



# Military Retirement and Pensions

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Israel • England and Wales

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**BELGIUM**

**MILITARY RETIREMENT AND PENSIONS**

The Belgian Armed Forces are regulated by a number of laws and regulations including the Code of Criminal Military Justice.<sup>1</sup> They are presently undergoing a reorganization affecting all three branches of the armed forces: the army, the air force and the navy. The reorganization plan envisages a smaller but better trained professional forces supported by extensive reserves. It should be in place by 2015. New laws will be enacted in the process.

The Age and Years of Service Requirements for Military Retirement and the Formula Used to Calculate the Amount of Retirement Pay are as follows:<sup>2</sup>

**I. Age and Years of Service Required for Military Retirement**

Career officers are retired at the end of the trimester in which they reach the age of:

- 61 years for the general
- 59 years for the major-general
- 56 years for the colonel
- 55 years for the lieutenant-colonel and the major
- 51 years for the commandant and the captain
- 50 for the lieutenant

Career officers who belong to the flying personnel of the air force are retired at the end of the trimester in which they reach the age of:

- 58 years for the general;
- 56 years for the major-general;
- 54 years for the colonel;
- 52 years for the lieutenant-colonel;
- 50 years for the major;
- 45 years for the commandant, the captain, and the lieutenant.

**II. Formula Used to Calculate the Amount of Retirement Pay**

1/60th of the last salary multiplied by the number of years of service (less than 3 months= 0, between 3 and 9 months= 1/2, and more than 9 months= 1) + X% for years of service in the last rank (this percentage varies between 0 and 20% depending on the ranking and the number of years of service in the last rank. Example: For a lieutenant-colonel or a major, the maximum of 20% is reached after 8 years of service in their grade.

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<sup>1</sup> Law of May 27, 1870, on the Army and the Code of Criminal Military Justice, MB June 4,1870, as amended.

<sup>2</sup> The above subject is regulated by the Decree of the Regent of February 6, 1950, on the Retirement of Officers of the Army and the Airforce, MB Feb. 10, 1950; and by the Coordinated Laws on Military Pensions, Royal Decree n E. 16.020 of Aug. 11, 1923, as amended, especially by Law of May 25, 2000, MB June 29, 2000, Royal Decree of July 20, 2000, MB August 30, 1<sup>st</sup> ed.2000, and Law of Mar. 22, 2001, MB April 7, 2001.

The years of service are all the years of active service (or assimilated) + the years of beneficitation for studies. Examples: Every officer: 2 years; military school: 3 years; physicians: 5 years; + years that count double.

Flying personnel: maximum 12 years.

The retirement benefit as calculated above may not exceed 75% of the last salary.

**For flying personnel only:**

The amount of retirement benefits, as calculated above (if necessary limited), is increased by 1/60th of the last salary multiplied by the number of years of service as flying personnel that exceeds 12 years. This amount may not exceed 90% for flying personnel that entered in service before January 1, 1979 or 75% for those who entered service as from January 1, 1979.

Prepared by George E. Glos  
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**FRANCE**

**MILITARY RETIREMENT AND PENSIONS**

**I. Mandatory Retirement Age and Years of Service**

Mandatory retirement ages of carrier military personnel depend upon their ranks and the branch of armed service to which they belong. For example, an Army Division General and a Rear Admiral must retire at 60 while an Air Force Division General must retire at 57; an Army Lt. Colonel must retire at the age of 55, an Air Force Major at 48, an Army Lieutenant or a Navy Ensign at 47 and an Army Sergeant at 42.<sup>1</sup>

As a general rule non commissioned officers can receive a pension the earliest upon completion of 15 years of effective service, while officers need to complete 25 years. An officer who leaves with 15 to 25 years of service has to wait until age 50 to receive his pension. The maximum length of service taken into account in calculating the pension is 37.5 years.

