



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

COO #5

20 Apr 2007

From: Secretary of the Navy's Retiree Council
To: Secretary of the Navy

Subj: 2007 REPORT OF THE SECRETARY OF THE NAVY'S RETIREE COUNCIL

Ref: (a) SECNAVINST 5420.169H
(b) DASN(MPP) ltr of February 10, 2007

Encl: (1) Primary recommendations for SECNAV
(2) Secondary recommendations for SECNAV
(3) Additional comments for SECNAV

1. The Secretary of the Navy's Retiree Council met at the Washington Navy Yard 16-20 April 2007 pursuant to references (a) and (b).
2. The Council extends thanks to the Secretary of the Navy and the Secretary's staff for support provided to the Council for the 2007 meeting. This year's briefings provided the Council with important information relevant to the retired community. Superb support resulted in a well planned, coordinated and executed meeting. The Admiral Gooding Center continues to be a first class facility which significantly supported the Council's mission. We request that this facility be made available again for next year's meeting.
3. The Co-Chairmen plan to engage the Council members during the year prior to next year's Council meeting. It is anticipated that this communication would occur in the fall and two months prior to the 2008 meeting. It is requested that the Secretary assist in coordinating conference calls, teleconferencing, or another appropriate forum to facilitate communication with the Council to include the Deputy Assistant Secretary Navy (Military Personnel Policy). JS
4. It would be very beneficial for the Co-Chairmen to be able to meet with their counterparts on the other service retiree councils to discuss issues of mutual interest. It is requested that the Secretary assist in arranging and funding this meeting(s).
5. The Council examined several issues of interest to the retired community including retiree benefits and entitlements, recognition of the retired community, and opportunities to tap the retired community as a volunteer resource. With regard to these issues, the following items merit your attention:
 - a. The Council acknowledges the significant emphasis being placed on care for our severely injured Sailors and Marines. Plans include use of retiree volunteers to facilitate the transition of these men and women from active duty to the medically retired community. A formal, well funded structure must be implemented to ensure

the success of this effort. To support these efforts, the Retired Activities Program needs paid coordinators to provide consistent, quality support and expertise.

- b. The Council recommends the establishment of an annual Military Retiree Appreciation Day.
- c. The Council is concerned that the proposed military-to-civilian medical billet conversions and reduction in military medical personnel end-strength will negatively impact medical care for both active duty families and the retired community.
- d. The Council agrees that an increase in TRICARE fees is appropriate. However, any fee increase needs to be tempered so that it does not present an undue burden to the retired community, especially regarding our older retirees who believe that the promise of free health care for life has been broken.

4. Enclosures (1) and (2) represent the 2006 Council's primary and secondary recommendations for the Secretary of the Navy.

5. This Council reviewed recommendations made by the 2006 Council. Deferred and open items from that report are considered current and should continue to be pursued. In some cases, there are closed items which the Council believes are worthy of reconsideration due to on-going studies, changing circumstances, and/or potential legislation. Comments on these items are included in Enclosure (3).

6. The Council requests that a "mid-year" status of responses to the 2007 Council recommendations as well as those 2006 items that are still pending be provided by 31 October with the final responses provided prior to next year's Council meeting.



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Item No. A-1.07

Subject: RETIREE VOLUNTEERS AND THE SUPPORT AND ASSISTANCE TO SEVERELY INJURED SAILORS AND MARINES

RECOMMENDATION:

- A. That the Secretary of the Navy direct the Chief of Naval Operations and the Commandant of the Marine Corps to better utilize retiree volunteers to support both the Safe Harbor and the Wounded Warrior Regiment Programs.**

- B. That the Secretary of the Navy revise the SECNAVINST 5420.169J, Department of the Navy Retired Activities Program to direct the Chief of Naval Operations and the Commandant of the Marine Corps to provide paid Retiree Activities Office Program Coordinators (RAOPC). The number of paid RAOPC positions should mirror the funded positions added for the Safe Harbor Program; at a minimum eight paid positions should be added.**

DISCUSSION: During this conference, the obligation to support the severely wounded/injured Sailors and Marines in their recovery process and transition back into family and civilian life was emphasized by the Secretary and numerous speakers. Below is a discussion of the issues, background, and feasibility of the recommendations to provide assistance to wounded Sailors and Marines.

