TITLE XV—MILITARY RETIREMENT MODERNIZATION COMMISSION

SEC. 1501. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Military Retirement Modernization Commission Act".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1501. Short title; table of contents.
Sec. 1502. Purpose.
Sec. 1503. Definitions.
Sec. 1504. Establishment of Military Retirement Modernization Commission.
Sec. 1505. Commission meetings and hearings.
Sec. 1506. Principles and procedure for Commission recommendations.
Sec. 1507. Presidential and congressional consideration of Commission recommendations
Sec. 1508. Authorization of appropriations and funding.
Sec. 1509. Pay for members of the Commission.
Sec. 1510. Executive Director.
Sec. 1511. Staff.
Sec. 1512. Contracting authority.
Sec. 1513. Judicial review precluded.
Sec. 1514. Termination.

SEC. 1502. PURPOSE.

The purpose of this title is to establish a Commission to review and make recommendations to modernize the military retirement system to ensure that the system (1) remains fiscally sustainable, and (2) supports the need to recruit and retain the highest quality personnel required for the Nation's defense.

SEC. 1503. DEFINITIONS.

For the purposes of this title:

(1) The term "military retirement system" means the provisions of law providing eligibility for and the computation of —

(A) retired pay based upon service in the uniformed services; and

(B) survivor annuities based upon such service.

(2) The term "uniformed services" has the meaning given that term in section 101(a)(5) of title 10, United States Code.

(3) The term "Secretary" means the Secretary of Defense.

(4) The term "Commission" means the commission established under section 1504.

(5) The term "Commission establishment date" means the first day of the first month beginning on or after the date of the enactment of this Act.

(6) The terms “veterans service organization” and “military-related advocacy group or association” mean an organization the primary purpose of which is to advocate for veterans, military personnel, military retirees, or military families.

SEC. 1504. ESTABLISHMENT OF MILITARY RETIREMENT MODERNIZATION COMMISSION.

(a) ESTABLISHMENT.—There is established in the executive branch an independent commission to be known as the Military Retirement Modernization Commission. The Commission shall be considered an independent establishment of the Federal Government as defined by section 104 of title 5, United States Code, and a temporary organization under section 3161 of such title.

(b) APPOINTMENT.—

(1)(A) The Commission shall be composed of nine members appointed by the President. In selecting individuals for appointment to the Commission, the President shall consult with—

(i) the Speaker of the House of Representatives concerning the appointment of two members;

(ii) the Majority Leader of the Senate concerning the appointment of two members;

(iii) the Minority Leader of the House of Representatives concerning the appointment of one member; and

(iv) the Minority Leader of the Senate concerning the appointment of one member.

(B) The President shall make appointments to the Commission not later than 6 months after the Commission establishment date.

(C) If the President does not make all appointments to the Commission on or before the date specified in subparagraph (B), the Commission shall be terminated.

(2) At the time the President appoints the members of the Commission, the President shall designate one of the members to be Chair of the Commission. The individual designated as Chair of the Commission shall be a person who has expertise in the military retirement system. The Chair shall preside over meetings of the Commission and be responsible for establishing the agenda of Commission meetings and hearings.

(c) QUALIFICATIONS.—

(1) In appointing individuals to the Commission, the President shall ensure that—

(A) there are members with significant expertise in Federal retirement systems, including the military retirement system, private sector retirement or human resource systems, and actuarial science; and

(B) at least three, but no more than four, members have active-duty military experience, including—

(i) at least one of whom has active-duty experience as an enlisted member; and

(ii) at least one of whom has experience as a member of a reserve component.

(2) The President may not appoint to the Commission an individual who within the preceding year has been employed by a veterans service organization or military-related advocacy group or association, and no member of the Commission may be a member of such an organization, group, or association.

(d) TERMS.—Members shall be appointed for the life of the Commission (subject to subsection (c)(2)). A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner as the original appointment was made.

(e) MEETINGS.—

(1) The Commission shall hold its initial meeting not later than 30 days after the date as of which all members have been appointed.

(2) After its initial meeting, the Commission shall meet upon the call of the Chair or a majority of its members.

(f) QUORUM.—Five members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) STATUS AS FEDERAL EMPLOYEES.—Notwithstanding the requirements under section 2105 of title 5, United States Code, including the required supervision under subsection (a)(3) of such section, the members of the Commission shall be deemed Federal employees.

SEC. 1505. COMMISSION HEARINGS AND MEETINGS.

