May 12, 2016

The Honorable Charles Boustany
Chairman
Tax Policy Subcommittee
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Tax Policy Subcommittee
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Boustany and Ranking Member Neal:

The associations below write in support of H.R. 4381, Servicemember Retirement Improvement Act, sponsored by Representative Johnson. This bill would give Reserve Component servicemembers the opportunity to fully participate in the military 401K part of the new blended retirement without compromising both their civilian and military retirement plans.

When not in military service many Guard and Reserve members are working in civilian jobs that have 401k retirement programs. Because of contribution limits set by the IRS, not all of them would be able to fully participate in the new blended retirement without reducing their civilian employment retirement options. Additionally, they could miss out on the opportunity to qualify for government matching contributions

It is important to remember the Military Compensation and Retirement Modernization Commission, which proposed a blended retirement entitlement, did not intend for Guard and Reserve members to lose benefits. We believe the bill will encourage Guard, and Reserve members to contribute to the Thrift Savings Plan (TSP), which is their military 401K. Additionally, the Department of Defense should see a positive impact to recruiting and retention.

We strongly urge Congress to quickly pass H.R. 4381 so this aspect of TSP can be included in the financial education program being developed by the Department of Defense for when the blended retirement is implemented. On behalf of over 800,000 participating members, we respectfully request the Ways and Means Committee favorably consider the Servicemember Retirement Improvement Act.

Sincerely,

Association of the United States Army
Commissioned Officers Association of the U.S. Public Health Service
Enlisted Association of the National Guard of the United States
Marine Corps Reserve Association
Military Officers Association of America
National Guard Association of the US
Reserve Officers Association
The Retired Enlisted Association
United States Army Warrant Officers Association