A. Utilization of Retirees in Support of Navy and Marine Corps Programs. In our 2004 and 2005 Reports, the Council recommended commissioning a study to evaluate the viability of developing a Department of the Navy Auxiliary Force from the Navy and Marine Corps retiree community. The Secretary referred the recommendation to the Total Force Transformation Working Group stating, that the proposal was “clearly feasible’ and held “great promise for the Department of the Navy ...”

Safe Harbor, the Navy’s pilot program, is designed to utilize retiree volunteers to support severely wounded Sailors as they transition to civilian life. The Marine Corps has an existing Wounded Warrior Regiment program that provides a seamless transition from active duty military service to re-integration into civilian society for severely wounded Marines.

The Navy’s Director of Casualty Assistance requested that Retired Activities Offices (RAOs) participate in and support the Safe Harbor program by enlisting retiree volunteers. The reintegration of severely wounded personnel into society requires command support and the collaborative effort of multiple agencies, and volunteers to be effective.

The Council strongly urges the Secretary to fully implement the Safe Harbor program and fully support the Wounded Warrior Regiment program. The Council is concerned, however, that paid positions have been proposed to provide tracking and assistance of severely wounded sailors while on active duty, but no funding has been proposed for the RAOs to continue the effort after medical retirement.

The Council firmly believes that without paid RAO Program Coordinators (RAOPC) to provide an accountable structure for this support, the Safe Harbor and Wounded Warrior Regiment programs will face overwhelming challenges. To ensure that these programs are successful, the Secretary should direct the Commandant of the Marine Corps and the Chief of Naval Operations to fund RAOPC paid positions at major regional installations.

B. Paid Retired Activities Office Program Coordinator. SECNAVINST 5420.169J, Department of the Navy Retired Activities Program, dated 17 October 2005, defines the parameters of the Retired Activities Office (RAO) organization, structure, mission, and support requirements. The RAO program envisioned by our predecessors is being modified with additional responsibilities and tasks, including the Navy Safe Harbor program.

A paid regional structure is necessary. A sufficient number of full time RAOPC positions would enhance the existing sixty-four Navy RAO and the seventeen Marine Corps RAO volunteer positions. Volunteers currently staff these offices on a "catch as catch can" basis, and in some areas these offices remain vacant or manned for only a few hours per week. The training and ability of the RAO volunteers is generally excellent, but is inconsistent and dependent upon the background and skills of the volunteer.

At present, the Navy and the Marine Corps each have one full-time paid position in high retiree concentration areas. These positions are located in San Diego, CA and Camp Lejeune, NC. These positions have proven to be valuable to the local commanders and retired community.

The proposed enhanced structure would allow for consistency in managing, recruiting, and training volunteers. It would also provide a means for ensuring the quality of service is consistent throughout the RAO program and provide a means of accountability to local commanders. The Retired Activities Office Program does not have a Program Manager at the regional level. The Marine Corps has developed, staffed, and has under consideration a Marine Corps Order to implement the paid RAOPC concept at a regional level. The Retiree Council is encouraged by the Marine Corps' leadership, and strongly views a viable RAOPC Program as a necessary tool to strengthen our military commitment to "take care of our own".

Council Point of Contact: COL Waggoner

Item No. **A-2.07**

Subject: **MILITARY RETIREE APPRECIATION DAY**

RECOMMENDATION:

That the Secretary of the Navy liaises with the other service secretaries to petition the Secretary of Defense to promote the establishment of an annual Military Retiree Appreciation Day. In the interim, it is requested that the Secretary of the Navy establish an annual Navy-Marine Corps Retiree Appreciation Day.