(a) HEARING AND MEETINGS.—

(1) HEARINGS.—The Commission shall conduct hearings on the recommendations it is taking under consideration. Any such hearing, except a hearing in which classified information is to be considered, shall be open to the public. Any hearing open to the public shall be announced on a Federal website at least 14 days in advance. For all hearings open to the public, the Commission shall release an agenda and a listing of materials relevant to the topics to be discussed.

(2) MEETINGS.—

Each meeting of the Commission shall be held in public unless any member objects.

(b) PUBLIC COMMENTS.—

(1) The Commission shall seek written comments from the general public and interested parties on measures to modernize the military retirement system. Comments shall be requested through a solicitation in the *Federal Register* and announcement on the Commission's website.

(2) The period for the submission of comments pursuant to the solicitation under paragraph (1) shall end not earlier than 30 days after the date of the solicitation and shall end on or before the date on which the Secretary transmits the Secretary's recommendations to the Commission under section 1506(b).

(3) The Commission shall consider the comments submitted under this subsection when developing its recommendations.

SEC. 1506. PRINCIPLES AND PROCEDURE FOR COMMISSION RECOMMENDATIONS.

(a) PRINCIPLES.—

(1) CONTEXT OF COMMISSION REVIEW.—The Commission shall conduct a review of the military retirement system in the context of all elements of the current military compensation system, force management objectives, and changes in life expectancy and the labor force.

(2) DEVELOPMENT OF COMMISSION RECOMMENDATIONS.—

(A) CONSISTENCY WITH PRESIDENTIAL PRINCIPLES.—The Commission shall develop recommendations for modernizing the military retirement system that are consistent with principles established by the President under paragraph (3).

(B) GRANDFATHERING.—The Commission's recommendations may not apply to any person who first becomes a member of a uniformed service before the date of the enactment of a military retirement modernization bill pursuant to this title (except that such recommendations may include provisions allowing for such a member to make a voluntary election by to be covered by some or all of the provisions of such recommendations).

(3) PRESIDENTIAL PRINCIPLES.—Not later than 5 months after the Commission establishment date, the President shall establish and transmit to the Commission and the Congress principles for modernizing the military retirement system. The principles established by the President shall address the following:

(A) Maintaining recruitment and retention of the best military personnel.
(B) Modernizing the active and reserve military retirement systems.
(C) Differentiating between active and reserve military service.
(D) Assisting with force management.
(E) Ensuring budget savings.

(b) SECRETARY OF DEFENSE RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 9 months after the Commission establishment date, the Secretary shall transmit to the Commission the Secretary's recommendations for military retirement modernization. The Secretary shall concurrently transmit the recommendations to Congress.

(2) DEVELOPMENT OF RECOMMENDATIONS.— The Secretary shall develop the Secretary's recommendations under paragraph (1)—

(A) on the basis of the principles established by the President pursuant to subsection (a)(3); and

(B) in consultation with the Director of the Office of Management and Budget.

(3) JUSTIFICATION.—The Secretary shall include with the recommendations under paragraph (1) the Secretary's justification for each recommendation..

(4) AVAILABILITY OF INFORMATION.—The Secretary shall make available to the Commission and to Congress the information used by the Secretary to prepare the Secretary's recommendations under paragraph (1).

(c) COMMISSION HEARINGS ON SECRETARY'S RECOMMENDATIONS.—After receiving from the Secretary the Secretary's recommendations for military retirement modernization pursuant to subsection (b), the Commission shall conduct public hearings on those recommendations.

(d) COMMISSION REPORT AND RECOMMENDATIONS.—

(1) REPORT.—Not later than 15 months after the Commission establishment date, the Commission shall transmit to the President a report containing the Commission's findings and conclusions, together with the Commission's recommendations for the modernization of the military retirement system. The Commission shall include in the report legislative language to implement the Commission's recommendations. The findings and conclusions in the report shall be based on the Commission's review and analysis of the recommendations of the Secretary.

(2) REQUIREMENT FOR APPROVAL.—The Commission's recommendations must be approved by at least five members of the Commission before the recommendations may be transmitted to the President under paragraph (1).

(3) PROCEDURES FOR CHANGING RECOMMENDATIONS OF SECRETARY.—The Commission may make a change described in paragraph (4) in the recommendations made by the Secretary only if the Commission—

(A) determines that the change is consistent with the principles established by the President under subsection (a)(3);

(B) publishes a notice of the proposed change not less than 45 days before transmitting its recommendations to the President pursuant to paragraph (1); and

(C) conducts a public hearing on the proposed change.

(4) COVERED CHANGES.—Paragraph (3) applies to a change by the Commission in the Secretary's recommendations that would—

(A) add a new recommendation;

(B) delete a recommendation; or

(C) substantially change a recommendation.

