUT THE VFW:** The Veterans of Foreign Wars of the U.S. is a nonprofit veterans service organization comprised of eligible veterans and military service members from the active, Guard and Reserve forces. Founded in 1899 and chartered by Congress in 1936, the VFW is the nation's largest organization of war veterans and its oldest major veterans organization. With nearly 1.9 million VFW and Auxiliary members located in more than 6,800 Posts worldwide, *“NO ONE DOES MORE FOR VETERANS.”* The VFW and its Auxiliaries are dedicated to veterans’ service, legislative advocacy, and military and community service programs. For more information or to join, visit our website at [www.vfw.org](http://www.vfw.org).

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