DISCUSSION:

In 1984, President Reagan established the Friday before Mother's Day each year as Military Spouse Appreciation Day. This day reminds us to reflect on the significant contributions of military spouses. This day is normally acknowledged and promoted by messages from the Secretary and the Service Chiefs. Unit and installation commanders are encouraged to sponsor appropriate events. Commissaries and exchanges often offer special promotions. Base and local newspapers feature articles of recognition and appreciation.

Currently, Military Retiree Appreciation Days are held at random times during the year by local commands. The Army has a particularly vigorous program. The formal establishment of an annual Retiree Appreciation Day could provide the same opportunity to refocus attention on the retired community in the same manner that the Spouse Appreciation Day has created for spouses. This recognition will provide an opportunity for retirees to reflect with pride on their service and re-energize their efforts to support the services in important areas such as recruiting and support for transitioning service members.

Council Point of Contact: COL Waggoner

Item No: A-3.07

Subject: COMPREHENSIVE HEALTH CARE FOR RETIREES AND THEIR FAMILIES

RECOMMENDATION:

That the Secretary of the Navy, along with TRICARE Management Activity (TMA), continues to work towards a goal of a comprehensive healthcare benefit for all beneficiaries. Specifically:

- A. Ensure that medical manning and TRICARE resources are adequate to provide seamless and comprehensive healthcare for all beneficiaries.**
- B. Minimize TRICARE fee increases, ensure TRICARE as second payer, and address TRICARE contract language relative to provider networks.**
- C. Evaluate and provide incentives for increased use of TRICARE Mail order pharmacy (TMOP).**

DISCUSSION:

The Council is disappointed that our 2006 recommendations in item A-1.06 have not been addressed by TMA and requests that a response is forwarded as soon as possible. Healthcare is the number one concern of most retirees and is especially important for retirees who are or who may be a part of the Marine Wounded Warrior Regiment and Navy Safe Harbor programs. We appreciate the efforts of the various working groups who are reviewing the processes of casualty care and implementing programs for our severely injured veterans.

We recognize the advances in the Military Health System (MHS) and are grateful for the significant efforts extended on behalf of the retirees and their families. However, the Council is concerned that economic forces, increasing operating tempo, impact of Combat Casualty Care programs, pending BRAC realignment, and medical manning drawdown threatens the delivery of comprehensive healthcare for retirees. It is essential to keep the retiree population well informed about changes in military issues affecting the delivery of health care. The confidence level in Navy medicine is high and we need to continue to provide quality care for our retiree community.

The Council invites your attention to the following items:

- A. Medical Manning. The Council has reservations about proposed reductions in active duty medical personnel end strength and military-civilian conversions. The Council recommends further review and an in-depth analysis of medical personnel end

strength along with the military-civilian conversions and their impact on the care and services for retirees and their families.

B. TRICARE Issues

1. Proposed TRICARE fee increases. Military retirees are a unique constituency which has served the nation with pride, sacrifice and honor. The Council is cognizant of escalating healthcare costs: hence, a graduated TRICARE fee increase may be appropriate. However, any increase should not exceed retired pay cost of living adjustment percentages and not a massive attempt to recoup a decade of no fee increases.

2. TRICARE as Second Payer. There are circumstances where a retiree is eligible for both TRICARE and an employer-sponsored health plan. The Council is concerned that an employer may coerce the retiree to use his TRICARE benefits instead of the employer's plan. The Council recommends that legislation be proposed to prevent this from happening and to ensure that TRICARE remains a true second payer.

3. Prime Network availability. Network capacity in underserved locations continues to be a problem. Retirees who live outside Military Treatment Facility (MTF) catchment areas still have difficulty in finding providers who accept TRICARE PRIME patients. It is imperative that future TRICARE contracts include language that maintains or expands TRICARE provider networks.

