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**AIR FORCE SERGEANTS ASSOCIATION**

**FOR THE SENATE COMMITTEE ON aRMED sERVICES,**

**Subcommittee on Personnel**

**Active, Guard, Reserve, and civilian personnel programs in review of the Defense Authorization Request for Fiscal Year 2016 and the Future Years Defense Program**

**March 4, 2015**

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Mr. Chairman and members of this Subcommittee, thank you for this opportunity to present the views of the Air Force Sergeants Association (AFSA) on the military personnel, compensation, and healthcare programs of those who serve. Our members include the more than 80 percent of military members who are in the lower-paid enlisted (noncommissioned) sector of our military establishment.

This Subcommittee holds the unique position of being the primary champion of those servicemembers, charged with ensuring the effectiveness of the All-Volunteer Force by providing for the quality of the lives of servicemembers and their families. Your mission also includes proper and adequate attention to the maintenance of a career force that can properly lead and train younger servicemembers to accomplish their critical missions.

AFSA is a 110,000-member strong, federally chartered, worldwide veterans and military service association representing the quality-of-life interests of current and past enlisted Airmen as well as their families. We are in a unique position to have a good understanding of the views of enlisted servicemembers as half of our membership is currently serving in uniform and half are retirees or veterans. We have chapters at every Air Force base around the world, as well as a variety of retiree chapters. As such, we have the pulse of our members and regularly receive feedback on a variety of important issues. The matters this Subcommittee addresses are closely watched and appreciated by those who join the military and put their very selves at risk to serve the national interests of our people. In this statement, we want to share the views of our members concerning several important programs under the jurisdiction of this Subcommittee.

Twenty years ago, during the Clinton Administration when annual military retiree cost-of-living adjustments (COLAs) were being disrupted, military budget cuts were on the table, a national healthcare system was in the news, and the transition from CHAMPUS to TRICARE was taking place, Senators John McCain and John Warner presented a 14-point plan looking at military spending. One point they made strikingly clear was that “readiness” of the force includes manpower, pay, allowances, COLAs, full supplements to pay for peacekeeping, and any comprehensive readiness areas the Joint Chiefs of Staff identified as critical. At that time, Senator McCain said,

*“Weapons acquisition, modernization, and improved quality of life are integral parts of the readiness equation. Without the proper emphasis on all of these programs, readiness will deteriorate. And, we are all painfully aware of the debacle of the late 1970s when the hemorrhage of talent—the unprecedented loss of highly trained and skilled men and women—severely endangered national security. That sad experience proved conclusively that the best weapons systems in the world are ineffective without the qualified people to operate them, and we won’t let that happen again. . . an integral part of these principles [the 14-point plan], is to restore faith in service members that Congress will honor previous commitments to those serving and already retired, without equivocation.”*

We ask this Subcommittee to regard our recommendations in the spirit of understanding that there is an inextricable link between national defense, readiness, and quality-of-life programs.

**Sequestration**

When Congress passed and the President signed into law the 2011 Budget Control Act, the intent was to deal with unacceptable annual budget deficits and, therefore, to reduce our ever-growing national debt. While the intent of this legislation may have been sound, we believe it was not well-thought out. It is difficult to comprehend why leaders passed and signed into law legislation that had an almost certainly destructive provision in it—that they “hoped” would never be implemented. The sequestration provision is not only destructive, it significantly and disproportionately targets the very programs and personnel who fight for and defend this nation. Because the Department of Defense does not create its own tasking—that comes from civilian authority—the department has had no choice but to first target the spending on the quality-of-life programs for the current and past men and women in uniform and their families in order to get the job done that is demanded of it. Frankly, we find this situation intolerable, one that must be quickly corrected. **As such,** **we urge this Subcommittee to support and pass legislation to end sequestration cuts and find less arbitrary, more responsible ways to reduce federal spending than by targeting programs that defend our national interests**. The men and women we send around the world to protect our vital national interests and who fight and die for our country when ordered to do so deserve so much more consideration than our nation is currently providing.

