

Senior Leaders See Big Pay, Retirement Gains

2007 will be a good time to be on active duty for certain senior servicemembers with more than 30 years of service, thanks to several provisions in the new FY2007 Defense Authorization Act that will increase their pay and retirement credit. The improvements don't apply to members who retired before the effective dates indicated below.

First, new longevity raise "fogies" will go into effect next April 1 for certain senior officers and enlisted members:

28 years of service: "top 3" NCOs

30 years of service: "top 2" NCOs, **W-4s, W-5s** and O-6s and above

34 years of service: E-9s, **W-5s**, and O-8s and above

38 years of service: E-9s, **W-5s**, and O-9s and above

Second, and much more significantly for the long term, members retiring on or after January 1, 2007 who have more than 30 years of service will be awarded retirement credit for that extra service. Under current law, retired pay can't exceed 75% of basic pay (2.5% x 30 years of service = 75%). As of January 1, each year of extra service will add another 2.5% of pay. So a member who had 10 years of enlisted time and 30 years as an officer will qualify for 100% of basic pay in retirement.

Finally, for retirements on or after October 1, 2006, the most senior general officers (O-10s), whose past pay raises have been capped below the overall military pay raise percentage, will have their retired pay calculated on the regular ("uncapped") rate shown on the military basic pay table.

MOAA has no problem with senior members being awarded proper pay and retirement credit for their lengthy and valuable service. But we find it highly ironic that the same Congress that felt the need to provide such significant, positive changes for the most senior personnel capped the raise at only 2.2% for junior members bearing the brunt of combat.

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