



15 Apr 2015

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Chairman McCain and Ranking Member Reed:

The undersigned organizations, with over 3 million members, believe there is merit to many of the recommendations by the Military Compensation and Retirement Modernization Commission, especially Recommendation 1: *Help more service members save for retirement earlier in their career, leverage the retention power of the traditional Uniformed Services retirement, and give the Services greater flexibility to retain quality people in demanding career fields by implementing a modernized retirement system.*

The commission's legislative proposal would establish a matching Thrift Savings Plan (TSP) contribution for servicemembers which helps the 83 percent of servicemembers who separate before qualifying for a 20-year military retirement. It would also allow retiring members of the National Guard and Reserve to receive a portion of their retirement pay after 20 years of service. We urge you to support both proposals in the recommendation along with various sections of Titles 5 and 10, United States Code.

In conjunction with Recommendation 1, we also ask you to consider Recommendation 3: *Promote Service Members' Financial Literacy by Implementing a More Robust Financial and Health Benefit Training Program.* By not establishing a retirement plan when they begin working, servicemembers are several years, if not a decade, behind financial planning for retirement guidelines.

We urge the committee to support legislation expanding TSP, along with financial literacy training to all military members. We believe that the recommendation *enhances* the current retirement system and is a valuable recruiting tool for a new generation of warfighters. We also believe whatever Congress passes should maintain the overall value of the retirement system, should not adversely affect retention, and the TSP match should continue throughout an individual's career.

Thank you for your consideration on this issue and your continued support to the military. We would appreciate the opportunity to talk with your staff on any of the other recommendations.

Sincerely,

Scott Van Cleef
Chairman of the Board
Air Force Association

Chief Master Sergeant John Harris, (Ret.)
President
Enlisted Association of the National Guard

Gus Hargett, Maj Gen, USA (Ret)
President
National Guard Association

Jeffrey E. Phillips
Executive Director, ROA
Reserve Officers Association

Robert E. Wallace
Executive Director
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