C. Pharmaceutical Costs and Concerns. Although it has achieved a 97 percent customer satisfaction rating, the TRICARE Mail Order Pharmacy (TMOP) handles only 14% of the Pharmacy workload. After a yearlong marketing campaign, the number of beneficiaries using mail order rose by only 11 %. Prescriptions filled by retail outlets cost TRICARE about 40 % more than drugs obtained by mail. Currently, with both TMOP and TRICARE Retail Pharmacy Network Pharmacy (TRRx), the cost is the same but one can obtain a 90-day supply of medication with TMOP compared with 30-day supply in TRRx. It is more cost-effective for both the beneficiary and the government to use TMOP for maintenance medications rather than retail network pharmacies. The Council recommends that an evaluation be conducted to determine additional incentives to use the TMOP such as the reduction or elimination of co-payments for prescriptions ordered through the mail order pharmacy. There should also be additional education and marketing strategies to assist beneficiaries in making an informed decision about pharmaceutical service options.

Council Point of Contact: CAPT Morrison

Item No. B-1.07

Subject: OCONUS SUPPORT TO MILITARY RETIREES

RECOMMENDATIONS:

- A. That the Secretary of the Navy coordinate with the Department of Defense to urge DFAS to include retirees in the eligible population to use Military Banking Facilities at overseas locations.**
- B. That the Secretary of the Navy seek an interim reply from DFAS in the implementation of toll free phone service for retirees and annuitants outside of the United States.**
- C. That the Secretary of the Navy continue to pursue the request to OSD Postal Service to ascertain the Services support to raising the postal weight for retirees to 5 pounds for retirees using FPO/APO facilities at overseas locations.**
- D. That the Secretary of the Navy continues to monitor the survey of OCONUS Retirees to identify and resolve additional retiree support issues.**

DISCUSSION:

ALL OF THE ITEMS ABOVE EXCEPT ITEM A ARE OPEN ITEMS FROM THE 2006 SECRETARY OF THE NAVY'S RETIREE COUNCIL REPORT.

A. The Department of Defense Overseas Military Banking Program (OMBP) provides stateside-like banking products and services to authorized customers through the operation of Community Bank. Community Bank is operated through a contract between a commercial financial institution and the DoD. Currently, the contractor is Bank of America. The Defense Finance and Accounting Service (DFAS), in coordination with the Military Service banking representatives, are responsible for the daily oversight, control and management of the OMPB.

Community Bank has nearly 100 banking centers and over 300 ATMs in Germany, United Kingdom, The Netherlands, Japan and Okinawa, Korea, Diego Garcia, Guantanamo Bay, Honduras and Kwajalein Atoll. The contract specifies who is authorized to use the banking services. Authorized customers include:

- Active Duty U.S. Military Personnel and their sponsored family members.
- DoD U.S. Civilian Employees and their sponsored family members.
- U.S. Employees of all other U.S. Government departments and NAFIs, and their sponsored family members.
- Active Duty U.S. Military Personnel and U.S. Government Civilian Personnel on temporary duty.
- U.S. Reserve Military Personnel on temporary active duty.

- Authorized Private Organizations.
- DoD Contractors and Employees when approved.

The Council recommends that the Secretary of the Navy coordinate with the Department of Defense to urge DFAS to include retirees in the eligible population to use Military Banking Facilities at overseas locations.

B. The Council previously recommended that DFAS should, as part of its Technology Plan, provide a toll free number for the use of OCONUS retirees and annuitants. The recommendation was forwarded to the director of DFAS for review and comment. The item was left open in the report and the Council requests an interim reply from DFAS.

C. Retirees residing overseas and living in locations near bases have the opportunity to use services of the DoD Postal System at existing FPO/APO sites. In 2006, the Council recommended that the Secretary of the Navy request OSD Postal Service poll the services to determine their support for raising the postal weight limit for retirees using FPO/APO facilities at overseas locations. The Council is disappointed that the secretariat did not forward the recommendation to the OSD Postal Service because the anecdotes provided could not be verified. The issue is the impact on the well being of retirees overseas. The Council is pleased the secretariat kept the item open pending the completion of the OCONUS Retiree Survey. This is a quality of life issue with limited dollar and manpower impact. **The Air Force and the Army have proposed an increase in the limit** the last time it was addressed by the OSD Postal Service.

