



Legislative Affairs

2015 National Convention Report

Ted Painter, National Legislative Director
The American Military Retirees Association

The last six months have been very busy and productive with regard to the American Military Retirees Association's legislative efforts. The following is a brief synopsis of both resolved and ongoing legislative initiatives that your association has and/or is advocating for on Capitol Hill.

1. U.S. Army "Mustang" Officer Reductions

In December, 2014 your American Military Retirees Association was the first Veteran Service Organization (VSO) to contact lawmakers when we heard that previously enlisted officers (Mustangs) were going to be forced to retire at their last enlisted grade. Although these officers had reached 20 years of service, they had not met the legal requirement that states that at least 8 of those years must be served as an officer in order to retire at their officer grade. These officers were not volunteering to retire but were being forced to retire so that the DoD and Dept. of the Army could save money.

The officers selected were told that they must retire by April, 2015 in spite of the fact that all had clean service records and had provided honorable service. The impact on these officers would have been tremendous. The difference in retirement pay, on average, would have been approximately \$1000.00 per month or nearly a million dollars over the course of a 40 year retirement. In response, AMRA drafted a letter to the Secretary of the Army encouraging him to modify the policy so that these officers could retire at the rank that they earned. Concurrently, we worked with Congressman Thompson and supported legislation that his office drafted that would amend the law. We agreed that if the Secretary were unable or unwilling to change the policy that we would pursue a legislative fix that would retroactively reinstate their rank and any lost retirement pay resulting from any delays in getting the legislation passed.

After sending our letter to the Secretary, we brought the issue before the National Military Veterans Alliance (NMVA) where we gathered the support of 15 other associations. We then drafted another letter and included these associations' signatures and it was received by the Secretary on December 17th. On the evening of the 18th we were notified that the Secretary had changed the policy and would allow these officers to remain in the Army until they met the 8 year requirement.

2. "Doc Fix" Becomes Law

AMRA shared Congressman Burgess's (R-TX) position as articulated in his *Medicare Access and CHIP Reauthorization Act of 2015* and in April, 2015 the Senate overwhelmingly approved a \$200 billion Medicare reform package that will end a two-decade-old problem for Congress known as the "doc fix."

The new law will provide a permanent solution for the reimbursement of Medicare & TRICARE physicians by requiring wealthier beneficiaries to pay higher premiums. Individuals with incomes of between \$133,501 and \$160,000 would pay 65% of premium costs, up from 50% now. For couples, the new percentage applies for incomes between \$267,001 and \$320,000. For individuals making more than \$160,000 annually and for couples with incomes of \$320,000 or above, new premiums would go from 65% now to 80%. The higher premiums will take effect in 2018. The bipartisan bill, which passed 92-8, is of great relief to seniors who use Medicare and those military retirees who use TRICARE.

3. Reserve Retirement

In 2014 AMRA helped to edit and co-signed a letter to Chairman McKeon and Ranking Member Smith of the House Armed Services Committee, encouraging the committee to work with their Senate counterparts to amend the National Defense Authorization Act to allow 90 consecutive days of deployed active duty service performed by a Reserve or National Guard member to be deducted in order to begin earning retirement pay prior to reaching age 60. As written, the law only allowed this to occur if the 90 days were served within the same fiscal year. If the 90 days were split between two fiscal years, the time could not

be deducted. AMRA found this law to be grossly unfair and an obvious attempt by lawmakers to, once again, save money at the expense of those who serve. As a result of our efforts, the law was changed in December, 2014 and the NDAA has been modified.

Please Note: This change to allow 90 day blocks, even if they span two fiscal years, ***only applies to service performed after September 30, 2014.*** It will not be paid retroactively to any service performed prior to that date, even though many reservists/guardsmen were activated following the events of September 11, 2001.

4. Antibiotic Development to Advance Patient Treatment (ADAPT) Act

Beginning in 2014, AMRA, in partnership with the National Military and Veterans Alliance, encouraged the passing of the ADAPT Act. The ADAPT Act, when passed, will build on the success of the *Generating Antibiotic Incentives Now (GAIN) Act*, which AMRA supported early on. The GAIN Act was signed into law in 2012 and has already helped to streamline 19 new antibacterial treatments through the FDA.

The ADAPT Act (or CURES Act, as it is now called) is the necessary next step in fighting the looming threat of untreatable infections. It would accelerate the development of new treatments by creating a new pathway for antibiotics and antifungals aimed at treating serious and life-threatening infections in a limited population of patients who lack effective therapeutic options. "Superbugs," as they are commonly known, are a growing public health threat, particularly to vulnerable patients such as seniors, soldiers on the battlefield, and the chronically ill and they kill tens of thousands in the US each year.

