

Defense Budget Hits Servicemembers Struggling to Make Ends Meet

NEW YORK (February 24, 2014) – Just weeks after Congress responded to protests from the veterans and military community to restore unprecedented military retirement benefits, the Department of Defense (DoD) is advancing a budget that would increase the cost of living for servicemembers. The FY2015 DoD budget would reduce Base Allowance for Housing rates, increasing out-of-pocket housing costs by 5 percent. The budget also would slash subsidies for commissaries that support veterans, servicemembers and their families. Additionally, the budget would limit military pay raises.

Iraq and Afghanistan Veterans of America – which led the fight to protect military retirement benefits – is demanding Congress and the Administration keep the promise to servicemembers.

“Here we go again. Washington is trying to balance the budget on the backs of those who have sacrificed the most. We know the Defense Department must make difficult budget decisions, but these cuts would hit servicemembers, making it harder for them and their families to make ends meet. Last week we learned that members of the military redeemed nearly \$104 million in food stamps at commissaries in the previous year. Now the Defense Department wants to cut subsidies that servicemembers use to pay for diapers for their kids and to put bread on the table. IAVA will fight any effort to take away the benefits that American servicemen and women have earned and are promised,” said IAVA Founder and CEO Paul Rieckhoff.

Rieckhoff added: “Cuts to benefits make it more difficult for the military to attract and retain qualified personnel. Maintaining the strongest all volunteer force requires a commitment to its people, and this proposed budget combined with Congress’s recent willingness to cut retiree benefits, puts the system at risk.”

December’s bipartisan budget agreement included unprecedented cuts to military retirees. Reducing the annual cost-of-living adjustment for most military retirees and survivors would have led to a 20 percent cut to retirement benefits over the course of their lives. For a retired Army Sergeant First Class (E-7) that would have meant the loss of \$83,000 in retirement savings.

IAVA members fought back against the cuts since December, working with other leading veterans service organizations, including the Military Officers Association of America, the American Legion, and Veterans of Foreign Wars.