



Reject Military Pay and Benefits Cuts

Issue: The FY 2016 defense bill calls for a continued erosion of pay and benefits for currently serving and retired members and their families.

Background: House and Senate lawmakers have completed their work on the defense bill. Conferees must now decide on several contentious provisions:

- A third consecutive year of capping military pay raises below what current law mandates
- Forcing currently serving families to pay 5 percent out-of-pocket for their housing
- Cutting a quarter of the commissary funding
- Another year of disproportionately high pharmacy fee increases

We think that's wrong. Here are some important things to consider:

Congress worked hard for over a decade to eliminate a 13.5% pay gap between the military and the private sector.

- The last three pay raises have been the smallest in 50 years. This is the wrong message to send to military families after 14 years of war.

The Joints Chiefs asked Congress to zero out housing costs for military families. Congress agreed.

- Military families have little say in where they are stationed. Before Congress acted, servicemembers were forced to cover 20% of their housing costs out-of-pocket.

The military relies on commissaries for affordable groceries.

- Patrons at military commissaries save an average of 30% on their grocery bill. Cutting funding will lead to reduced operating hours and higher costs.

TRICARE pharmacy fee increases are out of line.

- Three of the last four defense bills resulted in a 16% increase in Rx fees. Future pharmacy fees increases are already indexed to COLA.
- Planned increases would surpass the median of civilian plans.

These long-term plans repeat many of the poor cost-cutting decisions that led to retention problems in the late 1990s.

Recommendation: Accept the House's position on these items in the defense bill.