SEC. __. INCLUSION OF ACTIVE DUTY SERVICE FOR A PREPLANNED MISSION AS ELIGIBLE SERVICE FOR REDUCTION OF ELIGIBILITY AGE FOR A NON-REGULAR RETIREMENT.

Section 12731(f)(2)(B)(i) of title 10, United States Code, is amended by inserting "or 12304b" after "section 12301(d)".

Section-by-Section Analysis

This proposal would provide Reserve Component (RC) members the same retirement age eligibility benefits regardless of their volunteer status to perform missions in support of a combatant command. RC members may have their retirement eligibility age reduced when they volunteer to perform active duty under 10 U.S.C. 12301(d). This proposal will allow RC members who are involuntarily activated under 10 U.S.C. 12304b to receive the same benefits as those RC members who have volunteered to perform duty in support of a combatant command.

Currently, two RC members who are serving side-by-side on active duty in support of a combatant command may receive different retirement age eligibility benefits. The RC member who volunteered for the duty (12301(d)) may have their retirement age eligibility reduced by three months for each aggregate of 90 days of duty performed in any fiscal year. The RC member who was involuntarily activated (12304b) for the same duty, may not have their retirement age eligibility reduced.

The involuntarily activated RC member may be making additional sacrifices with their civilian career or family situation during the activation than the voluntary RC member. Equity suggests the benefits of both voluntarily and involuntarily activated RC members for identical duty should be the same.

Budget Implications: The number of personnel affected is a projection based on Fiscal Year (FY) 2016 Active Duty for Operational Support (ADOS) activations in support of contingency operations and FY 2016 12304b programming. In FY 2016, a total of 6711 RC Service members are expected to be activated for ADOS. This budget methodology makes the following assumptions:

1. The Declaration of National Emergency will continue through FY 2024 due to the emerging ISIS threat and increasing global instability. The 10 U.S.C. 12302 authority will be available to activate the RC through FY 2021 and probably through FY 2024.

2. The Services provided 12304b projections for FY 2017-2021 and expect to maintain a total steady state of nearly 3000 12304b activations to sustain the preprogramed operations tempo from FY2017-2021.

This proposal used the 12304b activation data from FY 2014 through FY 2024 in the following table:

12304b Activation Projections FY14-FY24											
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Air Force	0	1182	1076	1130	1130	1130	1130	1130	1130	1130	1130
Army	962	1007	1008	1010	1010	1010	1010	1010	1010	1010	1010
Total	962	2189	2084	2140	2140	2140	2140	2140	2140	2140	2140

The DoD Office of the Actuary used a 10-year look from FY 2014 to FY 2024 to compute an estimated cost. The cost for the Services is the Retired Pay Accrual contribution paid to the Military Retirement Trust Fund. The actuaries are unsure if this proposal will have a cost, but felt that the estimated costs in the table below should be included in good faith. For example, for budgeting purposes, the early retirement eligibility authorization effectively reduces the budgeted RC retirement age from 60 to 58. Extending early retirement eligibility to 12304b active duty may not move the needle enough to effectively reduce the estimated early retirement age from 58 years to 57 years and 11 months.

The DoD Office of the Actuary states "if [the ULB is] enacted, actual results/costs implemented by the DoD Board of Actuaries may differ from those shown in this estimate. They may decide to not reflect costs until actual experience emerges, or decide the impact is below the valuation's rounding thresholds." For example, the actuaries estimate the Retired Pay Accrual contribution of $5.5 million for the Army in FY 2021 for the range of 1,000 – 10,000 man-years worth of 12304b activations.

The 5 years of cost estimated required for the ULB submission (FY 2017-FY 2021) are included in the table below.

The attached actuary excel spreadsheet displays the assumptions and the costs through FY24. Actuary costs assume 14 percent of new entrants to the part-time drilling reserves become eligible for a reserve non-disability retirement. The resources reflected in the table below are funded within the FY 2017 President's Budget.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Air Force	1.15	1.15	1.20	1.25	1.25	Military Personnel, Air Force	01	010	
Army	5.00	5.10	5.20	5.40	5.50	Military Personnel,	01/02	05/06	

						Army			
Navy does not intend to use this authority, which would have been funded in the following account: Military Personnel, Navy. Marine Corps does not intend to use this authority, which would have been funded in the following account: Military Personnel, Marine Corps.									
Total	6.15	6.25	6.40	6.65	6.75				

NUMBER OF PERSONNEL AFFECTED					
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
Air Force	565	565	565	565	565
Army	1010	1010	1010	1010	1010
Total	1575	1575	1575	1575	1575

Changes to Existing Law: This proposal would make the following change to section 12731(f)(2)(B)(i) of title 10, United States Code.

Title 10, United States Code

§ 12731. Age and service requirements

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(f)(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

(2)(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after January 28, 2008, the eligibility age for purposes of subsection (a)(1) shall be reduced, subject to subparagraph (C), below 60 years of age by three months for each aggregate of 90 days on which such person serves on such active duty or performs such active service in any fiscal year after January 28, 2008, or in any two consecutive fiscal years after September 30, 2014. A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

(B)(i) Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) or under section 12301(d) **<u>or 12304b</u>** of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.

(ii) Active service described in this subparagraph is also service under a call to active service authorized by the President or the Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

(iii) If a member described in subparagraph (A) is wounded or otherwise injured or becomes ill while serving on active duty pursuant to a call or order to active duty under a provision of law referred to in the first sentence of clause (i) or in clause (ii), and the member is then ordered to active duty under section 12301(h)(1) of this title to receive medical care for the

wound, injury, or illness, each day of active duty under that order for medical care shall be treated as a continuation of the original call or order to active duty for purposes of reducing the eligibility age of the member under this paragraph.

(iv) Service on active duty described in this subparagraph is also service on active duty pursuant to a call or order to active duty authorized by the Secretary of Homeland Security under section 712 of title 14 for purposes of emergency augmentation of the Regular Coast Guard forces.

(C) The eligibility age for purposes of subsection (a)(1) may not be reduced below 50 years of age for any person under subparagraph (A).

(3) The Secretary concerned shall periodically notify each member of the Ready Reserve described by paragraph (2) of the current eligibility age for retired pay of such member under this section, including any reduced eligibility age by reason of the operation of that paragraph. Notice shall be provided by such means as the Secretary considers appropriate taking into account the cost of provision of notice and the convenience of members.