D. There is a significant retiree population residing outside of the United States. The Council recommended in 2006 that the Navy and Marine Corps Retired Activities Sections survey OCONUS Retirees to help identify and resolve, where possible, additional retiree support issues. The Navy Secretariat (ASN MRA) has funded and developed the survey. The Council recommends extending the time to respond and requests that interim results of the survey be provided to the Council in 30 days and at the close of the survey period.

Council Point of Contact: COL Waggoner

Item No: B-2.07

Subject: LOWER THE ELIGIBILITY AGE OF SURVIVING SPOUSES WHO REMARRY AND ARE ENTITLED TO DEPENDENCY AND INDEMNITY COMPENSATION (DIC) TO AGE 55

RECOMMENDATION:

That the Secretary of the Navy coordinate with the Secretary of Defense to encourage the Secretary of Veterans Affairs to promote a legislative change to enable surviving spouses who remarry to continue to receive DIC on or after attaining age 55 vice the current age of 57

DISCUSSION:

Legislation passed in 2003 authorized a surviving spouse who remarries on or after December 16, 2003, and on or after attaining age 57, to continue to receive DIC. This change in law was a major improvement since it permitted a surviving spouse to remarry without a penalty. The issue is the age restriction is not consistent with other federal programs. Remarried survivors of retirees in other federal programs including the Survivor Benefit Plan (SBP) retain a similar benefit at age 55. The Council believes the surviving spouses of veterans who died from service-connected disabilities should not be further penalized for remarriage.

Since many annuitants receiving SBP payments could and many do, receive DIC payments, remarriage restrictions for these benefits should be consistent.

Since the payment of DIC is made by the Department of Veterans Affairs, it is more appropriate for that agency to initiate legislation changing this entitlement. Accordingly, it is recommended by the Council that the Secretary of the Navy encourage the Secretary of Veterans Affairs to submit legislation to change the age restriction in Title 38 United States Code, section 103(d)(2) from 57 to 55.

Council Point of Contact: CAPT Bird

Item No: B-3.07

Subject: AUTHORIZE A DISLOCATION ALLOWANCE FOR RETIRING SERVICE MEMBERS

RECOMMENDATION:

That the Secretary of the Navy promote a legislative change to Title 37 United States Code, Section 407 to authorize the payment of a dislocation allowance to members of the armed forces who are executing their final orders to retire after serving 20 or more years of honorable service.

DISCUSSION:

To assist active duty service members in defraying costs incurred when moving from one duty station to another, Congress authorized the payment of a dislocation allowance. This authority did not extend to service members separating from the service. Personnel who retire or transfer to the Fleet Reserve after serving 20 or more years of service are entitled to a final move at government expense and face the same expenses as if transferring to a new duty station. Retiring service members, who move their households to a location in excess of 50 miles from their final duty station, should be entitled to a dislocation allowance. The period of this entitlement should coincide with the period of entitlement to a final move of household goods.

Council Point of Contact: CAPT Bird

Item No. B-4.07

Subject: PROVIDE AN OPTION FOR ELECTRONIC RECEIPT OF THE RETIREE NEWSLETTERS

RECOMMENDATION:

That the Secretary of the Navy direct the Services to give retirees the option of receiving retiree newsletters (*Shift Colors* and *Semper Fi*) electronically.

DISCUSSION:

Currently the Services are mailing hard copies of retiree news letters (*Shift Colors/Semper Fi*) to retirees based on addresses provided by DFAS. Electronic copies are available for download from USN/USMC Personnel Command websites. The Army is currently providing this option to its retiree community.

