

**Military Retirement—CBO’s April 2018 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.

**CBO's April 2018 Baseline for the Military Retirement Program**  
(By Fiscal Year)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Retirees</b>											
Number (Thousands)	2,160	2,165	2,170	2,175	2,182	2,189	2,196	2,201	2,203	2,205	2,204
Average Annual Benefit (Dollars)	\$25,438	\$26,413	\$27,306	\$28,141	\$28,917	\$29,639	\$30,337	\$31,082	\$31,855	\$32,674	\$33,522
Total Payments for Retirees (Millions of Dollars)	\$54,936	\$57,184	\$59,249	\$61,218	\$63,092	\$64,872	\$66,606	\$68,397	\$70,192	\$72,038	\$73,885
Adjustment for Payday Shift (Millions of Dollars) <sup>a</sup>	-\$4,500	\$0	\$0	\$0	\$5,300	\$150	-\$5,450	\$0	\$0	\$0	\$6,050
Total Outlays for Retirees (Millions of Dollars)	\$50,436	\$57,184	\$59,249	\$61,218	\$68,392	\$65,022	\$61,156	\$68,397	\$70,192	\$72,038	\$79,935
<b>Survivors</b>											
Number (Thousands)	285	290	294	298	300	303	305	307	308	309	310
Average Annual Benefit (Dollars)	\$13,746	\$13,858	\$14,118	\$14,392	\$14,671	\$14,948	\$15,230	\$15,503	\$15,773	\$16,051	\$16,336
Total Outlays for Survivors (Millions of Dollars)	\$3,914	\$4,016	\$4,151	\$4,282	\$4,408	\$4,528	\$4,644	\$4,753	\$4,858	\$4,962	\$5,065
<b>Total Outlays from the Military Retirement Trust Fund</b>											
Total Outlays (Millions of Dollars)	\$54,350	\$61,200	\$63,400	\$65,500	\$72,800	\$69,550	\$65,800	\$73,150	\$75,050	\$77,000	\$85,000

Note: Numbers may not add up 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 year 2022 and one fewer paycheck in fiscal years 2018 and 2024. Section 632 does not affect the timing of survivor benefit payments.