AMRA's combined support of the ADAPT/CURES Act has led to the House Energy and Commerce Committee unanimously passing the legislation in May, 2015, putting the bipartisan legislation on track for a vote in the House in June, 2015.

5. Military Compensation and Retirement Modernization Commission

Pursuant to the *2013 National Defense Authorization Act*, a nine member independent commission spent nearly two years reviewing military compensation and retirement benefits resulting in 15 recommendations designed to improve and modernize the Uniformed Services' compensation and retirement system. These recommendations were released to the public in January, 2015.

During the final year of the Commission's review of military compensation and retirement, AMRA took steps to influence the commission by affording AMRA members the opportunity to participate in a survey that asked a multitude of questions regarding changes to the retirement system and how these changes would affect recruitment, retention and readiness, and then providing the commission with the results of the survey.

1,040 AMRA members welcomed the opportunity to have their voices heard and the results of the survey overwhelmingly supported NOT changing the current retirement system. While many agree that 401K's allow for the possibility of a larger retirement package, most also agreed that the risks inherent in such a plan are not what our service members want or deserve. The findings of the survey overwhelmingly showed that current retirees believe that such a change to the retirement system will negatively affect recruitment, retention, and readiness while the only positive outcome for such a change would be a fattening of the DoD's budget. The results of the AMRA survey were sent to the 9 members of the MCRM commission along with a letter explaining those findings and the desire of AMRA to keep the current retirement system in place.

The recommendations of the Commission were made public in January, 2015. After an extensive review of the more than 200 page report, AMRA became one of the first VSO's to inform lawmakers of its position regarding three of the Commissions 15 recommendations. We chose to focus on the three recommendations that would most negatively affect retirees and surviving spouses. AMRA came out strong against the following recommendations:

Recommendation 1: Help more Service members save for retirement earlier in their careers, leverage the retention power of traditional Uniformed Services retirement, and give the Services greater flexibility to retain quality people in demanding career fields by implementing a modernized retirement system.

AMRA Position: AMRA does not support recommendation 1 as written. If other aspects of the Federal budget were to be examined and fraud, waste, and abuses were to be reallocated to pay for the “blended” plan, leaving the current 50% stipend in place, AMRA would support the entire recommendation.

During the course of numerous meetings with HASC lawmakers, AMRA urged reconsideration of reducing the current stipend and seek funding for the “blended” plan elsewhere. This would provide those who serve long enough to retire with peace of mind by knowing that, regardless of shifts in the market or economic downturns, they would be guaranteed a minimum of 50% of their base pay in retirement while still providing those who serve less than 20 years with a financial package upon leaving military service.

While AMRA’s position was not fully incorporated, the HASC did compromise by modifying the Commission’s recommendation to allow government matching to continue beyond 20 years and by also adding 2% to the retirement stipend for each year served after 20 years—two aspects of the “blended” plan that were not originally included. Thus, the new plan—which has been included in the full House version of the 2016 NDAA—would keep a 50% retirement stipend in place for those who retire after serving 25 years versus 20 years. However, at the time of the drafting of this update, the Senate Armed Services Committee did not include the above compromise in its version of the NDAA and the two different versions of the NDAA will now have to be reconciled in conference committee later this summer.

Recommendation 2: Provide more options for Service members to protect their pay for their survivors by offering new Survivor Benefit Plan coverage without Dependency and Indemnity Compensation offset.

AMRA Position: AMRA cannot support any portion of this recommendation. SBP is a benefit that is paid for through monthly premium payments. DIC is an entitlement that is earned as a result of the years faithfully served by the retiree. Receipt of both SBP and DIC must be fully funded by the government that the beneficiaries and their family members faithfully served and supported over the course of their military careers. Anything less than a fully-funded program is considered an egregious breaking of faith with retirees and their survivors. AMRA expects Congress to do its due diligence and seek out areas of the entire Federal budget where fraud, waste, and abuses exist in order to fund this and all programs for our nation’s military retirees and their family members.

Recommendation 6: Increase access, choice, and value of health care for active-duty family members, Reserve Component members, and retirees by allowing beneficiaries to choose from a selection of commercial insurance plans offered through a Department of Defense health benefit program.

AMRA Position: AMRA will not support the recommendation of the Commission until a provision to provide a 100% coverage option for all military retirees is included. We recognize that working-age retiree healthcare has been a target for cost saving measures by lawmakers and we want Congress to apply all means necessary to find the funding to provide an option for 100% coverage for the 17% of less than 1% of our nation’s population that wear a military uniform and serve for 20 or more years. This funding is available and should be sought and consolidated by identifying the current fraud, waste, and abuse in many other facets of our Federal budget.