**II. Formula to Calculate the Amount of the Pension**

The pension is proportional to the number of years of effective service within the limit of 75% of the salary at the time of retirement. However, this percentage can reach 80% when some specific benefits such as, for example, participation in a military campaign or service aboard a submarine are added.

The formula to calculate the monthly pension payment is as follow:  $2\% \times$  number of years of effective service  $\times$  *traitement indiciaire* (rank and level monthly salary) held for at least 6 months before retirement.<sup>2</sup>

In case of death, the survival spouse will receive 50% of the pension.

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September 2003

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<sup>1</sup> Law 72-662 of July 13, 1972 as amended by Law 91-1241 of Dec. 13, 1991, Journal Officiel ( Official Gazette) of July 14, 1972 & Dec. 14, 1991.

<sup>2</sup> [http://www.defense.gouv.fr/sga/resshumaines/pensions\\_retraites\\_mili.htm](http://www.defense.gouv.fr/sga/resshumaines/pensions_retraites_mili.htm)

**LAW LIBRARY OF CONGRESS****GERMANY****MILITARY RETIREMENT AND PENSIONS**

In Germany, the provisions of three federal statutes apply to various aspects of retirement rights of military personnel: General eligibility is regulated in sections 44-46 of the Military Service Act (Soldatengesetz – SG, February 20, 1997 edition); retirement pay and computation are covered in sections 15-26a of the Military Pay and Benefits Act (Soldatenversorgungsgesetz, May 6, 1999 edition) and the Federal Pay Act (Bundesbesoldungsgesetz – BBG, May 23, 1975 edition). The following information applies to career military personnel. However, each statute also contains special provisions on recognizing temporary military service up to fifteen (15) years towards non-military federal service.

**I. Age and Years of Service Required for Military Retirement**

Under German law, retirement age appears to be a combination of general and special mandatory age limits. General mandatory retirement starts at 65 years of age. For the military, the general retirement age has been reduced to the age of 61. However, if needed, the Minister of Defense is authorized to retain military personnel in active duty status until the age of 65. In addition, the law provides for some kind of early retirement, descending by rank from age 60 to age 53. The special age requirement of 41 years of age applies to special equipment units.

Starting July 1, 2007, all military retirement age limits will be raised by 1 year. In addition, a service person may apply for a one- year extension for personal reasons. In the event of a national emergency, the Minister of Defense may extend the retirement age limits for up to 4 years.

Eligibility for retirement is based on a minimum of 5 years of service.

**II. Formula Used to Calculate the Amount of Retirement Pay**

The amount of retirement pay is calculated based on the number of years of service and last 3 years of pay. However, the last 3 years are not averaged. The pay must have been at the same grade, or the amount of retirement pay will be calculated on the pay received prior to the last promotion. Intervening assignments in non-active but still public service and work-related training and education count towards years of service. Deducted are periods of non-pay status and unexcused absence.

A lump sum will be paid for each year of retirement before the age of 65, computed as 5 times the last month of pay, not to exceed DM 8,000.00. This amount is reduced by 1.875% for each year worked beyond the special retirement age.

The following formula is used to calculate the amount of retirement pay: 1.875 % for each year of service, up to 75% of active duty pay (last high threes), based on 365 days of active duty status per year. This amount may be increased by special adjustment pay; for lower ranks eligible to retire at age 53 by 13.125 % per year retired later than age 53, minus 1.875%, and special equipment units by 17.625%.

The law guarantees a minimum retirement pay of 35% of the last high three years, provided the recipient is also eligible to receive additional social security pay. If not, the minimum retirement pay is raised to 65% of Pay Grade A4.

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ISRAEL

MILITARY RETIREMENT AND PENSIONS

Eligibility and payment for retirement for retired military personnel is determined in accordance with the Israel Defense Forces (Permanent Service) (Benefits) (Consolidated Version), 5745-1985,<sup>1</sup> as amended.

