



OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



(Program/Budget)

MEMORANDUM FOR DIRECTOR, HEALTH AND FINANCIAL POLICY, OFFICE OF
ASSISTANT SECRETARY OF DEFENSE
(HEALTH AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY DIRECTOR, ADMINISTRATION AND
MANAGEMENT
DEPUTY DIRECTOR FOR RESOURCE MANAGEMENT,
DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: FY 2009 Department of Defense (DoD) Military Personnel Composite
Standard Pay and Reimbursement Rates

The FY 2009 DoD military composite pay and reimbursement rates (Tabs K1-K5 attached) are now available on the reimbursable rates page of the Office of the Under Secretary of Defense (Comptroller) website <http://www.dod.mil/comptroller/rates/>. The composite standard pay rates will be used when determining the cost of military personnel for budget/management studies. The annual billable rate charged to non-DoD activities will be used when obtaining reimbursement for services provided to agencies outside the DoD. This rate contains an acceleration factor of \$8,672 to cover medical health care costs of active duty personnel and their dependents.

John F. Roth
Deputy Comptroller

Attachment:
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2009

OVERVIEW

The Military Composite Standard Pay and Reimbursement Rates are calculated in accordance with provisions of Volume 11A, Chapter 6, Appendix I of the “DoD Financial Management Regulation” (DoD 7000.14R).

The “Annual Department of Defense (DoD) Composite Rate” shall be used when determining the cost of military personnel for budget/management studies.

- Rates **include** a per capita normal cost of \$5,560 for Medicare-Eligible Retiree Health Care (MERHC) accruals. Beginning with FY 2006, the MERHC accruals are paid from the permanent, indefinite appropriations of the General Fund of the Treasury instead of the military personnel appropriations. However, for budget purposes, MERHC accruals continue to be counted as part of the Military Departments’ discretionary budget authority. Therefore, the MERHC accruals must be included for determining the cost of military personnel for budget/management studies, but may not be included in reimbursements to the Services’ personnel accounts during the year of execution (FY 2009).

The “Annual Rate Billable to Other Federal Agencies” shall be used when obtaining reimbursement for services provided to agencies outside of the DoD.

- Rates **include an acceleration factor of \$8,672** to cover medical health care costs of active duty personnel and their dependents. The acceleration factor prior to FY 2006 was based on a percentage of the DoD Composite Rate (e.g., 8 percent for officers; 16 percent for enlisted).
- Rates **exclude** the per capita normal cost of \$5,560 for Medicare-Eligible Retiree Health Care (MERHC) accruals. Beginning with FY 2006, the MERHC accruals are paid from the General Fund of the Treasury and cannot be reimbursed to the Services’ personnel accounts during the year of execution (FY 2009).

The FY 2009 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2008.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2009 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$175,944 ^{5/}	\$275,938	\$279,050
O-9	169,224	273,787	276,899
O-8	150,216	253,417	256,529
O-7	131,213	225,811	228,923
O-6	111,029	213,945	217,057
O-5	90,303	177,123	180,235
O-4	76,083	152,729	155,841
O-3	59,817	122,616	125,728
O-2	44,893	94,834	97,946
O-1	34,994	78,333	81,445
WO-5	\$85,144	\$166,646	\$169,758
WO-4	71,340	147,440	150,552
WO-3	59,392	126,538	129,650
WO-2	47,926	103,338	106,450
WO-1	42,040	91,279	94,391
E-9	\$66,233	\$127,637	\$130,749
E-8	52,889	107,795	110,907
E-7	44,875	95,757	98,869
E-6	35,971	82,401	85,513
E-5	29,152	69,070	72,182
E-4	23,725	56,378	59,490
E-3	19,513	47,221	50,333
E-2	17,903	44,342	47,454
E-1	15,332	39,122	42,234
CADETS	\$10,876	\$14,559	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, MERHC accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$8,672 for all personnel. **Excludes** per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$175,944 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2009 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$175,944 ^{5/}	\$274,134	\$277,246
O-9	163,044	260,478	263,590
O-8	147,722	242,410	245,522
O-7	131,035	221,807	224,919
O-6	111,809	206,176	209,288
O-5	88,885	174,991	178,103
O-4	76,618	160,281	163,393
O-3	62,158	139,477	142,589
O-2	49,947	109,727	112,839
O-1	36,487	87,551	90,663
WO-5	\$86,148	\$160,079	\$163,191
WO-4	79,326	149,572	152,684
WO-3	64,851	129,733	132,845
WO-2	55,562	119,097	122,209
WO-1	----	----	----
E-9	\$66,621	\$129,962	\$133,074
E-8	53,375	110,557	113,669
E-7	45,115	99,340	102,452
E-6	36,910	86,917	90,029
E-5	29,658	74,296	77,408
E-4	24,067	64,246	67,358
E-3	20,337	51,417	54,529
E-2	18,571	45,790	48,902
E-1	15,988	40,736	43,848
CADETS	\$11,030	\$15,231	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, MERHC accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$8,672 for all personnel. **Excludes** per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$175,944 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2009 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$175,944 ^{5/}	\$250,762	\$253,874
O-9	170,237	243,566	246,678
O-8	151,065	218,808	221,920
O-7	133,175	225,289	228,401
O-6	112,217	199,201	202,313
O-5	90,429	170,878	173,990
O-4	76,814	147,969	151,081
O-3	63,089	123,747	126,859
O-2	48,998	103,197	106,309
O-1	35,335	80,344	83,456
WO-5	\$83,912	\$158,191	\$161,303
WO-4	72,682	144,780	147,892
WO-3	60,815	122,482	125,594
WO-2	51,317	109,447	112,559
WO-1	45,240	101,544	104,656
E-9	\$68,230	\$128,673	\$131,785
E-8	54,077	107,808	110,920
E-7	44,893	94,284	97,396
E-6	36,346	83,315	86,427
E-5	28,896	69,067	72,179
E-4	23,785	56,725	59,837
E-3	20,274	49,693	52,805
E-2	18,580	45,738	48,850
E-1	15,848	41,799	44,911

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, MERHC accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$8,672 for all personnel. **Excludes** per capita normal cost of \$5,560 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$175,944 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2009 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$175,944 ^{5/}	\$288,918	\$292,030
O-9	166,875	282,744	285,856
O-8	149,124	258,660	261,772
O-7	132,262	238,079	241,191
O-6	111,142	208,359	211,471
O-5	90,079	178,788	181,900
O-4	75,951	157,809	160,921
O-3	61,375	134,456	137,568
O-2	47,509	111,486	114,598
O-1	33,412	89,167	92,279
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$68,301	\$128,453	\$131,565
E-8	56,019	110,310	113,422
E-7	47,185	97,508	100,620
E-6	38,361	84,194	87,306
E-5	30,698	71,608	74,720
E-4	24,719	59,998	63,110
E-3	20,172	48,809	51,921
E-2	18,819	44,739	47,851
E-1	16,122	40,028	43,140
CADETS	\$10,984	\$14,639	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
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