AMRA continues to monitor how Congress may choose to approach these recommendations. If you would like more information you are encouraged to read our Position Paper on the advocacy page of our website.

6. TRICARE Safety Net

AMRA, in an effort to find a solution regarding the MCRMC’s recommendation #6 (see above), presented lawmakers with a plan that, if implemented, would provide 100% coverage for working-age retirees at little or no additional cost to themselves under the TRICARE Standard plan.

The AMRA plan (the only plan presented to lawmakers in an effort to deal with this issue) would repeal a current law that prohibits employers of working-age retirees from paying the cost of TRICARE supplemental insurance plans that are designed to cover those costs not covered under TRICARE Standard. The plan would allow for retirees to use TRICARE Standard—a plan that many prefer but do not use due to the out of pocket costs—while providing a way for working age retirees to have complete coverage.

AMRA has been leading on this issue for over two years—initially in an attempt to provide 100% coverage for 171,000 working age retirees who lost access to TRICARE Prime in 2013. Last year, after months of meetings on Capitol Hill, the Chairman of the House Veterans Affairs Committee, Congressman Miller, agreed to include the measure in his 2015 NDAA mark-up. The measure was eventually defeated in committee just hours prior to the vote on the House floor. However, the enormous effort has led to a great deal of visibility and awareness of the issue throughout the halls of both houses of Congress.

In 2015, after meetings with Congressman Walz (D-MN) regarding the MCRMC recommendations, the issue was again taken up. Congressman Walz included amending the TRICARE Safety Net in his NDAA mark-up and the legislation, again, was defeated in committee.

It is not uncommon for legislation such as this to take years to make it through the many hurdles that must be cleared prior to becoming law (see “Doc Fix” above). During a follow-up meeting in May, 2015, Congressman Walz assured AMRA’s Legislative Director that this issue is already on his short list for next year’s NDAA mark-up and we will begin working with his office on this and several other issues starting in August of 2015.

7. Honor America’s Guard-Reserve Retirees

Under current law, Reserve and National Guard service members who are eligible for retirement but who have not served on Active Duty under Title 10 orders for other than training purposes are not designated as veterans.

AMRA is currently involved in a VSO effort to support and work with lawmakers on two pieces of legislation that will grant Guard and Reserve retirees veteran status. These service men and women stood ready to perform any duty required of them yet, due to the needs of their units or the branches they served in, were never mobilized to serve on active duty. However, they did serve honorably and met the requirements to retire from the military.

After 20 or more years of service reservists and guardsmen are qualified to retire and are eligible to receive military health care, shop on base, receive some VA benefits including VA guaranteed home loans, and at age 60 they are entitled to receive retirement pay. Under current law they are not considered to be veterans of the Armed Forces of the United States.

As a result of AMRA’s leadership on this issue (AMRA also brought this issue before the National Military and Veterans Alliance where 18 other VSO’s agreed to lend their support) H.R. 1384: Honor America’s Guard-Reserve Retirees Act, Rep. Walz (D-MN-1) has been included in the full House NDAA. However, to become law, the full Senate, which, at the time of the drafting of this report has not voted on the NDAA, must vote to include S. 743: Honor America’s Guard-Reserve Retirees Act of 2015, which was introduced by Senator Boozman (R-AR).

As of the drafting of this report, AMRA is actively working with Senator Boozman’s office as well as other prominent VSO’s to help advance S. 743 and provide veteran status for these Reserve and Guard retirees.

8. Toxic Exposure Research Act of 2015 (H.R. 1769 and S. 901)

Earlier this year, ARMA agreed to support the Vietnam Veterans Association’s efforts regarding the *Toxic Exposure Research Act of 2015*. The Act will establish within the Department of Veterans Affairs a

National Center for research into the diagnosis and treatment of health conditions of the descendants of veterans exposed to toxic substances during service in the Armed Forces that are related to their exposure; it will also establish an advisory board for the National Center.

As May 15th, 2015 (the last reported action) the House bill was forwarded by subcommittee to full committee by voice vote. The Senate bill has been read twice and referred to the Committee on Veterans' Affairs.

AMRA continues to monitor the progress of these bills and will continue to assist the VVA if asked.

9. Reject Budget Proposal to Cut \$322 Million in Commissary Funding

AMRA has agreed to support and assist the American Logistics Association (ALA) in their effort to prevent the DoD and lawmakers from cutting \$322 million in commissary funding and from implementing DoD proposals that would essentially dismantle the current commissary benefit.