Providing retirees the option to receive electronic copies via e-mail would provide the following advantages:

- Save the Services time and money by reducing publication costs and postage of paper copies.
- Provide the Services the ability to build and maintain email address databases of retirees which would facilitate timely dissemination of the newsletters and other information of interest to the retired community.
- Electronic copies can be searched for key words and can contain hot links to websites of interest to retirees.

While this item specifically addresses electronic dissemination of the newsletters, it should be considered just one aspect of the entire issue of modernizing the Department's process of communicating with the retired community.

Council Point of Contact: COL Dotto

Item No. B-5.07

Subject: EMPLOYMENT OPPORTUNITY AT TRANSITION

RECOMMENDATION:

That the Secretary of the Navy emphasize to the Secretary of Defense the lack of uniformity in the acceptance of service members' training, education, and experience by individual state's licensing or certification authorities so that DoD can address this issue to the Department of Labor.

DISCUSSION:

A key principle to successful transition for a military service member to the civilian sector is employment, particularly by severely injured personnel. Service members have highly marketable skills and in many cases have completed lengthy entry level and advanced level training. These same service members have also completed terms of employment wherein they have been exhaustively evaluated by competent authorities. Many service members have received recognition from the American Council on Accreditation (ACE) And Defense Activity for Non-traditional Education (DANTES) for completion of this education and training process as being equal to that of higher education and technical training institutions.

The service member has also been identified by the President's Hire a Vet Committee as possessing the necessary entry level skills according to the President's High Growth Job Training Initiative to meet the growing critical needs in 14 industries, such as Advanced Manufacturing, Construction, Health Care, Transportation, etc. Many of these occupations require state licensing or certification as a prerequisite for employment eligibility and are controlled at individual state departments of labor or licensing and certifications according to the state's Department of Commerce.

While our service members have the experience, training, and education (ETE) many state approving agencies do not provide reciprocity to the ETE for the purpose of licensing or certification resulting in a significant delay in filling critical industries with qualified personnel and increasing training costs that have already been borne by other agencies.

The Council recommends that the Secretary of the Navy emphasize to the Secretary of Defense the lack of uniformity in the acceptance of service members' training, education, and experience by individual state's licensing or certification authorities in order to address this issue with the Department of Labor. Note that the Department of Labor's extensive involvement with the Military's Transition Assistance Programs (TAP) should facilitate a dialog on this subject.

Council Point of Contact: COL Waggoner

Item No. B-6.07

Subject: PROVIDE MORE ON-LINE FORM COMPLETION CAPABILITY

RECOMMENDATION:

That the Secretary of the Navy encourage the Department of Defense to explore making as many forms as possible involving health care and survivor benefits, available for completion on line.

DISCUSSION:

Currently there is little consistency between the Services, agencies and departments on the ability to electronically complete and submit application forms for important veteran benefits. Some forms can be completed on-line; some departments require downloading and printing the forms, filling them out by hand and mailing or faxing the completed forms; and some departments merely provide addresses to request forms to be mailed to the requestors. This is not only confusing, but inefficient. The internet provides us the opportunity to greatly improve the systems of providing necessary information to support requests for services.

Great strides have been made in safeguarding on-line information by the financial services industry and commercial on-line vendors, to include verifying and safeguarding identities. These technologies could be used to streamline and standardize the process of filling out necessary forms on line. Providing more robust on-line capability will greatly enhance the retired community's ability to apply for their health care and survivor benefits.

Council Point of Contact: COL Dotto

Item No. B-7.07

Subject: SPACE AVAILABLE TRAVEL FOR SURVIVING SPOUSES AND MINOR CHILDREN OF DECEASED MILITARY RETIREES.

RECOMMENDATION:

That the Secretary of the Navy submit a proposal to the Secretary of Defense to change the directive on Air Transportation Eligibility to allow surviving spouses and accompanying minor children of deceased military retirees to be eligible to use space available transportation.