**The Military Compensation and Retirement Modernization Commission**

As this Subcommittee is well aware, the Military Compensation and Retirement Modernization Commission (MCRMC) has made a number of recommendations pertaining to military compensation, benefit programs, healthcare, and education benefits. This Subcommittee and others are currently in the process of evaluating recommendations of this Commission. We have submitted separate statements relative to the various recommendations the Commission has made.

In regard to the MCRMC recommendations, we would note that (1) military enlisted members--who make up over 80 percent of our Armed Forces (and who were not asked to participate in the commission’s deliberations)--would be most impacted by any recommendations that are adopted; (2) We would urge this Subcommittee to examine MCRMC data, including the specific methodology of surveys, used to arrive at its recommendations; (3) We urge Congress (itself) to thoroughly and carefully study the recommendations before deciding to change compensation/retirement systems that have served us very well and successfully during the history of the All-Volunteer Force. To do otherwise could seriously jeopardize the health, the recruiting, and the retention of our military forces. Among our members, we have seen little to no requests for major changes to compensation, benefit programs, or military retirement programs—all contrary to claims of the Commission. **We think it is important for this Subcommittee to decide on changes exclusively based on the wellbeing of those serving and the maintenance of a high-quality All-Volunteer Force—and not on the potential to cut government spending by making such changes.**

**CURRENTLY SERVING ISSUES**

**Military Pay Raises.** The cumulative impact of years of reduced pay raises, increased out-of-pocket fees, and chipping away at military quality-of-life programs has created a real morale problem among servicemembers and their families. These actions are callous and short-sighted. We believe this targeting of purchasing power and the quality of the lives of military members will eventually lead to significant recruiting and retention issues for our All-Volunteer Force.

 For the third year in a row, the President has proposed a reduced military pay raise for servicemembers. The pay raises in 2014 and 2015 were the two lowest in the history of the All-Volunteer Force. It is difficult to understand that some leaders view these vital compensation programs as a source of savings without regard to the impact they may have on the long-term health and readiness of the All-Volunteer Force. Capping military pay raises in the past led to problems in recruiting and retention and later forced Congress to take corrective action. And yet, it seems we are prone to make the same mistakes we have made in the past.

In the 1970s, a succession of annual pay raise caps contributed to serious retention problems which were only fixed by approving two large “catch-up” raises in 1981 and 1982. But that lesson was quickly forgotten. Throughout the 1980s and ‘90s, budget problems led to regular capping of military pay raises below private sector pay growth, eventually accumulating a “pay comparability gap” which peaked at 13.5% in 1998-99 and contributed significantly to major retention problems.

Due to a period of pay raises a half percentage above private sector wage growth, and now consistency with raises equal to private sector wages (based on the Employment Cost Index), the recruiting and retention problems have abated. So, not wanting to allow success to linger, we once again are going through a period of pay caps. Some are calling for caps on raises, other for a new comparability standard or the substitution of more bonuses for pay raises in the interests of deficit reduction. We consider such proposals to be extremely short-sighted in light of the negative experiences we have had in the past with military pay raise caps.

In the past, once Congress has allowed compensation cuts, retention problems have ensued, forcing even higher pay raises to correct the situation. It seems obvious to us that the best way to avoid retention and recruiting problems is to sustain pay comparability by following the current Employment Cost Index (ECI) formula which has proven to sustain the All-Volunteer Force and avoid the problems we have caused by tinkering with military compensation in the past.

The annual military pay raise currently outlined in law, which is intended to parallel private sector wage growth (based on the ECI), *does nothing more than allow military members and their families to keep pace with the economy in which they must live.* Yet, many of our leaders deny members of the Armed Forces even that consideration.

Obviously, when the President repeatedly chooses to upset the compensation balance and Congress facilitates that desire, the Department of Defense has no choice but to try to explain and “justify” the cuts. We hear and read statements from the Administration about “overgenerous” raises in recent years, and how current proposed pay raise cuts are intended to “recalibrate” the situation. However, we give Congress more credit than that; we believe that the full ECI pay raise each year will maintain the force and that such proposed cuts are destructive. Further, we urge Congress to not support an effort surveys have already shown hurt the morale of servicemembers and led them to question a military career.