It is our understanding that none of the DoD proposals have been appropriately evaluated and, if the cuts are implemented, the Defense Commissary Agency will have no choice but to begin diminishing both the savings and access to the benefit.

AMRA agrees with the ALA's position that commissary and exchanges are a vital part of military pay and compensation and we have signed a letter of support that the ALA sent to the House and Senate Armed Services Committee Chairmen and Ranking members.

Ninety percent of the military community uses these benefits and consistently rank them as a top compensation benefit, yielding returns that far outweigh taxpayer support. They also provide critical jobs for military families and veterans— over 60 percent of employees are military affiliated—and provide healthy living alternatives both stateside and overseas. Moreover, service members and their families are partners with taxpayers, having financed billions of dollars in facilities and quality of life programs with the surcharge they pay on every commissary purchase. The commissary benefit is an efficient, valued, and earned benefit that should not be taken away from service members, retirees, and their families. No commissary cuts or legislative changes should be approved by Congress that would reduce the commissary benefit, decrease the hours and days of operation, or increase prices for groceries.

The National Military and Veterans Alliance has also agreed to support the ALA regarding this important issue and we have all agreed to continue to monitor and assist the ALA in their ongoing efforts.

10. Concurrent Receipt

AMRA is currently supporting three bills aimed at providing concurrent receipt of both retirement pay and disability pay to disabled retirees:

H.R. 303, sponsored by Congressman Bilirakis will provide concurrent receipt for all disabled retirees with the exception of Chapter 61 (medically retired) veterans.

H.R. 333, sponsored by Congressman Bishop will provide concurrent receipt for all disabled retirees including Chapter 61 (medically retired) veterans.

S.271, sponsored by Senator Reid, will provide concurrent receipt for all disabled retirees including Chapter 61 (medically retired) veterans

AMRA has worked and met with staff members of each of the sponsors of the above referenced legislation. However, due to the cost associated with providing concurrent receipt, it is unlikely that any of the bills, as written, will gain enough support to pass during this session of Congress.

Therefore, in March of 2015, AMRA's Legislative Director encouraged a meeting in Congressman Bishop's (the most pro-active sponsor of the three lawmakers) office. The meeting was attended by AMRA's Legislative Director and representatives from the Military Officers Association of America

(MOAA) and the Air Force Sergeants Association (AFSA). The purpose was to discuss ways to reduce the cost of providing concurrent receipt. During this meeting the attendees all agreed to re-word HR 333 to focus solely on Chapter 61 (medically retired) veterans. However, it is likely that the revised language will not be introduced until 2016.

It is AMRA's intent to support this legislation, when introduced, and in subsequent years pursue legislation that would gradually provide concurrent receipt to disabled retirees beginning with those who have disability ratings of between 40% and 50% during the first year, 30%-40% in the second year, and so on until all disabled retirees receive both of their earned benefits without an offset.

Although we would prefer that concurrent receipt be immediately granted to all, under current congressional and fiscal circumstances, the cost is too great and unless compromises or alternative means are made available, concurrent receipt legislation will continue to be introduced and will continue to die due to the cost.

11. Survivor Benefit Plan-Disability Indemnification Compensation Offset

AMRA continues to work tirelessly to get lawmakers to act to repeal current law which requires a dollar-for-dollar reduction in SBP payments in order for a surviving spouse to receive his or her DIC. AMRA's Legislative Director was in contact with Representative Joe Wilson's (R-SC) office as soon as the current session of Congress began in an attempt to find out if he planned to re-introduce old legislation that would repeal the offset. Although the legislation was already drafted, Wilson did not introduce HR 1594: *The Military Surviving Spouses Equity Act*, until March 24th, 2015. Likewise, Senator Nelson (R-FL) did not re-introduce his companion bill until April 16th, 2015.

In anticipation of the introduction of HR 1594, AMRA drafted a letter of support and persuaded 18 members of the National Military and Veterans Alliance to sign on in support of the legislation. Once the Senate companion bill was introduced, AMRA repeated this process and, as a result, both lawmakers received letters of support from AMRA and the NMVA. Additionally, the Military Coalition—led by MOAA—also supported the bills.

These pieces of legislation both have wide spread support among both MSOs and VSOs. Unfortunately, year after year, both bills flounder in their respective chambers. We are all told that this is due to the cost. Congress is currently considering a recommendation to remedy the offset by the MCRMC (see above section regarding MCRMC) that AMRA, MOAA and many others find unpalatable.

