

Defense Report

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The U. S. Military; Should They Be Salaried?

The release in September of the studies and other supporting papers which were the basis of the Defense Manpower Commission's (DMC) Final Report in May has provided background on the Commission's recommendation that the U. S. military be paid on a salaried basis.

A sizeable number of members of both the Congress and the Administration have been advocating that the current complicated system of military compensation and benefits be replaced by a straight salary system. This is not what the DMC recommended.

Today, a military member's regular pay is composed of four parts: his basic pay, a housing allowance, a subsistence allowance, and the income tax advantage gained from the fact that the two allowances are non-taxable. However, he also receives compensation benefits in kind from the availability of medical care, the commissaries, post exchanges, the creation of what amounts to a retirement estate, and some lesser miscellaneous benefits.

The DMC position is that the military should receive a salary, but it should only contain reimbursement for basic pay, the subsistence and housing allowances, and the tax advantage of those allowances. The DMC did not include several important benefits in the salary. In the commission's words, "Certain institutional benefits (medical, commissary, and post exchange) should be maintained by the Government." Their reasoning: these benefits are considered today by most military personnel to be "most important, not only as a financial advantage and convenience to the individual, but also from a psychological point of view. These psychological aspects must be considered. They give the military person a sense of belonging. Attacks on these benefits arouse emotional reactions among military personnel all out of proportion to the intrinsic value of these benefits." The DMC went on to say that these benefits are essential to the military service in which traditional institutional characteristics are of prime importance to morale.

The commission did not agree that all miscellaneous benefits should be retained, especially those which increase automatically when basic pay or some other element of compensation is increased. The DMC recommended that these "drag-alongs" should be analyzed individually to determine if the added compensation is necessary and, if so, how it could be provided more efficiently.

Some top Army officials feel that the DMC's approach to the salary question is sound and, although it will be unpopular with some, it should be the basis of any overall revision of military compensation.