

Retiree benefits for the military could face cuts

By James Dao and Mary Williams Walsh, New York Times

As Washington looks to squeeze savings from once-sacrosanct entitlements like Social Security and Medicare, another big social welfare system is growing as rapidly, but with far less scrutiny: the health and pension benefits of military retirees.

Military pensions and health care for active and retired troops now cost the government about \$100 billion a year, representing an expanding portion of both the Pentagon budget – about \$700 billion a year, including war costs – and the national debt, which together finance the programs.

Making even incremental reductions to military benefits is typically a doomed political venture, given the public's broad support for helping troops, the political potency of veterans groups and the fact that significant savings take years to appear.

But the intense push in Congress this year to reduce the debt and the possibility that the Pentagon might have to begin trimming core programs like weapons procurement, research, training and construction have suddenly made retiree benefits vulnerable, military officials and experts say.

And if Congress fails to adopt the deficit-reduction recommendations of a bipartisan joint Congressional committee this fall, the Defense Department will be required under debt ceiling legislation passed in August to find about \$900 billion in savings over the coming decade. Cuts that deep will almost certainly entail reducing personnel benefits for active and retired troops, Pentagon officials and analysts say.

“We’ve got to put everything on the table,” Defense Secretary Leon E. Panetta said recently on PBS, acknowledging that he was looking at proposals to rein in pension costs.

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