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Military Retirement Privileges Under Fire in Uruguay

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Facing strong opposition from the armed forces, Uruguayan President Tabaré Vázquez has been forced to postpone a pension reform plan that would have ended some of the privileges for retired military personnel. As details of the preferential treatment the government gives the military were unveiled and the public became outraged (NotiSur, Jan. 30, 2015), the military appealed to its political allies.

Best-paid retirees in the country

Civil society was unaware of the wide array of measures that allow retired military officers to enjoy a package of exceptional privileges, unavailable to other Uruguayans, that make them the best-paid retirees in the country. This discriminatory treatment backed up by a web of laws, resolutions, and decrees dates back to 1940 and was consolidated in the Organic Military Law imposed in 1974 by the civilian-military dictatorship (1973-1985). In 2015, the current minister of labor, Ernesto Murro, who was then head of the Banco de Previsión Social (BPS), spoke out about the underfunding of military pensions (Servicio de Retiros y Pensiones de las Fuerzas Armadas), the result of the high cost of these privileges. In round numbers, the state contributes US$80 million each year to the Caja de Pensiones (military pension fund), he said, and “for every peso that goes into the Caja, five come out. The other four pesos are provided by the pubic, through their taxes.” Murro then asked: “Is it right that those officials who enjoy privileged retirements don’t contribute to their own retirement fund?” Civilian retirees, in contrast, contribute 3% of their pensions.

Multiple privileges

Officers can retire after 20 years of service. Civilians must work at least 30 years to be vested. For the military, each year of service abroad—as a diplomatic attaché or member of the United Nations peacekeeping force—are counted double. Army generals and officers of equivalent rank in the Air Force and Navy are forced to retire either at age 60 or when they have served eight years at those ranks. A coronel retires at age 55 and a lieutenant coronel at age 52 and receive 100% of what they earned on active duty. For civilians, retirement pay is 50% of their average salary for the last 10 years of employment, maxing out at US$1,300. Military pensions increase automatically, based on the median wage index. Civilian pensions depend on special adjustments. When forced to retire (because of age or years of service at a specific rank), military officers are rewarded with a pension equivalent to the salary of the immediate next rank. Retired military receive an aguinaldo (a bonus paid at the end of the year); civilian retirees don’t.

To illustrate these privileges, on Aug. 1, Murro told La República, “There are things no civilian can understand. Last year, the Navy had a total of 105 ship captains—a similar rank to army coronel—with salaries of US$3,100. Upon reaching age 55, they are required to retire, and at those rates, their retirement will go to US$3,700 because forced retirement makes their pension equivalent to the salary of the immediate next rank.” In addition, at this age, a retiree is in full condition to continue working in civilian activities.
The armed forces have 21,563 troops: 14,407 in the Army, 2,484 in the Air Force, and 4,672 in the Navy. Of those, 2,506 are officers, nearly 12% of the total number of men in all three branches. In January, 1,809 members of the armed forces were participating in UN peacekeeping missions, 58 were observers in the Sinai, 228 were in training courses for the blue helmets, 40 were training to become mission experts, 23 were in courses for women on peace missions, and 49 were in classes for civilian protection. Military salaries increase by 50% just for carrying out, or preparing, to do these jobs.

**Military defends retirement pay**

“The mere mention of a possible reform of the Caja … that handles military retirement funds put the armed forces on a state of alert,” Senator Constanza Moreira, of the governing Frente Amplio, told the daily El País. “They applied whatever pressure is possible to apply at a time when coups d’état are carried out by different means, as occurred in Honduras (2009), Paraguay (2012), or Brazil, where on Aug. 31 the first female president in that country’s history was removed from office.”

Doctors at the Hospital Militar Central, a highly complex center serving active and retired military personnel and their families, used one of these types of pressure. Some 100 of the professionals at the hospital presented voluntary retirement requests, a measure that, if carried out, would leave the hospital in a crisis situation and would keep Uruguay from joining the international corps of volunteers that will help in Colombia’s post-conflict situation. The Uruguayan armed forces were invited by the government of Colombian President Juan Manuel Santos in recognition of their experience in participating in United Nations solidarity missions.

Rivera Elgue do Campo, a retired colonel who serves as the physicians’ spokesperson, told El País on Aug. 8 that, for the Colombian mission, they were considering “calling in retired professionals, since top personnel isn’t available to cover what the work requires. There aren’t volunteers because everyone is waiting to see what happens with the reform to the military pension fund.”

In the same interview, the colonel said, “In reality, doctors don’t work in military health care for the wages; they’re there to secure a good retirement, to retire very young and then continue working in the private sector because of the status that having worked in the military hospital gives them.”

Finally, Elgue made the threat and pressure explicit: “If as a result of the reform measures they see a change in the retirement system, surely we are going to suffer a mass exodus of doctors, nurses, and paramedical technicians.”

To that, Luis Puig, a deputy from the Frente Amplio coalition, replied, “That is what is called stupid blackmail.”

On Aug. 30, to commemorate the United Nations’ International Day of the Disappeared, Uruguayan humanitarian organizations released a document in which they complained, “All of the military men of the dictatorship maintain their ranks, collect salaries updated to the level that officers receive in similar activity, and the state shoulders the costs of defense when they face legal processes abroad.”

This referred to the case of three top officers who were found guilty in Santiago de Chile of the homicide of Chilean biochemist Eugenio Berrios, whose lifeless body was discovered in 1995 on a beach near Montevideo (NotiSur, Aug. 28, 2015). In Chile, Berrios was in charge of producing chemicals such as sarin gas, used to kill dozens of political detainees during the Augusto Pinochet civilian-military dictatorship in Chile (1973-1990) (NotiSur, Jan. 5, 2007).
Thus, Uruguayans became aware of yet more privileges enjoyed by the military, in this case in particular, by those responsible for crimes against humanity committed during the dictatorship.

On Sept. 8, the right-wing weekly Búsqueda, born during the dictatorship and turned into the most representative voice of the establishment, reported on an investigation that confirmed that “all the military men who are imprisoned for their work during the military government receive their benefits without any cuts or partial modification.”

Gen. Gregorio Álvarez (1981-1985), who ruled Uruguay as a dictator between 1981 and 1985, and who was identified by the government in March 2014 as “one of the worst assassins in Uruguay’s history,” heads the list of best-paid military retirees in the country. He is paid US$5,200 a month and, it is now known, up until 2008 also collected a pension of US$3,300 as ex-president. Álvarez was sentenced as the mastermind behind many homicides, including 37 aggravated homicides.

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