**Accordingly, we urge this Subcommittee to deny the President’s request to once again give military members a reduced pay raise—one that will further harm the purchasing power and the quality of the lives of military members and their families, particularly lower-paid enlisted members. On behalf of our members, we urge this Congress to give a full pay raise for January 2016 that parallels the Employment Cost Index as subscribed by current law.**

**Basic Allowance for Housing**. Military members deserve the support of our government in being able to afford decent housing. The Basic Allowance for Housing (BAH) has proven to be an effective benefit that supports the All-Volunteer Force. Yet, this allowance was specifically targeted by the Administration last year for a 5 percent reduction. Congress did allow the President to cut the value of the military housing allowance by only one percent—meaning that servicemembers and their families got another income cut beyond the approved pay raise reduction, further reducing their economic well-being—further increasing their out-of-pocket expenses. Now, not surprisingly, the President is urging Congress to give him the other four percent that Congress denied last year. When speaking of such allowances, we are not talking about pay itself, we are talking about the basic protection of military families and their quality of life. **On behalf of the men and women in uniform, their spouses, and their children, we urge this Subcommittee to deny the President’s housing allowance reduction request and, further, to reinstate the one percent cut that Congress acquiesced to last year.**

**Inequitable, Inadequate Enlisted Household Goods Weight Allowances.** When military members move from one assignment to another, they are given a certain household goods weight allowance, i.e., the amount of household goods they can move at government expense, to support their families. If they exceed that allowance, they pay a fairly substantial monetary penalty. These weight allowances are based entirely on rank, not on family size or time in service. For example, the Joint Federal Travel Regulation (the governing military shipment document) gives an O-1 (brand new to military service) very close to the same weight allowance as that of an E-7 having 20 years in service. An E-9, the highest enlisted rank, even with 30 years in service, receives about the same as an O-3 (average service 4 years). Enlisted members have significantly lower household good weight allowances simply because they are enlisted members. Mr. Chairman**, we urge this Subcommittee to provide those who serve with a more equitable system of protecting our families. This is not a rank-based pay and compensation issue, but rather one of fairness and the ability to protect the wellbeing of military families and to support the family goods accumulated as the family grows and as are required to maintain their quality of life.**

**Military Leave Program Enhancements**

**Authorize a Catastrophic Leave Program.** When the spouse or child of a military member dies, there is no provision for the service to grant non-chargeable leave to allow the member to take care of funeral arrangements, to begin the process of grieving, and to holding the family together. We believe two matters are undeniable: First, the military member will likely be of little mission effectiveness for at least a minimum period of time after such a death; and, second, the resilience and health of a member’s family is extremely important to the overall readiness of those serving. **Accordingly, we ask this Subcommittee, in those relatively rare cases when a military spouse or military member’s child dies, to grant military commander’s the authority to grant up to 10 duty days non-chargeable leave for servicemembers faced with such a situation.**

**Allow Military Leave Transferability**. Federal civilian employees are allowed to transfer leave to other federal employees. Military members deserve no less. In the case of the civilian program, the ability to transfer leave is limited to emergency situations. **We ask this subcommittee to allow military members, with the approval of their commanders, to be allowed to transfer leave to other military members along the same guidelines used for the federal civilian program.**

**Funding of Military Resale Operations**. Military commissaries and base/post exchanges have proven to be valued features of the overall benefits package of military members and their families. Surveys have listed the stores as among the highest valued non-pay benefits. Despite this, the Administration continues to target funding for these programs which are of particular importance to lower-paid enlisted members. The Defense Commissary Agency shows, year after year, that the commissary benefit is a great, cost-effective benefit program that allows military members to save up to 30 percent annually on their grocery bills. The base/post exchanges not only allow members to shop on base in a department store setting free of sales taxes, but millions of dollars are produced each year for military Morale, Welfare, and Recreation programs. Without the exchanges, our nation would have to appropriate for these programs, or deny military members these programs essential to their quality of life and that of their families.

