



DEFENSE  
BUSINESS  
BOARD

DEFENSE BUSINESS BOARD  
1155 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1155

November 10, 2010

MEMORANDUM FOR RICHARD SPENCER

SUBJECT: Terms of Reference – “Military Retirement-Alternative Plans”

The Secretary of Defense is committed to increasing the efficiency of resource allocation within the Department of Defense in order to better align defense dollars with real-world military needs. In this ongoing environment of constrained resources, each component of the Department’s budget must be reviewed to support the Secretary’s goals. Therefore, a significant portion of the Department’s personnel budget particularly, military pay and retirement should be appraised and benchmarked.

To support the Secretary’s efficiency initiatives, I request you lead the Defense Business Board’s “Military Retirement-Alternative Plans” Task Group. You should begin by reviewing the current reform thinking on military pay and benefits. This research and analysis will help you to provide recommendations for optimizing the Department’s military pay and retirement system. Please provide recommendations that enable the system to be fiscally sustainable while recruiting and retaining the highest performing personnel required for our Nation’s defense.

The Task Group will consist of you, Patrick Gross, Phil Odeen, Steve Reinemund, Mark Ronald, Robert Stein, and Jack Zoeller. Please provide me with your findings and any recommendations to improve our processes by the Defense Business Board’s Quarterly Meeting in April 2011. Colonel Michael N. Pierce will serve as the Task Group’s Military Assistant.

As a subcommittee of the Board, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal regulations, this Task Group shall not work independently of the Board’s charter and shall report its recommendations to the full Board’s public deliberation. The Task Group does not have the authority to make decisions on behalf of the Board, nor can it report directly to any federal officer who is not also a Board member. The Task Group will avoid discussing “particular matters” according to Section 208 of Title 18, U.S. Code.

  
Michael J. Bayer  
Chairman