DISCUSSION:

Department of Defense Directive 4515.13R, "Air Transportation Eligibility" allows dependents of military retirees accompanied by their sponsor to travel aboard Department of Defense (DOD) owned or controlled aircraft to, from and between overseas areas. Dependents of retired military personnel are authorized to travel to and from locations within the continental United States (CONUS) with their sponsor as a result of the calendar year 2003-2004 Dependent CONUS test which has been continued.

The surviving spouse and minor children of deceased military retirees are presently not allowed to utilize the space available air transportation that was available to them when the sponsor was alive. There is excess space available on many DoD aircraft that could be used to provide flights for the surviving spouse and accompanied dependent children to add to the quality of life of the deceased retiree's family.

The Council recommends the surviving spouse and accompanying minor children are included in General Category VI (retirees and dependents) for space available travel consistent with the original sponsor accompanied authorized space available travel.

Council Point of Contact: COL Waggoner

ADDITIONAL COMMENTS FOR THE SECRETARY

1. The Council applauds the ongoing efforts to provide care and support for our severely injured Sailors and Marines. The Marine Wounded Warrior Regiment and the Navy Safe Harbor Program are key elements of this effort. The Council recommends that a thorough review of these programs be conducted to examine the process, procedures, and execution to ensure that there are no disconnects as our Sailors and Marines transition through the system and that none of our severely wounded are left behind.

2. Some items from the Council's 2006 report were not concurred in and closed. These items continue to be of significant concern to the retired community and most are being addressed by Congress in proposed legislation. The Council recommends that the Secretary revisit these issues in light of the current congressional interest. These items include:

B-2.06 FULL AND CONCURRENT RECEIPT OF MILITARY PAY AND VA DISABILITY COMPENSATION. Pending legislative actions, expressed in S.558, S.2385, H.R.303 and H.R.2076, encompass various solutions in resolving this issue, each allowing the receipt of both military retired pay and veteran's disability compensation at lower levels of disability and with less than 20 years of service, if disabled. H.R.333, the Disabled Veterans Tax Termination Act, introduced by Rep. Jim Marshall (D-GA) in January 2007 combined all the previous pending legislations in resolving this issue. These proposed legislations reflect in detail the recommendations of the Council and we strongly encourage support from the Secretary of the Navy.

B-3.06 PRE-TAX HEALTH INSURANCE PREMIUMS. The Department of the Navy (DON) did not concur with this recommendation because a Unified Legislative and Budget (ULB) submission from DoD would not be the most efficient means to push such legislation forward in the next session of Congress. DON did report that they envisioned supporting bills on this issue that are provided for comment by Congress as part of the normal legislative review process. S.0773 and H.R.1110 address this issue. The Council appreciates DON's support for this legislation.

B-4.06 ADJUSTMENT OF SELECTED RESERVE RETIREMENT PAY ELIGIBILITY DATE TO RECOGNIZE PERIODS OF ACTIVE DUTY PURSUANT TO MOBILIZATION. The Department of the Navy did not concur with this item because the 10th Quadrennial Review of Military Compensation (QRMC) is underway and the retirement age policy for purposes of receipt of retired pay is being reviewed by the QRMC for both active duty and Reservist. The Council is keenly interested in the progress being made by the QRMC and requests to be kept apprised of the review and the recommendations being made on this subject.

A-5.05 ELIMINATE THE SURVIVOR BENEFIT PLAN (SBP) DEPENDENCY INDEMNITY COMPENSATION (DIC) OFFSET. S.935 and H.R.1589 propose repealing the provisions of Title 10 which require the offset of DIC

payments from SBP annuities. H.R. 1589 also provides for the recoupment of certain portions of SBP premiums that may have been refunded to the surviving spouse. The Council strongly supports the primary intent of these Bills but recommends the Secretary oppose the provision to recoup premiums that have already been refunded. In addition, the Council recommends that Congress offer an Open Season provision with this legislation in order to allow any retirees who may have declined SBP because of the existing SBP-DIC offset law.