The Administration’s FY 2016 Budget proposal asks you to reduce the commissary operational subsidy by $300 million then another $1 billion the following year. We believe the Administration’s military resale store proposals would result in the very destruction of these important benefit programs. We urge you to stop this unnecessary, short-sighted effort to save money on the backs of military members. **We urge this Subcommittee to fully fund the military commissaries and to continue to support the base exchanges and the great value and benefit that they provide to those who serve.**

**Support for Military Child Care Programs**. Particularly among enlisted (noncommissioned) families, it is common that both parents have to work to support the wellbeing of their families. As such, child care is not merely a convenience; it is a mission- and quality-of-life necessity. We applaud the historic support this Subcommittee has shown for these important programs. **Accordingly, we urge this Subcommittee to continue to support the provision of affordable childcare, including full funding for Child Development Centers, and to encourage DoD to adopt operational policies that accommodate military lifestyles** (i.e., accommodate periods of leave without charging during a child’s absence, ensure the hours of operation support the mission of the installation, offer tax breaks when possible, etc.).

**Support Military Spouse Employment Support**. This committee has historically supported efforts to enhance the education, training, and employability of military spouses. This is as it should be since military spouses are usually at a disadvantage in terms of seniority, maintenance of career progression, etc., when they accompany a military member from assignment to assignment. We applaud this Subcommittee’s dedication and concern in this regard and urge continued support of military spouse programs.

**Support for Educational Efforts**

**100 percent Tuition Assistance** (title 10 USC) is a major morale-builder and an important element in the All-Volunteer Force. When the military services terminated tuition assistance (TA) programs about a year and a half ago, military members in great numbers let Congress know that this was a highly unpopular and morale-busting move. As you know, the military services were pressured to quickly reinstate their TA programs. Military members--enlisted members in particular--view TA as an individual growth, self-improvement tool during their careers. It helps support their ability to be productive during service and to improve their ability to contribute to the overall military effort. It is complemented by the Post-9/11 GI Bill (title 38 USC) which is viewed as an earned service benefit to support the member’s ability to eventually transition to post-military life and/or to be able to financially support the education of family members through transfer of the benefit. Education benefits are a major reason that U.S. citizens join the military and that a certain percentage make it a career. Despite these valued, morale-building programs, we periodically see those who would target these programs as a tool for budget reduction. While the GI Bill falls under the jurisdiction of the Veterans Affairs Committees, **we urge this Subcommittee to fully fund and support the military tuition assistance programs.**

**Full Funding for Impact Aid**. Again, we applaud this Subcommittee for its historical support for Impact Aid which is provided to civilian school systems that support the education of military children. This aid ensures that these school systems are partially compensated for the educational services they provide and are not placed at a financial disadvantage in providing education to military dependents when the military family may or may not be paying into the property tax base that supports local schools. Additionally, this Subcommittee has historically gone one step further and provided extra Impact Aid to support military children with disabilities. We urge you to continue this record of support for the wellbeing of military children.

**MILITARY RETIREMENT**

**Retention of the Current Military Retirement System.** The current active duty military retirement program, with retirement earned through at least 20 years of service has proven an excellent career incentive that has supported the very successful All-Volunteer Force throughout its 42-year history, even in times of prolonged combat operations and war.

While the MCRMC has made several proposals concerning military retirement, asserting that military members are strongly calling for a change. However, close and consistent communication with our members testifies to the opposite. They are content with and appreciate the current retirement system. Under the Commission’s proposals, military members would have a “blended system,” a good portion of which would be a thrift savings-type plan, and the member would not receive actual retirement benefits until age 60. Frankly, there is no good reason to change the current retirement system. It is apparent that those who propose to do so are motivated by cutting spending on military retirement programs—necessary only because of poor budgetary decisions and the current sequestration situation. The system has worked, and to change it now would no doubt jeopardize the continued success of the All-Volunteer Force.

As we said earlier, enlisted servicemembers represent over 80 percent of the overall force. As such, decisions made in regard to the military retirement program will primarily impact enlisted members and their families. Based on the views of our members, our understanding has been that the vast majority of them are content with the current system that provides them with a solid retirement benefit based on the extraordinary lives they serve over the long term—*without their need to constantly monitor and participate in the details of the growth and development of the retirement benefits they will eventually receive*.

