



## Military Support for Pension Reform?

**OE Watch Commentary:** Faint murmurs of protest could be heard beneath the excitement and success of Russia's hosting of the 2018 World Cup competition. Just as the games were getting underway, Kremlin authorities released a proposal which would raise the retirement age for men to age 65 (currently 60) and to 63 for women (currently 55) over the next 10-15 years. The proposal is predicated on both improved life expectancy for Russians and economic strains within the current pension system. The brief accompanying excerpt from the pro-government source, *Nezavisimaya Gazeta*, describes how those in uniform regard changes to the pension system and past proposals to alter retirement benefits for those serving in the military.

The author begins by quoting a high-level government official who suggests that the authorities are "assessing the question of adjusting the period of service which military officers are required to complete in order to be entitled to retirement." Whereas Russia males today working in the civilian sector must work until 60 before retiring, the official points out that "the military often become pensioners at the age of 40, having served 20 years." The article then reviews previous discussions which would extend the term of service (25 years) or possibly the "abolishment of military pensions and their replacement with one-time exit payments." The author points out that such discussions did not have "a positive impact on the morale of the officers in the Army and the Navy, as well as in other security agencies."

The article concludes by suggesting that the government is unlikely to alter the military's retirement system until they have resolved the country's overall pension program. Indeed, the article quotes an expert who posits that should the above pension reform for civilians be implemented, the authorities will need the support of those in uniform "to establish constitutional order in the country if unsanctioned rallies, demonstrations, and other violations occur." While seemingly minor, the Kremlin's plan to overhaul the country's pension system could have a profound impact on all Russian citizens, including those in uniform. **End OE Watch Commentary (Finch)**

*"The media have written about possible social protests in the country over the raising of the retirement age for large groups of the population. If the same were to apply to the military at the same time, the government would face additional problems...."*

**Source:** Vladimir Mukhin, "Власти не рискнут проводить пенсионную реформу еще и для силовиков (The Authorities Will Not Risk Implementing Pension Reform for Security Agencies Too)," *Nezavisimaya Gazeta*, 18 June 2018. [http://www.ng.ru/politics/2018-06-18/1\\_7246\\_pensia.html](http://www.ng.ru/politics/2018-06-18/1_7246_pensia.html)

*The large-scale pension reform which is being implemented in the country has so far bypassed the security agencies. However, judging by the statements by Anton Siluanov, First Deputy Prime Minister and Minister of Finance, the government is also assessing the question of adjusting the period of service which military officers are required to complete in order to be entitled to retirement. "We have made these assessments together with the Defense Ministry and it will be one of the elements of our proposals," Siluanov said a few days ago.*

*...It is worth remembering that Anton Siluanov spoke about it as early as 2015 when he served as finance minister in the previous government. "I believe that the military's length of service required for retirement can also be extended. Look, we have a million healthy men working as guards, let alone the significant number of employees in the security agencies. There is a security officer standing at every boom gate and guarding it. The military often become pensioners at the age of 40, having served 20 years."*

*It became known a bit later that the Scientific-Research Institute of Finance, which is subordinated to the Finance Ministry, had even prepared arguments in favor of the abolishment of military pensions and their replacement with one-time exit payments.... It is quite clear that it has not had a positive impact on the morale of the officers in the Army and the Navy, as well as in other security agencies.*

*Last year, both the public and the Army also actively discussed a draft law -- which had allegedly been prepared by the government and the security agencies and had leaked into the media -- on the raising of the bottom limit of the servicemen's length of service entitling them to military pension from 20 to 25 years. In order to make it possible for the servicemen to adapt to the new conditions, the draft law provided for a transitional period until 2023.... It remains unknown what the final version of the draft law on the raising of the military's pre-retirement length of service to 25 years to be presented by the government to the State Duma will look like.*

*"...A large-scale pension reform is about to begin in the country. Apparently, the number of years which the servicemen are required to service before they can get a pension will also be adjusted for the security agencies. However, the matter requires delicate approach. The government is doing the right thing by avoiding haste...." Aleksandr Kanshin, deputy chairman of the Russian Federation Defense Ministry's Public Council, told Nezavisimaya Gazeta.*

*"The media have written about possible social protests in the country over the raising of the retirement age for large groups of the population. If the same were to apply to the military at the same time, the government would face additional problems. The country's leadership does not need such scenario, so I believe that they will implement the pension reform in the Army, the Internal Affairs Ministry, Rosgvardiya, and other security agencies gradually, keeping in mind the need to provide the factors of social protection for the military servicemen and the employees of security agencies. They have enough work as it is now. They also need to be prepared to establish constitutional order in the country if unsanctioned rallies, demonstrations, and other violations occur," Lieutenant-General Yuriy Netkachev, who is also a military expert, noted.*