(5) EXPLANATION AND JUSTIFICATION FOR CHANGES.—The Commission shall explain and justify in its report submitted to the President under paragraph (1) any recommendation made by the Commission that is different from the recommendations made by the Secretary pursuant to subsection (b).

(6) TRANSMITTAL TO CONGRESS.—The Commission shall transmit a copy of its report to the Congress on the same date on which it transmits its report to the President under paragraph (1).

SEC. 1507. PRESIDENTIAL AND CONGRESSIONAL CONSIDERATION OF COMMISSION RECOMMENDATIONS.

(a) REVIEW BY THE PRESIDENT.—

(1) REPORT OF PRESIDENTIAL APPROVAL OR DISAPPROVAL.—Not later than 60 days after the date on which the Commission transmits its report to the President under section 1506(d), the President shall transmit to the Commission and to Congress a report containing the President's approval or disapproval of the Commission's recommendations in the report.

(2) PRESIDENTIAL APPROVAL.—If in the report under paragraph (1) the President approves all the recommendations of the Commission, the President shall include with the report the following:

(A) A copy of the recommendations of the Commission.

(B) The President's certification of the President's approval of each recommendation.

(C) The legislative language transmitted by the Commission to the President as part of the report of the Commission under section 1506(d)(1).

(3) PRESIDENTIAL DISAPPROVAL.—

(A) REASONS FOR DISAPPROVAL.—If in the report under paragraph (1) the President disapproves the recommendations of the Commission, in whole or in part, the President shall include in the report the reasons for that disapproval.

(B) REVISED RECOMMENDATIONS FROM COMMISSION.—The Commission shall then transmit to the President, not later one month after the date of the report of the President under paragraph (1), revised recommendations for the modernization of the military retirement system, together with revised legislative language to implement the Commission's revised recommendations.

(4) ACTION ON REVISED RECOMMENDATIONS.—If the President approves all of the revised recommendations of the Commission transmitted pursuant to paragraph (3)(B), the President shall transmit to Congress, not later than one month after receiving the revised recommendations, the following:

(A) A copy of such revised recommendations.

(B) The President's certification of the President's approval of each recommendation as so revised.

(C) The revised legislative language transmitted to the President under paragraph (3)(B).

(5) TERMINATION OF COMMISSION.—If the President does not transmit to Congress an approval and certification described in paragraph (2) or (4) in accordance with the applicable deadline under such paragraph, the Commission shall be terminated not later than one month after the expiration of the period for transmittal of a report under paragraph (4).

(b) CONGRESSIONAL CONSIDERATION.—

(1) RULEMAKING.—The provisions of this subsection are enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) MILITARY RETIREMENT MODERNIZATION BILL.—For the purpose of this subsection, the term "military retirement modernization bill" means only a bill consisting of the proposed legislative language recommended by the Commission and submitted to Congress by the President pursuant to subsection (a).

(3) INTRODUCTION OF LEGISLATIVE PROPOSAL IN HOUSE AND SENATE.—If the President transmits to Congress under subsection (a) a copy of the recommendations of the Commission (including the legislative language recommended by the Commission), together with a certification of the President's approval of those recommendations, the proposed legislative language recommended by the Commission and submitted to Congress by the President pursuant to that subsection—

(A) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the chairman of the Committee on Armed Services of the Senate; and

(B) shall be introduced in the House of Representatives (by request) on the next legislative day by the chair of the Committee on Armed Services of the House.

(4) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(A) REFERRAL AND REPORTING.—Any committee of the House of Representatives to which the military retirement modernization bill is referred shall report it to the House without amendment not later than the end of the 60-day period beginning on the date on which the bill is introduced. If a committee fails to report the Commission bill to the House within that period, it shall be in order to move that the House discharge the committee from further consideration of the bill. Such a motion shall not be in order after the last committee authorized to consider the bill reports it to the House or after the House has disposed of a motion to discharge the bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion except 20 minutes of debate equally divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the Commission bill in accordance with subparagraphs (B) and (C). A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(B) PROCEEDING TO CONSIDERATION.--After the last committee authorized to consider a military retirement modernization bill reports it to the House or has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the military retirement modernization bill in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed with respect to the military retirement modernization bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(C) CONSIDERATION.—The military retirement modernization bill shall be considered as read. All points of order against the bill and against its consideration are waived. The previous question shall be considered as ordered on the bill to its passage without intervening motion except **two** hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the bill. A motion to reconsider the vote on passage of the bill shall not be in order.

(D) VOTE ON PASSAGE.—The vote on passage of the military retirement modernization bill shall occur not later than the end of the 90-day period beginning on the date on which the bill is introduced.

