

108TH CONGRESS
1ST SESSION

H. R. 1885

To amend title 37, United States Code, to ensure that military pay increases are comparable to private sector pay growth, as measured by the Employment Cost Index.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2003

Mrs. DAVIS of California (for herself and Mr. SKELTON) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To amend title 37, United States Code, to ensure that military pay increases are comparable to private sector pay growth, as measured by the Employment Cost Index.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Pay Com-
5 parability Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) One of the underlying principles of the all-
9 volunteer Armed Forces is the principle that military

1 pay increases must remain comparable to private
2 sector pay growth, as measured by the Employment
3 Cost Index.

4 (2) The capping of military pay raises below
5 private sector pay growth for extended periods dur-
6 ing the past 30 years has led to significant retention
7 problems among second-term and career members of
8 the Armed Forces.

9 (3) Such retention problems cost the United
10 States more in terms of lost military experience, de-
11 creased readiness, and increased training costs than
12 maintaining the principle of pay comparability.

13 (4) Since military pay was last deemed reason-
14 ably comparable with private sector pay in 1982,
15 military pay raises have lagged a cumulative 6.4 per-
16 cent behind private sector wage growth, although re-
17 cent efforts of the President and Congress have re-
18 duced the gap significantly from its peak of 13.5
19 percent in 1999.

20 (5) Under existing law, while military pay in-
21 creases must exceed growth in the Employment Cost
22 Index through fiscal year 2006, increases in subse-
23 quent years will be capped one-half percentage point
24 below the Employment Cost Index, to the detriment
25 of retention and readiness over the long term.

1 (6) The remaining so-called pay comparability
 2 gap should be eliminated as quickly as possible, and
 3 military pay increases must sustain full com-
 4 parability with increases in the Employment Cost
 5 Index.

6 **SEC. 3. ANNUAL ADJUSTMENTS IN MONTHLY BASIC PAY**
 7 **FOR MEMBERS OF THE UNIFORMED SERV-**
 8 **ICES.**

9 (a) ANNUAL ADJUSTMENT REQUIRED.—Section
 10 1009 of title 37, United States Code, is amended by strik-
 11 ing subsections (a), (b), and (c) and inserting the following
 12 new subsections:

13 “(a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—
 14 Effective on January 1 of each year, the rates of basic
 15 pay for members of the uniformed services under section
 16 203(a) of this title shall be increased under this section.

17 “(b) EFFECTIVENESS OF ADJUSTMENT.—An adjust-
 18 ment under this section shall have the force and effect of
 19 law.

20 “(c) EQUAL PERCENTAGE INCREASE FOR ALL MEM-
 21 BERS.—(1) Subject to subsection (d), an adjustment made
 22 under this section in a year shall provide all eligible mem-
 23 bers with an increase in the monthly basic pay that is the
 24 percentage (rounded to the nearest one-tenth of 1 percent)
 25 by which the Employment Cost Index for the base quarter

1 of the year before the preceding year exceeds the Employ-
2 ment Cost Index for the base quarter of the second year
3 before the preceding calendar year (if at all).

4 “(2) Notwithstanding paragraph (1), but subject to
5 subsection (d), the percentage of the adjustment taking
6 effect under this section during each of fiscal years 2004,
7 2005, and 2006, shall be one-half of one percentage point
8 higher than the percentage that would otherwise be appli-
9 cable under such paragraph.”.

10 (b) PUBLICATION OF ADJUSTED RATES.—Subsection
11 (e) of such section is amended—

12 (1) by striking “(e) NOTICE OF ALLOCA-
13 TIONS.—” and inserting “(e) NOTIFICATION AND
14 PUBLICATION REQUIREMENTS.—(1)”; and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2) The rates of basic pay that take effect under
18 this section shall be printed in the Federal Register and
19 the Code of Federal Regulations.”.

20 (c) PRESIDENTIAL DETERMINATION OF NEED FOR
21 ALTERNATIVE PAY ADJUSTMENT.—Such section is fur-
22 ther amended—

23 (1) by redesignating subsection (g) as sub-
24 section (h); and

1 (2) by inserting after subsection (f) the fol-
2 lowing new subsection (g):

3 “(g) EFFECT OF NATIONAL EMERGENCY OR SERI-
4 OUS ECONOMIC CONDITIONS.—(1) If, because of national
5 emergency or serious economic conditions affecting the
6 general welfare, the President determines that the pay ad-
7 justment otherwise required by this section for a year is
8 inappropriate, the President may prepare a plan proposing
9 such alternative pay adjustments as the President con-
10 siders appropriate. The President shall submit the plan,
11 together with the reasons for the alternative pay adjust-
12 ments, to Congress before March 1 of the preceding year.

13 “(2) In evaluating an economic condition affecting
14 the general welfare under this subsection, the President
15 shall consider pertinent economic measures including the
16 Indexes of Leading Economic Indicators, the Gross Na-
17 tional Product, the unemployment rate, the budget deficit,
18 the Consumer Price Index, the Producer Price Index, the
19 Employment Cost Index, and the Implicit Price Deflator
20 for Personal Consumption Expenditures.

21 “(3) The President shall include in the plan sub-
22 mitted under paragraph (1) an assessment of the impact
23 that the alternative pay adjustments proposed in the plan
24 will have on the ability to recruit and retain well-qualified
25 members of the uniformed services.

1 (d) DEFINITIONS.—Such section, as amended by sub-
2 section (c), is further amended by adding at the end the
3 following new subsection:

4 “(i) DEFINITIONS.—In this section:

5 “(1) The term ‘Employment Cost Index’ means
6 the Employment Cost Index (wages and salaries,
7 private industry workers) published quarterly by the
8 Bureau of Labor Statistics.

9 “(2) The term ‘base quarter’ for any year is the
10 three-month period ending on September 30 of such
11 year.”.

12 (e) CONFORMING AMENDMENT.—Subsection (d)(2)
13 of such section is amended by striking “in the General
14 Schedule rates of basic pay for civilian employees.” and
15 inserting “in the rates of monthly basic pay under this
16 section.”.

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