**I. Eligibility**

A soldier may retire on a pension upon his/her decision:<sup>2</sup>

- after 25 years of permanent service
- after 25 years of service, including not less than 10 years of permanent service if he is 55 years of age
- after 10 years of permanent service if he is 60 years of age<sup>3</sup>

A soldier is also entitled to a retirement pension if he retires upon a decision of the General Chief of Staff,<sup>4</sup> who is authorized to order soldiers' retirement on a pension, for those who served a minimum period of 8 years in permanent service and are 40 years of age.

Dismissal based on disability similarly creates eligibility for a retirement pension. A person who has been dismissed from permanent service for reasons of disability contracted during that service is entitled to a pension if the degree of disability is 35 percent<sup>5</sup> or more or if the dismissal occurred after 5 years of permanent service and if the soldier was found unfit for service by a qualified board immediately before the dismissal.<sup>6</sup>

A person sentenced by a military court to expulsion from the Defense Forces is not entitled to benefits.<sup>7</sup> Special rules apply to persons entitled to a retirement pension who return to the service.

**II. Amount of Retirement Pay**

A person entitled to a retirement pension will be paid for life a pension of an amount equal to the six-hundredth part of his determining salary, multiplied by the number of months of service, provided that

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<sup>1</sup> 39 Laws of the State of Israel (hereafter LSI) 152 (5745-1984/85).

<sup>2</sup> *Id.* §12.

<sup>3</sup> *Supra* note 1, §13.

<sup>4</sup> *Id.*

<sup>5</sup> Degree and percent of disability are measured to calculate the pension.

<sup>6</sup> *Supra* note 1, §10.

<sup>7</sup> *Supra* note 1, §19.



the amount of the pension is greater than 20, but less than 70 percent of such salary.<sup>8</sup> The law defines “the determining salary,” in relation to a particular person at a particular time as:

“the salary, including regular allowances, due on the determining day, immediately preceding that time, to a soldier of the same rank as that person had immediately before his retirement from the service; however, if that person, immediately before his retirement from the service, held an appointment to a post to which a higher rank than his rank is attached, his determining salary shall be calculated in accordance with the rank attached to that post and not according to his rank...”<sup>9</sup>

Persons found by a medical board to be disabled to a degree of 50 percent or more, or persons dismissed for reasons of disability of a lower degree, are entitled to a pension of not less than 20 percent of the determining salary, plus 3 thousandths percent of his determining salary for each percent of disability. For the purpose of calculation, the degree of disability for persons who are disabled when admitted into permanent service is calculated based on the difference between his degree of disability at the time of admission and the time of dismissal. A person dismissed for a disability of a degree of 35 percent or more may opt for a pension in accordance with the formula described above or for a pension equal to 25 percent of his determining salary, or 50 percent in the case of an disability degree of 60 percent or more.

In addition to retirement pensions, eligible soldiers dismissed from service may also receive an additional grant equal to the 24<sup>th</sup> part of their annual salary multiplied by the number of years of service, provided that the grant does not exceed the soldier’s annual salary.<sup>10</sup>

The period of actual service may include a period of absence that does not interrupt the continuity of service, including unpaid absence, as long as payments to the Treasury were made by the soldier or on his behalf, for the purpose of acquiring a right to a benefit. Similarly, when in the period of absence the soldier was employed in the State Service, the period of such employment will be included in calculating the period of service if no severance pay or other retirement grants were or will be paid for it.<sup>11</sup> The period of service may also be increased where a soldier served in a combat role in a field unit or in any function designated by the Government as a special function within the meaning of this law.<sup>12</sup>

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September 2003

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<sup>8</sup> *Supra* note 1, §14(a).

<sup>9</sup> *Supra* note 1, §5.

<sup>10</sup> *Supra* note 1, §15.

<sup>11</sup> *Supra* note 1, §9.

<sup>12</sup> *Supra* note 1, §18.

