

## Congress Set to Overturn COLA Cuts for Retirees

39 comments



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A flurry of bills to repeal the just-enacted cuts to the cost-of-living-adjustment for military retirees was expected to come up for immediate consideration as soon as Friday, when the House and Senate re-convene from the holiday recess.

"In my opinion, it should be the first item on the docket for 2014," Rep. Martha Roby, R-Ala., said of the bill she and others have proposed on the House side to strip the COLA provision from the Budget Control Act signed by President Obama on Dec. 23.

Under fire from constituents and veterans groups in their home districts and states, members from both sides of the aisle in the Senate and House were ready to reverse course on the COLA section of the overall budget act that most of them voted for earlier this month to ease budget pressures.

Starting in 2015, the current budget act would reduce the COLA adjustment to the pensions of military retirees by one percentage point until they reach the age of 62, when the full COLA increase would be restored. The Defense Department has projected that the COLA cut for about 800,000 military retirees would save \$6 billion over 10 years.

The various bills offered in the House and Senate to repeal the COLA cut differ mainly on how to offset the \$6 billion in savings.

The bill backed by Roby, Rep. Michael Fitzpatrick, R-Pa., and others would replace the COLA cut with an estimated \$7 billion in savings they said could be achieved by closing a tax loophole that allowed non-citizens to receive cash payments from the Refundable Child Tax Credit.

In her proposed Military Retirement Restoration Act, Sen. Jeanne Shaheen, D-N.H., would make up for the \$6 billion in COLA savings by closing loopholes for corporations using offshore tax havens.

Shaheen said in a statement that her proposal already had 15 co-sponsors.

"There are plenty of other ways that we can find budgetary savings rather than cutting retirement benefits for the men and women who have served our nation in uniform," she said.

Sen. Patty Murray, D-Wash., and Rep. Paul Ryan, R-Wis., who jointly wrote the Budget Control Act, were also in agreement on easing the COLA cut provision in their own bill -- at least for disabled retirees.

Ryan has pledged that he and Murray will work to amend their bill to exclude the estimated 100,000 service members who are medically retired from the COLA cuts.

Defense Secretary Chuck Hagel, who has called cuts to military pay and benefits a crucial part of his overall defense spending plan, said he would back the exclusion for disabled retirees.

At a Dec. 19 news conference, Hagel said the Pentagon's leadership was "prepared to engage the Congress in achieving compensation reform. But any changes to cost-of-living adjustments should not apply to medically disabled retirees. These retirees need to be exempted from the changes in the budget agreement."