



COMPTROLLER
(Program/Budget)

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

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 AIR FORCE
(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 2015 Department of Defense (DoD) Military Personnel Composite Standard Pay
and Reimbursement Rates

The FY 2015 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://comptroller.defense.gov/reports.html>. The composite standard pay rates will be used when determining the military personnel appropriations cost for budget/management studies, but should not be considered as the fully-burdened cost of military personnel for the purposes of workforce-mix decisions. 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 \$10,805 to cover medical health care costs of active duty personnel and their dependents.

A handwritten signature in black ink, appearing to read "John P. Roth".

John P. Roth
Deputy Comptroller

Attachment:
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2015

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 military personnel appropriations cost for budget/management studies, but should not be considered as the fully-burdened cost of military personnel for the purposes of workforce-mix decisions.

- Rates **include** a per capita normal cost of \$3,698 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 military personnel appropriations cost for budget/management studies, but may not be included in reimbursements to the Services’ personnel accounts during the year of execution (FY 2015).

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 \$10,805** to cover medical health care costs of active duty personnel and their dependents.
- Rates **exclude** the per capita normal cost of \$3,698 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 2015).

The FY 2015 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2014.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2015 ^{1/}**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE ^{2/}</u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}</u>
O-10	\$181,500 ^{5/}	\$288,815	\$295,922
O-9	181,500	291,077	298,184
O-8	170,320	287,323	294,430
O-7	148,329	261,495	268,602
O-6	126,971	244,411	251,518
O-5	102,926	204,317	211,424
O-4	86,057	173,974	181,081
O-3	68,437	139,521	146,628
O-2	52,003	109,107	116,214
O-1	38,105	83,383	90,490
WO-5	\$99,692	\$194,187	\$201,294
WO-4	82,426	169,412	176,519
WO-3	67,776	141,406	148,513
WO-2	56,778	122,086	129,193
WO-1	49,082	105,305	112,412
E-9	\$77,264	\$149,634	\$156,741
E-8	60,706	125,385	132,492
E-7	51,162	109,795	116,902
E-6	41,392	93,655	100,762
E-5	33,860	78,771	85,878
E-4	27,088	63,560	70,667
E-3	22,344	50,046	57,153
E-2	20,953	46,066	53,173
E-1	17,705	41,742	48,849
CADETS	\$12,294	\$18,399	Not applicable

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (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 \$3,698 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 \$10,805 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,698 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 is currently projected to be \$182,861 for fiscal year (FY) 2015. However, the Department has proposed to freeze the FY 2015 basic pay for all General/Flag Officers at the FY 2014 level of \$181,500.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2015 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$181,500 ^{5/}	\$291,480	\$298,587
O-9	181,500	301,615	308,722
O-8	168,398	284,866	291,973
O-7	146,895	259,497	266,604
O-6	124,131	230,613	237,720
O-5	100,160	197,347	204,454
O-4	84,465	175,523	182,630
O-3	68,273	150,534	157,641
O-2	53,341	118,890	125,997
O-1	39,002	94,738	101,845
WO-5	\$99,824	\$184,831	\$191,938
WO-4	86,930	167,442	174,549
WO-3	73,100	148,452	155,559
WO-2	61,807	131,285	138,392
WO-1	0	0	0
E-9	\$75,019	\$145,276	\$152,383
E-8	59,260	122,917	130,024
E-7	50,692	110,765	117,872
E-6	41,428	96,939	104,046
E-5	32,918	82,120	89,227
E-4	26,510	66,103	73,210
E-3	22,520	54,895	62,002
E-2	20,721	48,823	55,930
E-1	17,648	43,545	50,652
CADETS	\$12,294	\$18,399	Not applicable

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (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 \$3,698 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 \$10,805 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,698 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 is currently projected to be \$182,861 for fiscal year (FY) 2015. However, the Department has proposed to freeze the FY 2015 basic pay for all General/Flag Officers at the FY 2014 level of \$181,500.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2015 ^{1/}**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE ^{2/}</u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}</u>
O-10	\$181,500 ^{5/}	\$284,791	\$291,898
O-9	181,500	296,035	303,142
O-8	170,040	280,114	287,221
O-7	146,718	249,048	256,155
O-6	125,954	224,495	231,602
O-5	102,134	190,597	197,704
O-4	86,911	165,171	172,278
O-3	69,513	136,099	143,206
O-2	53,553	108,023	115,130
O-1	39,465	82,843	89,950
WO-5	\$97,148	\$179,892	\$186,999
WO-4	82,555	155,314	162,421
WO-3	68,841	135,506	142,613
WO-2	58,019	118,024	125,131
WO-1	51,383	107,006	114,113
E-9	\$75,154	\$144,465	\$151,572
E-8	58,413	118,496	125,603
E-7	49,847	105,186	112,293
E-6	41,080	91,803	98,910
E-5	33,202	76,678	83,785
E-4	26,955	61,282	68,389
E-3	22,739	51,030	58,137
E-2	20,755	45,237	52,344
E-1	17,643	40,234	47,341

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (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 \$3,698 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 \$10,805 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,698 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 is currently projected to be \$182,861 for fiscal year (FY) 2015. However, the Department has proposed to freeze the FY 2015 basic pay for all General/Flag Officers at the FY 2014 level of \$181,500.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2015 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$181,500 ^{5/}	\$302,868	\$309,975
O-9	181,500	308,255	315,362
O-8	167,767	289,290	296,397
O-7	145,577	262,661	269,768
O-6	122,105	227,989	235,096
O-5	98,788	194,358	201,465
O-4	83,992	171,435	178,542
O-3	66,771	142,736	149,843
O-2	52,227	118,415	125,522
O-1	37,034	92,940	100,047
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$75,925	\$146,843	\$153,950
E-8	60,087	123,464	130,571
E-7	51,616	110,712	117,819
E-6	42,419	97,026	104,133
E-5	34,117	82,434	89,541
E-4	27,141	67,651	74,758
E-3	22,213	53,507	60,614
E-2	20,688	48,947	56,054
E-1	17,718	42,756	49,863
CADETS	\$12,293	\$17,794	Not applicable

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (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 \$3,698 for MERHC accrual -- see **Tab K-1**.
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