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**ENGLAND AND WALES**  
**MILITARY RETIREMENT AND PENSIONS**

The pension scheme for the armed forces in the United Kingdom is known as the Armed Forces Pension Scheme (AFPS). The legal basis for the AFPS are Prerogative Instruments made under the Naval and Marine Pay and Pensions Act 1865,<sup>1</sup> the Pensions and Yeomanry Pay Act 1864<sup>2</sup> and the Air Force (Constitution) Act 1917.<sup>3</sup>

The AFPS is a final salary, unfunded occupational pension scheme and is provided for through taxes. The fact that members do not directly contribute to the scheme is taken into account through salary adjustments.

### **I. Age and Service Requirements**

The AFPS has a minimum and maximum age and period of service requirement that Members must reach before they are entitled to receive a pension. The minimum period that must be served to receive a pension is 2 years. This entitles members to a Preserved Pension which they can apply for access to at age 60. Members of the Armed Forces can receive an Immediate Pension starting at age 38 after completing 16 years of Reckonable Service<sup>4</sup>; officers can receive an Immediate Pension starting at age 40 after completing 22 years Reckonable Service.

Full Career (maximum) Pensions are available at age 55 after 34 years of Reckonable Service as an officer or 37 years Reckonable Service in the ranks. The discrepancy in years of service is historical and currently under review.

Pensions for Senior Officers (2 Star and above) are not based on the representative rate of pay, but on the Officers' final salary based on the best salary of the Officer's final 3 years.

In all of the different pension types, members receive a terminal grant, which is a one time tax-free lump sum payment of 3 times the amount of the pension. In the case of Preserved Pensions, the terminal grant becomes available at the time the Member reaches the age of 60.

### **II. Pension Income**

The AFPS is a defined benefit scheme. The amount of pension that Members receive is dependent

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<sup>1</sup> 28 & 29 Vict., ch. 73, §3. The Prerogative Instrument in this instance is an Order in Council.

<sup>2</sup> 47 & 48 Vict., ch. 55, §2. The Prerogative Instrument in this instance is a Royal Warrant (The Royal Pensions Warrant 1977).

<sup>3</sup> 7 & 8 Geo. 5, ch. 51, §2. The Prerogative Instrument in this instance are the Queen's Regulations for the Royal Air Force.

<sup>4</sup> Reckonable Service is the "Service which counts towards a member's pension. For officers this starts at age 21 for a maximum of 34 years and for other ranks at age 18 for a maximum of 37 years." AFPS, *Your Pension Scheme Explained*, available online at [http://www.mod.uk/linked\\_files/issues/afps/afps\\_yourpensionscheme.pdf](http://www.mod.uk/linked_files/issues/afps/afps_yourpensionscheme.pdf).

upon the individual's final rank<sup>5</sup> and years of Reckonable Service. While there are pay differences within each rank, as well as specialist pay, the income received from the AFPS is based upon a representative pay rate for each rank across all of the Armed Forces.<sup>6</sup>

The percentage of representative pay that Members receive rises from:

- 28.5% after 16 years evenly to 48.5% after 34 years for Regular Officers
- 31.833% after 22 years evenly to 48.5% after 37 years for other ranks
- Senior Officers (2 Star and above) can receive a maximum of 50% of pensionable salary after 34 years in service.<sup>7</sup>

The pension is increased annually in accordance with the retail prices index, although no rise occurs until the Member reaches the age of 55. Once this occurs, the pension is increased to take into account all of the increases introduced since the pension was first introduced, and it is increased annually thereafter.

The AFPS is currently under review.

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<sup>5</sup> Final Rank refers to the "highest substantive paid rank held for more than 2 years or acting rank held for 3 years for officers and the highest paid rank held for more than 2 years in the last 5 years of service for other ranks." *Supra*, note 4.

<sup>6</sup> For current Representative Pay rates, please see [http://www.rafcom.co.uk/pay\\_allowances/pensions\\_rates2003.cfm#](http://www.rafcom.co.uk/pay_allowances/pensions_rates2003.cfm#).

<sup>7</sup> *Id.*