

**FEBRUARY 11, 2015**

**SENATE ARMED SERVICES COMMITTEE,  
SUBCOMMITTEE ON PERSONNEL**

**RECOMMENDATIONS OF THE MILITARY COMPENSATION AND RETIREMENT  
MODERNIZATION COMMISSION RELATIVE TO THE MILITARY RETIREMENT  
PROGRAM**

**PRESENTED BY**

**CHIEF MASTER SERGEANT ROBERT L. FRANK, USAF, RET.  
CHIEF EXECUTIVE OFFICER, AIR FORCE SERGEANTS ASSOCIATION**

**VERBAL STATEMENT**

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Chairman Graham great to see you again, Ranking Member Gillibrand, and members of this committee, thank you for this opportunity to present the views of the Air Force Sergeants Association (AFSA) on the military retirement recommendations of the Military Compensation and Retirement Modernization Commission.

We are in early analysis of the Commission's report, but to get right to the point I ask, why are we looking at this specific change to the retirement system? To be frank about the elephant in the room, is this about saving money? \$12 Billion is nothing to sneeze at, but we all have been briefed, the approach was not to save money and it was about creating a better system.

Is it then about change for the sake of change? Because this is a perceived antiquated system that is many decades old, some say we should modernize it to match the trend in the private sector. I would point to the fact this system, other than when it was tinkered with and saved by Congress' work, ushered in our all-volunteer force, through good economic times & bad, and a 20 year period of high ops tempo and war.

If not to save money, and not to change for the sake of change, then is it to create a better system or product for our servicemembers? That is what the commission indicated their efforts were about. The real question is, for the sake of our services, how is this better? Is it to combat a perceived recruiting and retention issue? Some discussions might lead you to believe this as an issue, but it is a Phantom Menace. We have hit recruiting marks for many years, and our retention has been strong – to the degree we have told people they must leave the service early.

We are also led to believe 83% of the service leaves with nothing, other than the \$80,000 education, home loan guarantees, tens and hundreds of thousands of dollars in training and experience, numerous veteran benefits, the opportunity to invest in a 401k style of system, and the distinguished title of "veteran" –less than 1% of Americans in the past decade can say.

We are very concerned about the long term effects of this change on retention? We only need to look back to the changes in 1986 and the effect 10 years later that Congress did great work to remedy. What will be the effect on retention a decade from now? The cumulative effect of changes to include a high ops tempo, declining personnel leaving a “do more with less” workload, lower than required pay raise over the past few years, eroding benefits, increased out of pocket costs for housing and medical needs, then add on to all that, a system that makes it easy to leave early – we could certainly have challenges in the future especially as the economy rebounds.

Our retirement system and this proposal has been consistently compared to the private sector. Let me be clear, it is a way of life without comparison. In the private sector, when an employee spends 10 years with the company and leaves and goes to work elsewhere, the company can hire in a new person with comparable experience. The US Military cannot do that, we must grow our experience.

Senators, we do need people to go 20 years, and beyond. As a matter of fact, in the Air Force, we have a significantly greater percentage of enlisted members who go that long, and it is necessary. We encourage the committee to proceed with caution. The commission’s survey indicates 80% of respondents are in favor of this change, but after everything has been put in context, early returns on our current survey indicate otherwise.

We certainly do not support balancing the budget on the backs of our servicemembers, but welcome improvements to our system. However, to take away from those relative few who serve the terms we need them to serve, just to give something else to those who are “one and done” may have a significant effect on the All-Volunteer force.

(End of Statement)