

Military Retirement—CBO's May 2019 Baseline

The Department of Defense's military retirement program pays monthly benefits to service members who qualify for retirement based on years of service or a disability resulting from sustaining an injury or incurring or aggravating a medical condition while on active military duty. In some cases, the program also pays benefits to surviving spouses and dependents of deceased service members. Benefit amounts are based on final salary, years of service or disability rating, and a multiplier; the formula differs depending on the retirement law under which a member retired. Military retirement is not means-tested, but receipt of veterans' disability compensation can offset military retirement payments dollar for dollar. In certain circumstances, those offsets are restored by supplemental payments.

Military Retirement—CBO's May 2019 Baseline
By Fiscal Year

May 2, 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Retirees											
Number (Thousands)	2,172	2,177	2,183	2,189	2,196	2,202	2,207	2,210	2,212	2,211	2,210
Average Annual Benefit (Dollars)	26,146	27,027	27,860	28,654	29,372	30,066	30,805	31,544	32,305	33,115	33,991
Total Payments for Retirees (Millions of dollars)	56,777	58,847	60,812	62,727	64,491	66,212	67,989	69,717	71,448	73,230	75,110
Adjustment for Payday Shift (Millions of dollars) ^a	0	0	0	5,100	150	-5,250	0	0	0	5,950	-5,950
Total Outlays for Retirees (Millions of dollars)	56,777	58,847	60,812	67,827	64,641	60,962	67,989	69,717	71,448	79,180	69,160
Survivors											
Number (Thousands)	280	282	284	285	286	286	287	287	287	287	287
Average Annual Benefit (Dollars)	13,138	13,314	13,535	13,776	14,031	14,278	14,513	14,748	14,979	15,212	15,453
Total Outlays for Survivors (Millions of dollars)	3,673	3,753	3,838	3,923	4,009	4,088	4,161	4,233	4,302	4,370	4,440
Military Retirement Trust Fund											
Total Outlays (Millions of dollars)	60,450	62,600	64,650	71,750	68,650	65,050	72,150	73,950	75,750	83,550	73,600

Components may not sum to totals because of rounding.

a. Section 632 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383) requires the Department of Defense (DoD) to make retirement payments on the first day of each month. If the first day of the month occurs on a holiday or a weekend, DoD will instead make the payments on the preceding business day. That will result in one additional paycheck in fiscal years 2022 and 2028 and one fewer paycheck in fiscal years 2024 and 2029. Section 632 does not affect the timing of survivor benefit payments.