And on the thrift savings portion of the blended retirement system, we would observe that a greater management burden and risk would be shifted from the employer (the Department of Defense) to the employees (servicemembers)—who are already very occupied in carrying out their military duties, often overseas, in Spartan conditions, and at great risk. One would have to question whether their focus should be on managing their own retirement system. It would seem to us that a strong argument could be made that it should be DoD’s responsibility to manage the retirement system earned by servicemembers, following the laws promulgated and approved by the American people through the actions of Congress.

Frankly, we have seen no compelling justification for changing the current system. The current system works, is desired by the vast majority of military members, and has proven an effective tool that supports the All-Volunteer Force. **We would ask this Subcommittee to support the current military retirement system and to take a close look at the choices offered by the MCRMC in relation to the stresses on military members and their families, and consider that the proposed changes might just set in motion future retention problems.**

**Assurance of Annual Inflation-protecting Military Retirement Cost-of-Living Adjustments (COLAs).** The House Armed Services print of Title 37 (P.L. 101-650) in reference to military retirement indicates that the intent of annual military retirement pay COLAs, based on the Consumer Price Index (CPI), is that the purchasing power of that retirement pay should remain the same throughout retirement that it was when the member retired from military service and “that it would not, at any time in the future, be eroded by subsequent increases in consumer prices.”

This Association is concerned, in light of the clear Congressional intent of military retirement, about proposals in recent years to adjust the CPI methodology to the so-called “chained CPI” calculation. Those making these proposals would do so as a means of holding down COLA growth for military and federal civilian retired pay, Social Security, and all other federal annuities over time. However, the chained CPI would obviously reduce the purchasing power of military retirement pay.

**We urge this Subcommittee to continue to support full, annual military retirement cost-of-living adjustments and to oppose the adoption of a Chained-CPI that would insidiously devalue retirement, disability compensation, and other programs over time.**

**Concurrent Receipt**. Military retirement pay is earned through long-term honorable service, while VA disability compensation is for the impact on the future employability and the impacted quality-of-life caused by the rigors of military service. Disabled military retirees should be able to fully and concurrently receive both. Congress has recognized the inappropriateness and inequity of the reduction in retired pay (by the Department of Defense) when a military retiree is disabled (and receiving service-connected disability compensation from the Department of Veterans Affairs (VA)).

Over the last decade this Subcommittee has established a process to end or phase out this offset for many disabled retirees. While we are very grateful that Congress has eliminated the dollar-for-dollar reduction of military retirement pay for those rated by the VA at 50 percent disabled and higher, **we urge the subcommittee to continue the progress toward eliminating the offset for military retirees at all disability levels.**

**Repeal or Greatly Modify the Unfair Military-unique Divorce Law: the Uniformed Services Former Spouses Protection Act.** On behalf of our members, we urge this Subcommittee to take action to repeal or greatly modify the unfair “Uniformed Services Former Spouses Protection Act” (the USFSPA - P.L. 97-252 and amendments). Military members are the only United States citizens who have a separate divorce law which, in effect, awards a portion of the military member’s military retirement pay to an ex-spouse regardless of fault or circumstances and regardless of the duration of the marriage.

A military member must normally serve for 20 years to earn a military retirement; the USFSPA allows anyone married to a military member for any period of time to get part of that retirement. While the law does not mandate that a judge must award a portion of the retirement pay, precedent has set such a scenario into current effect, and such an award to an ex-spouse during a divorce proceeding has, in effect, become automatic. Frankly, the law has come to victimize those who serve.

This “award” to an ex-spouse does not terminate upon remarriage; there is no statute of limitations; and the award is not based on the member’s rank at time of divorce—rather it is based on a percentage of the rank of the military member (often many years after the divorce) when the member retires from the military.

Military members should be treated like every other U.S. citizen with the award on a case-by-case basis—not an automatic award (which is what this unfair law has become).

