

VFW Continues Fight to Remove COLA Penalty

Proposal outrages VFW members and military retirees

Dec 18, 2013

The Veterans of Foreign Wars of the United States will continue its fight to remove a proposal in the federal budget deal that unfairly attacks military retirees. The two-year budget deal was passed by the House last week and by the Senate this afternoon. The package is now on its way to the president for his signature.

“The VFW has never been against the bipartisan deal that funds the government and temporarily ends the sequester, but we are against one of the budget deal’s proposals because it directly targets the earned retirement pay of those who have honorably served our nation for decades, to include those who were medically retired because of their wounds,” said VFW National Commander William A. Thien.

According to Thien, the budget legislation penalizes working-age military retirees younger than 62 by automatically subtracting a full percentage point from annual cost-of-living increases, which for an E-7 retiring today at age 40 could amount to a cumulative loss of \$80,000 by age 62.

“This proposal has outraged our members and the military retiree community, as well as the active duty, Guard and Reserve ranks, because the COLA penalty breaks faith with military retirees,” said Thien. “It requires those who have sacrificed so much for our nation to sacrifice even more, which could result in a mass exodus of midcareer NCOs and officers once the economy rebounds, which will directly impact the continued viability of a professionally-led, All Volunteer Military.”

The VFW will now work with its allies in both the House of Representatives and the Senate to find a solution to overcome the COLA penalty, and mobilize its membership and

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supporters to urge their members of Congress to support the solutions.

“We know the federal government needs to curb its spending, balance its budget and put an end to the sequester,” said Thien, “but to penalize military retirees, especially those who have been medically retired as a result of wounds received defending this nation, is totally unacceptable.”