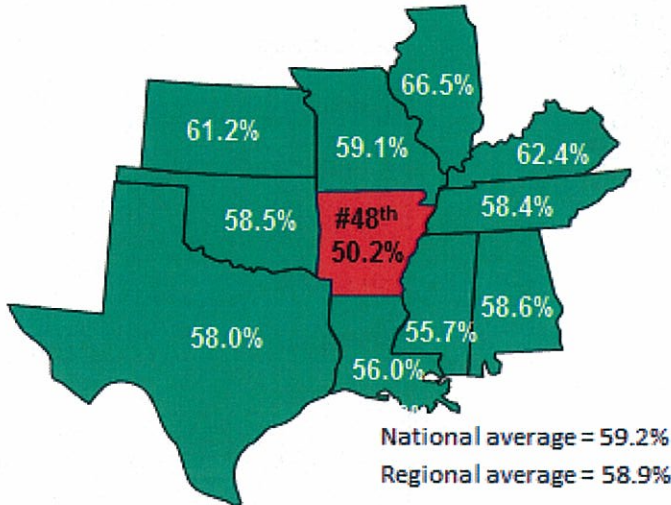


## Arkansas Veterans Coalition Legislative Initiative #1

**Boost** workforce and economic development opportunities through state income tax exemption of uniformed services retired pay

Arkansas attracts the **lowest percentage** of working age active duty military retirees in our region



Source: DoD Office of the Actuary <http://actuary.defense.gov> and 3 Feb 14 email w/FY13 data in advance of FY13 annual rpt.

### Arkansas ranks #48

- 9 points below national and regional averages
  - 5 points behind #36 Mississippi
  - 6 points behind Louisiana
  - 8 points behind Texas, Oklahoma and Tennessee
  - 9 points behind Missouri
- Arkansas' share of military retirees (approximately 4,500 – 5000) go elsewhere to launch their second career

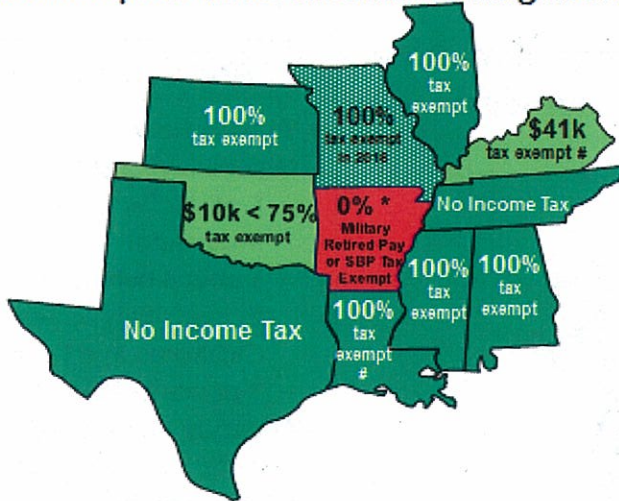
### Typical Military Retiree Profile

- **Age:** 38 – 44-years old senior non-commissioned officer
  - Retired pay between \$25 -28k annually
  - Seeking second employment , spousal credentials brings in second professional income
- **Education:** higher percentage of associate, bachelor and advanced degrees than general population
- **Skills:** leadership, management, operations, engineering, technology, education and emergency services
- **Entrepreneurial:** Per SBA "prior military service is the single best indicator of entrepreneurial success"

### Military Retiree Positive Impact on Community

- **Retired Pay:** COLA-protected pension not affected by layoffs, recessions, inflation
- **Health care:** Tricare and Tricare for Lift protect retiree and family without burden to the state's Medicaid or Private Option coverage
- **GI Bill Education Benefits:** Provide workforce and advanced training
- **Community Involvement:** Experienced leader and volunteer, contributor in the first community they picked themselves and want to call 'Home'

## Arkansas treats military retired pay and survivor benefit plan different than its neighbors



# KY and LA do not exempt SBP. All other regional states exempt SBP like military retired pay  
 \* AR exempts \$6k of income from IRA or any private or public pension but does not provide specific exemption for military retired pay as do our neighbors

### Net DoD Retiree Change 2010-2013

#### Arkansas

Only state in region and one of only ten USA-wide whose military retired pop got smaller

Alabama	2,885
<b>Arkansas</b>	<b>-69</b>
Illinois	971
Kansas	544
Kentucky	1,060
Louisiana	311
Mississippi	998
Missouri	556
Oklahoma	841
Tennessee	1,956
Texas	7,885
Total USA	53,223

### Bottom Line

- Eliminate reasons Arkansas does not retain or attract veterans and military retirees to support and complement other Arkansas workforce development initiatives
- Capitalize on DoD recruiting, screening, training and experience under most demanding conditions.
- Boost workforce and economic impact of injecting fresh round of military veterans to Arkansas economy

### Companion Arkansas Veterans Coalition Legislative Initiatives

- **Ensure** statewide access to Veterans Treatment Courts
- **Extend** resident tuition rates beyond Arkansas and eliminate local residency prerequisites for instate moves to attract and retain service members, veterans and their families
- **Direct** programming, planning, operations and oversight of a veterans state home network based on projected needs of Arkansas' most at-risk veterans
- **Ensure** service members receive licensure and academic credit for military education, training and experience (DoD priority #1)
- **Ensure** military spouse transition through licensure portability and eligibility for unemployment compensation (DoD priority #2)