**We urge this Subcommittee to support an immediate change to three aspects of this law. First, any award of a member’s retirement pay should be prorated based on the member’s rank at the time of the divorce—not many years later when he or she actually retires. Secondly, any award to an ex-spouse should be terminated when the ex-spouse remarries. Finally, ex-spouses should receive part a member’s retirement pay for no longer a period than the duration of the failed marriage.**

**CARING FOR SURVIVORS**

**Eliminate the SBP-DIC Offset.** When a military member retires, he/she is asked if they want to buy into a survivor-protection insurance program called the Survivor Benefit Plan (SBP). Under that plan, if the military retiree predeceases the spouse, the survivor will continue receiving 55 percent of the member’s military retirement pay for the rest of their lives.

However, if the survivor was married to a 100-percent service-connected disabled retiree, that survivor is also entitled to Dependency and Indemnity Compensation (DIC) from the VA. However, as in the case of Concurrent Receipt for military retirees, the Department of Defense takes away one dollar of SBP annuity for each dollar the VA pays in DIC—even though the military retiree “paid for” the SBP coverage for his/her survivor. Equity and fairness would dictate that this offset be eliminated, and DoD be required to pay the full annuity to military survivors.

It is important to note that military survivors are uniquely “victimized” in this manner. In comparison, federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their federal civilian SBP benefits.

 In past Congresses, the elimination of the SBP-DIC offset has been recognized as a goal. However, to date the only progress that has been made on the SBP-DIC offset has been the enactment a small monthly Special Survivor Indemnity Allowance (SSIA).

**We ask that this Subcommittee exercise its role as champion of those who have served and of the families that have supported military members, by taking steps to protect military survivors by completely eliminating this offset.**

 **Allow SBP Annuity Recipients to Remarry after Age 55 and Still Retain SBP**. Under current law, a number of federal programs allow survivors to retain their survivor benefit so long as they do not remarry until after age 55. However, in the case of the military SBP, the survivor must remarry after age 57 in order to keep their annuity. **We urge the subcommittee to change the remarriage age figure for SBP annuitants to age 55.**

**MILITARY HEALTHCARE ISSUES**

Our members have asked you to:

* Resist TRICARE Fee increases and protect military healthcare benefits with a primary focus on the wellbeing of servicemembers and their families and the maintenance of a system that supports medical readiness.
* Work to enhance the TRICARE Active Duty Dental and Retiree Dental Plans, providing comprehensive, affordable savings commensurate with military service.
* Permanently fix the Medicare/TRICARE doctor reimbursement situation (a.k.a. the “Doc Fix”) to avoid the annual band-aid approach and the annual threat of major reimbursement cuts which only encourages doctors to stop treating patients under either program.

Again and again, the DoD proposes reductions to the value of military healthcare benefits, typically by increasing annual enrollment fees, greatly increasing beneficiary copayments, increasing prescription fees, etc. They particularly target military retirees, their family members, and survivors. They do so strictly for the goal of spending reduction. When they do so, those currently serving communicate to this Association uncertainty if the Department can be trusted, if there is anything they (the servicemembers) can depend upon to be there for them in retirement, as far as a healthcare benefit is concerned. AFSA and our Coalition partners have repeatedly urged the Department to “clean up its own house” before seeking to cut healthcare benefits for military retirees, family members, and survivors. Specific recommendations have simply been disregarded or ignored. Here are just a few proposals offered by The Military Coalition (and the 2014 MHS Review) in recent times that could have saved billion of dollars in health costs rather than targeting current beneficiaries:

Specifically:

