

## Implications of Enhanced Selective Early Retirement (E-SERB) for Prior Enlisted Soldiers

**Summary:** A significant number of Army captains and majors (potentially hundreds) will soon be involuntarily retired at their highest previous *enlisted* rank due to their selection for E-SERB. This will result in a significant decrease in lifetime retirement benefits for the impacted soldiers, approximately \$1,000 per month or just over \$1 million over a 40 year retirement in the case of an O-3 forced to retire as an E-7.<sup>1</sup> Impacted soldiers will be forced to retire as early as March 31, 2015. Given the significant administrative lead time required to retire, the Army will begin initiating retirements for these soldiers imminently, therefore this issue must be rectified immediately.

**Background:** The Army expanded to a post 9-11 peak of 570,000 soldiers in 2010 and is currently executing an aggressive end strength reduction designed to shrink the Army to 450,000 soldiers.<sup>2</sup> As part of that end-strength reduction the Army has utilized a number of involuntary separation tools including Enhanced Selective Early Retirement Boards (E-SERB). Officers with more than 18 years active service are screened by E-SERB and those selected will be forced to retire on the first day of the month following the month they reach 20 years of service.

**Impact on Prior-Enlisted Soldiers:** Under current law a soldier must serve at least 8 years of active service as a commissioned officer in order to retire as a commissioned officer. Soldiers who serve 20 years total, but less than 8 years as commissioned officers are retired at their highest enlisted rank.<sup>3</sup> During the “Grow the Army” effort the Army dramatically increased the number of officers commissioned via its Officer Candidate School (OCS).<sup>4</sup> Many of those OCS graduates are now being forced to retire through the E-SERB process as the Army shrinks. These former non-commissioned officers stepped up and volunteered for OCS at a time the Army badly needed officers and served honorably for between 6 and 7 years. Now, many are being retired at enlisted ranks they have not held in years. This is particularly disturbing because had they ignored the Army’s call for officers most would have been promoted at least once more and been eligible to retire at a higher enlisted rank. To demote these soldiers in retirement is an injustice that devalues their service and will materially disadvantage them and their families for the rest of their lives.

**Way Ahead:** The Army could modify its E-SERB policy to delay the Mandatory Retirement Date of affected soldiers until the first month after they become eligible to retire as commissioned officers.

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<sup>1</sup> These differentials were calculated using the Office of the Secretary of Defense High-3 Retirement Calculator. <<<http://militarypay.defense.gov/mpcalcs/Calculators/FinalPayHigh3.aspx>>>

<sup>2</sup> Feickert, Andrew *Army Drawdown and Restructuring: Background and Issues for Congress*, Congressional Research Service, 28 February 2014. <<<http://fas.org/sgp/crs/natsec/R42493.pdf>>>

<sup>3</sup> 10 USC 3911 (b). <<<http://www.law.cornell.edu/uscode/text/10/3911>>>

<sup>4</sup> GAO Report to Congress, *Military Personnel: Strategic Plan Needed to Address Army's Emerging Officer Accession and Retention Challenges*, January 2007. <<<http://www.gao.gov/assets/260/255616.html>>>