

Trump Announces One-Time \$1,776 Bonus for U.S. Military Personnel Ahead of Christmas

President Trump announced a one-time, tax-free \$1,776 bonus for about 1.45M active-duty, National Guard, and Reserve service members, funded through existing appropriations and set for distribution before Christmas 2025 alongside a scheduled pay raise.

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President Donald Trump and First Lady Melania at the White House. By. WHITE HOUSE.

President Donald Trump on Wednesday announced a one-time \$1,776 bonus for U.S. military personnel, unveiling the measure during a national address from the White House on December 17 and framing it as a symbolic acknowledgment of service tied to the year of American independence. Trump described the payment as a “warrior dividend,” linking the dollar amount

directly to 1776 and presenting it as recognition for the role service members play in confronting national security threats.

The bonus is scheduled to be paid before Christmas 2025 and will apply to approximately 1.45 million members of the armed forces, including active-duty troops as well as National Guard and Reserve personnel who are currently on active duty. The total cost of the program is estimated at about \$2.6 billion, funded through reconciliation resources that have already been allocated by Congress.

In announcing the bonus, Trump pointed to what he described as the sacrifices made by service members in operations targeting drug trafficking, border security, and other threats. He specifically referenced recent incidents, including the shooting of two National Guardsmen in Washington, D.C., as part of his broader remarks on the risks faced by those in uniform. During the address, Trump praised military personnel for confronting narco-terrorism and immigration-related challenges under initiatives such as Operation Southern Spear, saying the dividend was meant to honor those “putting their lives on the line every day.”

The payment will be issued as a tax-free bonus and processed through the military’s regular payroll systems, a move officials say is intended to ensure rapid distribution to those who qualify. The announcement comes alongside a separate increase in military compensation already set to take effect. A 4.6% pay raise for service members is scheduled to begin on January 1, 2026, under the National Defense Authorization Act that Trump signed earlier this month. That legislation was aimed at strengthening recruitment and retention as the military manages ongoing global commitments.

Following the address, Defense Secretary Pete Hegseth issued a statement supporting the initiative, calling it a “fitting tribute” to U.S. forces carrying out missions both domestically and overseas. The Pentagon later clarified that eligibility for the bonus includes all active-duty members and that no exclusions have been outlined beyond standard service requirements. Officials also confirmed that the funding will be reallocated from existing appropriations and does not require new legislative approval.

Reaction to the announcement varied across political and advocacy groups. Veterans’ organizations largely welcomed the bonus, with the Veterans of Foreign Wars describing it as a boost to morale during a time of heightened operational demands. Some fiscal conservatives in Congress, however, raised concerns about the overall cost, arguing that the \$2.6 billion expenditure would add to deficit spending without corresponding cuts in other areas. Senate Armed Services Committee Chairman Roger Wicker praised the initiative but emphasized the need for long-term, sustained investment in military compensation.

Democratic leaders offered a more mixed response. Senate Minority Leader Chuck Schumer acknowledged the importance of supporting service members but criticized the administration for what he described as a failure to address broader issues of pay equity within the military. Economists noted that while the bonuses could deliver a short-term economic benefit to communities near military installations, the overall effect on the national economy is expected to be limited.

The bonus fulfills a campaign pledge by Trump to prioritize the welfare of military personnel and follows similar incentive programs implemented during his first term. Defense officials have said they expect the rollout to proceed smoothly, with additional details on payment logistics to be released by the Defense Finance and Accounting Service in the coming weeks.