(5) EXPEDITED PROCEDURE IN THE SENATE.—

(A) COMMITTEE CONSIDERATION.—A military retirement modernization bill introduced in the Senate under subsection (a) shall be jointly referred to the committee or committees of jurisdiction, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable

recommendation, or without recommendation, not later than the end of the 60-day period beginning on the date on which the bill is introduced, If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

(B) MOTION TO PROCEED.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than two days of session after the date on which a military retirement modernization bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the military retirement modernization bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the military retirement modernization bill at any time after the conclusion of such two-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the military retirement modernization bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the military retirement modernization bill is agreed to, the military retirement modernization bill shall remain the unfinished business until disposed of.

(C) CONSIDERATION.—All points of order against the military retirement modernization bill and against consideration of the bill are waived. Consideration of the bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 10 hours which shall be divided equally between the majority and minority leaders or their designees. A motion further to limit debate on the bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed one hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the bill, including time used for quorum calls and voting, shall be counted against the total 10 hours of consideration.

(D) NO AMENDMENTS.—An amendment to the Commission bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the Commission bill, is not in order.

(E) VOTE ON PASSAGE.—If the Senate has voted to proceed to the military retirement modernization bill, the vote on passage of the bill shall occur immediately following the conclusion of the debate on a military retirement modernization bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the bill shall occur not later the end of the 90-day period beginning on the date on which the bill is introduced

(F) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a military retirement modernization bill shall be decided without debate.

(6) AMENDMENT.—The military retirement modernization bill shall not be subject to amendment in either the House of Representatives or the Senate.

(7) CONSIDERATION BY THE OTHER HOUSE.—If, before passing the military retirement modernization bill, one House receives from the other a military retirement modernization bill—

(A) the military retirement modernization bill of the other House shall not be referred to a committee; and

(B) the procedure in the receiving House shall be the same as if no military retirement modernization bill had been received from the other House until the vote on passage, when the military retirement modernization bill received from the other House shall supplant the military retirement modernization bill of the receiving House.

SEC. 1508. AUTHORIZATION OF APPROPRIATIONS AND FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this title.

(b) AVAILABILITY OF FUNDS.—Funds appropriated or otherwise made available to the Commission to carry out its duties under this title shall remain available until expended.

(c) FISCAL YEAR 2013.—In fiscal year 2013, the Secretary may transfer not more than $10,000,000 from unobligated funds of the Department of Defense remaining available for obligation in that fiscal year to the Commission to carry out its duties under this title. Funds transferred under the preceding sentence shall remain available until expended.

SEC. 1509. PAY FOR MEMBERS OF THE COMMISSION.

(a) IN GENERAL.—Each member, other than the Chair, of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(b) CHAIR.—The Chair of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level III of the Executive Schedule under section 5314, of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

SEC. 1510. EXECUTIVE DIRECTOR.

(a) APPOINTMENT.—The Commission shall appoint and fix the rate of basic pay for an Executive Director in accordance with section 3161 of title 5, United States Code.

(b) LIMITATIONS.—The Executive Director may not have served on active duty in the Armed Forces or as a civilian employee of the Department of Defense during the one-year period preceding the date of such appointment and may not have been employed by a veterans service organization or a military-related advocacy group or association during that one-year period.

SEC. 1511. STAFF.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Executive Director, with the approval of the Commission, may appoint and fix the rate of basic pay for additional personnel as staff of the Commission in accordance with section 3161 of title 5, United States Code.

(b) LIMITATIONS ON STAFF.—(1) Not more than one-third of the personnel employed by or detailed to the Commission may be on detail from the Department of Defense.

(2) A person may not be detailed from the Department of Defense to the Commission if, in the year before the detail is to begin, that person participated personally and substantially in any matter within the Department of Defense concerning the preparation of recommendations for military retirement modernization.

(3) Not more than one-fourth of the personnel employed by or detailed to the Commission may be persons eligible for or receiving military retired pay.

(4) A person may not be employed by or detailed to the Commission if, in the year before the employment or detail is to begin, that person was employed by a veterans service organization or a military-related advocacy group or association.

(c) LIMITATIONS ON PERFORMANCE REVIEWS.—No member of the Armed Forces, and no officer or employee of the Department of Defense, may—

(1) prepare any report concerning the effectiveness, fitness, or efficiency of the performance of the staff of the Commission or any person detailed from the Department of Defense to that staff;

(2) review the preparation of such a report; or

(3) approve or disapprove such a report.

SEC. 1512. CONTRACTING AUTHORITY.

The Commission may lease space and acquire personal property to the extent funds are available.

SEC. 1513. JUDICIAL REVIEW PRECLUDED.