AMRA firmly believes that both SBP and DIC payments should be fully funded. Under the recommendation outlined by the Commission, a retiree would still elect to contribute a portion of his or her monthly retirement pay as a premium toward the SBP. However, the amount would increase from 6.5% to 11.25%, allowing his or her surviving spouse to receive the DIC without the current dollar-for-dollar offset. This, as well as the current system, whereby a surviving spouse's SBP is reduced, is totally unacceptable and AMRA considers both to be an egregious breaking of faith with both retirees and the surviving spouses who supported them.

AMRA continues to look for ways to correct this current injustice and will continue to monitor and encourage the advancement of both of these bills.

12. Space A Travel

AMRA has met several times with Representative Bilirakis's (R-FL) staff in an effort to encourage the re-introduction of HR 164: To amend title 10, United States Code, to establish a space-available transportation priority for veterans of the Armed Forces who have a service-connected, permanent disability rated as total. However, this legislation was just introduced in May, 2015 and is now HR 2264.

AMRA will continue to work with this Representative in an effort to advance this legislation.

13. Flag Desecration

AMRA's National Board of Directors voted unanimously to include the issue of flag desecration as one of our top legislative resolutions. Therefore, in February, 2015 AMRA's Legislative Director met with legislative staff in the office of Representative Steve Womack (R-AR) in order to pledge our support for *House Joint Resolution 9*: Proposing an amendment to the Constitution of the United States giving Congress power to prohibit the physical desecration of the flag of the United States.

In 1968 Congress passed the *Federal Flag Protection Act*. In subsequent years, 48 States passed similar flag protection acts. In 1989 the Supreme Court overturned all of these statutes as unconstitutional restrictions of public expression. Congress responded by passing another flag protection act. However, in 1990 the Supreme Court overturned the act, declaring that flag desecration is protected by the 1st Amendment of the Constitution and is considered free speech.

In every session of Congress since the 104th session, Congress has attempted to amend the Constitution by introducing Joint Resolutions to allow Congress the power to prevent flag desecration. However, each attempt has failed to receive the 2/3rds majority required in the Senate after receiving the requisite number of votes in the House.

In order for a Joint Resolution that seeks to amend the Constitution to pass, a 2/3rds majority vote is required in both the House and the Senate and 3/4ths of State Legislatures must affirmatively vote for the resolution.

Although AMRA has helped Representative Womack circulate "Dear Colleague" letters in an attempt to help increase co-sponsorship for his bill, at the time of the drafting of this report only 24 House Representatives have had the courage to support this proposed amendment to the Constitution.

It may take a groundswell of firmly-stated opinions from the American people to get flag desecration legislation passed. It is past time for citizens to make the Supreme Court aware that while the Court feels citizens have their 1st Amendment right to desecrate the flag, other citizens have an equal right to defend the flag against desecration. We cannot prevent the burning of the American flag in other countries, but we can surely insist on our right to prevent it in our own country – particularly since those who wish to desecrate the flag have many other options available to exercise their 1st Amendment right to protest government actions – desecrating our national symbol in any way shouldn't be one of them.

14. *Military Retiree Survivor Comfort Act*

AMRA's Legislative Director and Executive Director had the opportunity to meet with Congressman Walter Jones (R-NC) during our annual delegation visit to Capitol Hill in March, 2015. During the course of our visit, he personally asked if AMRA would help to support HR 454: *The Military Retiree Survivor Comfort Act*.

In accordance with current law, the Defense Finance Accounting Service is required to electronically withdraw the last payment from a deceased retiree's checking account and then, several weeks later, send a check for the portion of the month that the retiree was living to the retiree's surviving spouse. This can cause a great deal of hardship because, in most cases, a survivor cannot plan for his or her spouse's death and retirement checks are usually utilized to pay recurring bills. When DFAS electronically withdraws the entirety of the last payment from the deceased retiree's checking account, checks written for these bills can bounce or payments cannot be made.

HR 454 would amend current law, allowing for a much less burdensome transition from that of a military spouse to that of a surviving spouse by allowing the spouse to receive and keep the entirety of the last retirement check received during the month in which the retiree becomes deceased. However, in the interest of the taxpayer who would fund these additional monies, Survivor Benefit Plan payments should not start until the first day of the first month following the month in which the retiree becomes deceased. This coordination between retirement pay and SBP payments will prevent a surviving spouse from receiving two payments during the same month while providing the spouse with a smooth financial transition to that of a surviving spouse.

AMRA's Legislative Director met with the legislative staff in the Congressman's office in May, 2015 in an attempt to help his staff draft a letter to the Congressional Budget Office. The letter is intended to provide information that would reduce the cost that the CBO has stated this legislation would impose on taxpayers.

We continue to monitor the progress of this legislation.