* Decades of GAO and other reports demonstrate DoD cost accounting systems lack transparency and are un-auditable. Transparency is sorely needed.
* There is no single authority over three separate service health systems and multiple contractors that compete for budget share in self-defeating ways.
* Leaders and the Services have ignored 19 studies by GAO, IG and others since 1947, all showing that the consolidation of policy, medical budget oversight and execution would save billions. The new Defense Health Agency (DHA) has achieved only a small amount.
* Last century contract system undermines capacity for best practices.
* Military treatment facilities are 25 percent less costly but 27 percent underutilized.
* DoD-sponsored reviews indicate more efficient organization could cut health costs 30 percent without affecting care or beneficiary costs.
* Incentives to providers are not sufficiently based on quality-driven clinical outcomes that reward efficiency and value.
* Referral requirements that add complexity and actually inhibit timely delivery of needed and cost-effective care should be eliminated (e.g., referral is not required for emergency room visits, but is required for acute care facilities, leading many TRICARE Prime beneficiaries to routinely visit far-more-expensive emergency rooms on weekends and evenings).
* Current inflexible appointment systems inhibit beneficiary access to care.

These are only some of the examples that could dramatically reduce defense health costs without affecting care or costs for beneficiaries.

***We urge this Subcommittee to direct the DoD to pursue all options and to seriously consider the above recommendations before otherwise calling for healthcare spending reductions at the expense of those who have honorably and faithfully served this nation.***

**NATIONAL GUARD AND RESERVE FORCE ISSUES**

Mr. Chairman, we are currently serving in an era when, primarily due to budgetary concerns and limitations, the role of the National Guard and the Reserve forces have changed considerably. Since September 11, 2001, more than 904,000 Guard and Reserve service members have been called up, including about 325,000 who have served multiple tours. They are now full partners who are regularly activated and deployed, and deserve consideration that their military benefits be adjusted accordingly. However, understanding current constraints brought about through sequestration and other poor decisions, we would ask that the following be considered as you make your recommendations for the FY 2016 National Defense Authorization Act.

* **Streamline the complex reserve duty status system without reducing compensation value**. The current system with three different categories of service and the Federal and State jurisdictional issues—all of which impact benefits, retirement, family support, etc., should be seriously examined for simplification and consistency of benefits.
* **Improve transition and reintegration support services for Guard & Reserve families**. It is critical that those who move from Reserve status to active duty and back to Reserve status are properly compensated, protected, and their reintegration is properly facilitated.
* **Reduce the earliest Guard & Reserve retirement compensation age from 60 to 55**. Members of the National Guard and those in Reserve status should not be the only federal retirees who must wait until age 60 to draw retirement benefits. As it is, their retirement pay is based on a point system that results in a far lower annuity than that for active duty members.
* **Remove the annual cap of 130 points on inactive duty points that can be applied towards retirement**. The Selected Reserve retirement system is a point-based system with points awarded for completing certain service/training and the requirement for the accumulation of a certain number of points for a particular year to count toward retirement. There is also a limitation on the number of such points for training/duty that can be contributed toward the overall retirement formula. We believe that all points earned should be factored into the retirement award.
* **Provide employer and self-employed tax credits and enhance job security**. Several pieces of legislation have been introduced to provide tax credits to those who employ Reservists and Reservists who are self-employed. This is very important to encouraging the employment of those who serve. We urge this subcommittee to support such programs.
* **Authorize reimbursement for military duty-related travel of at least 50 miles** (instead of current 100 miles).
* **Extend federal Tuition Assistance Program benefits to members of the Air National Guard** in a manner similar to individuals currently serving in the National Guard.
* **Award Veterans’ status to all Guard & Reserve members**. Legislation has been supported that “symbolically” gives the title of “Veterans” to those who serve in the Guard and Reserve. It is time for a clear, unequivocal definition of “Veteran” as it applies to those serving in Guard and Reserve status and a clear designation of any benefits from the Department of Veterans Affairs that comes with that “status.”

**Summary**

The Air Force Sergeants Association again thanks this Subcommittee for your consistent and bipartisan support for those who have served. On behalf of our members, we ask that, in formulating your proposals for the FY 2016 National Defense Authorization Act, you seriously consider our proposals above. This Subcommittee, more than any other, knows full well that our greatest weapons system are our people who faithfully serve in uniform and enable the weapons of war and defense to operate in the overall endeavor to protect our vital national interests. You on this Subcommittee are the primary champions of the quality of the lives of those serving, those who have served, and their great families and survivors. We thank you and pledge our support as you carry out your incredibly important tasking.