The following shall not be subject to judicial review:

(1) Actions of the President, the Secretary, and the Commission under section 1506.

(2) Actions of the President under section 1507(a).

SEC. 1514.TERMINATION.

The Commission shall terminate not later than 26 months after the Commission establishment date.

Section-by-Section Analysis

This proposal would establish an independent Commission charged with reviewing the existing military retirement system, encompassing active and reserve component members as well as survivors, and making recommendations to modernize and modify the existing system as appropriate. The Department believes a fair evaluation of the military retirement system is best achieved through establishing an independent Commission with comprehensive authority to review the entire military retirement system and recommend appropriate changes.

The President announced his proposal for a Base Closure and Realignment (BRAC)-like Commission to review the military retirement system in his recommendations to the Joint Select Committee on Deficit Reduction. See *Living Within Our Means and Investing in the Future: The President's Plan for Economic Growth and Deficit Reduction*, September 2011, page 21. The Secretary of Defense announced the Department's support for this same Commission in his press briefing, *Statement on Major Budget Decisions*, January 26, 2012.

The language of this proposal creates a BRAC-like Commission consisting of nine members appointed by the President in consultation with the Congress. The Commission would have 15 months following enactment of this proposal to develop and draft recommendations, conclusions, and implementing legislative language and transmit these to the President. Upon approval, the President would transmit these recommendations to the Congress, and Congress would hold an up or down vote. The proposal authorizes the Department to fund the Commission in fiscal year (FY) 2013 in the amount of $10 million.

Numerous studies, boards, and Commissions have examined the military retirement system and recommended changes. See *A Summary of Major Military Retirement Reform Proposals, 1976-2006*, Federal Research Division, Library of Congress, November 2007. While some changes to the military retirement system have been made, the overall structure and design of the system remain largely unchanged. Significant interest, especially in light of current economic conditions, remains focused on the potential for change in the military retirement system. More recently, the 10th Quadrennial Review of Military Compensation (2008) and the Defense Business Board (2011) entered the discourse by suggesting new, alternative structures for the military retirement system.

Today's military retirement system for active duty members is a defined benefit plan that is based upon years of service (YOS) and the basic pay earned near the end of the member's career. To qualify for regular retirement, the member must complete at least 20 years of active duty or equivalent service. This is referred to as cliff vesting at 20 years. The monthly retired pay begins immediately after retirement and is a lifetime entitlement. The reserve components and National Guard have a related but somewhat different retirement system.

Over time, the demographics of the national workforce have changed. Unlike their predecessors, the generation entering the workforce today expects to work for many employers over the course of a career. Life expectancies have increased, and second or multiple careers have become the norm. Private sector retirement plans have changed to more closely align with the changing workforce. Today, portable, defined contribution plans, such as 401(k) plans, are the norm, and defined benefit retirement plans with cliff vesting have become less common.

A number of criticisms have also been leveled at the current military retirement system. Some have argued that the current system defers too much of military compensation until later years and that more of this deferred compensation should be placed in current cash compensation. Others complain that because vesting in the current system does not occur until a member has served 20 years, only a fraction of the force receives any retirement benefit; in fact, most leave with no retirement benefits. In addition, because a member who separates with fewer than 20 years of service receives no retirement benefits, it has been only with great reluctance that the Department considered or executed manpower reductions for members who have served at least 10 but fewer than 20 years.

In view of the above, and in recognition of great fiscal pressures facing the nation, the Department believes reviewing the current military retirement system is both a fair and reasonable endeavor. Further, the Department believes the best hope for success of such a review is by creating the independent commission this legislation proposes. History has shown that changing military retirement is also a difficult endeavor which must be approached with great care and caution so as to avoid, or at least mitigate potential negative consequences.

Any review of the military retirement system needs to ensure changes that may be proposed do not break the current force, do not break faith with current member, and do consider the welfare of future members. Any proposal for change must be predicated significant evaluation and in-depth analysis, particularly analysis of the projected impact on recruiting and retention.

Budget Implications: The Department estimates that this proposal would have the budget implications as set forth in the following tables:

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
DoD/WHS	10	0	0	0	0	O&M	04	260
Total	10	0	0	0	0			

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Army	0	0	0	0	0			
Army Res	0	0	0	0	0			
Navy	0	0	0	0	0			

Navy Res	0	0	0	0	0			
Marine Corps	0	0	0	0	0			
Air Force	0	0	0	0	0			
AF Res	0	0	0	0	0			
DoD	0	0	0	0	0			
Total	0	0	0	0	0			

Changes to Existing Laws: This proposal would not amend existing law.