



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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JAN 14 2004

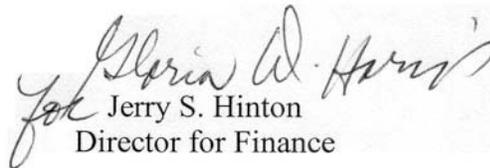
DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Basic Pay Increase
Effective January 1, 2004 (DFAS Item # M-54)

Attached is Interim Change **01-04** to Chapter 1 of the Defense Financial Management Regulation (DoDFMR), Volume 7A. This change implements section 601 of Public Law 108-136 of November 24, 2003, which increases the basic pay rates effective January 1, 2004.

This is a routine change and the result of directed action that does not affect existing policies. A draft of this change was not provided for comment. Assignment of the interim change number is your authority to initiate a procedural modification to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.


for Jerry S. Hinton
Director for Finance

Attachment:
As stated

cc: OUSD(C)(ODCFO)(FP)
DUSD(MPP)(Comp)
ODGC(F)
Service Liaisons
USCG/NOAA/PHS Liaisons
DFAS-GAM/DE
DFAS-PMJE/DE
DFAS-DDM/CL

January 1, 2004, Basic Pay Increase

Interim change 23-03 consolidated chapters 2 through 4 into Chapter 1. Tables 2-5 through 2-8 were renumbered as 1-7 through 1-10, respectively.

1. **Replace tables 1-7 through 1-10 with the attached.**

2. **Revise the bibliography to read:**

Table 1-7	Public Law 108-136, section 601, November 24, 2003
Notes 2, 6 & 7	Executive Order 13322, December 30, 2003
Table 1-8	
Note 1	Executive Order 13322, December 30, 2003
Note 2	Public Law 108-136, section 603, November 24, 2003
Table 1-9	Public Law 108-136, section 601, November 24, 2003
Note	Executive Order 13322, December 30, 2003
Table 1-10	Public Law 108-136, section 601, November 24, 2003
Note 3	Executive Order 13322, December 30, 2003

MONTHLY RATES OF BASIC PAY—COMMISSIONED OFFICERS, AVIATION CADETS, ACADEMY CADETS, MIDSHIPMEN, AND ROTC MEMBERS—EFFECTIVE JANUARY 1, 2004 (notes 2 to 7)

Pay Grade (note 1)	Cumulative Years of Service														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
O-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,524.70	12,586.20	12,847.80	13,303.80
O-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O-8	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O-7	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O-6	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O-5	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O-4	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O-3	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O-2	2,608.20	2,970.60	3,421.50	3,537.00	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90
O-1	2,264.40	2,356.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50

NOTES:

- For rank titles, see Appendix 2, Comparable Terms.
- Basic pay for pay grades O-7 through O-10 is limited to the rate of basic pay for Level III of the Executive Schedule, which is \$12,050.00. Basic pay for pay grades O-6 and below is limited to the rate of basic pay for Level V of the Executive Schedule, which is \$10,608.30.
- Basic pay for pay grade O-10 is \$14,634.20 regardless of years of service when serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Commandant of the Marine Corps, and Chief of Staff of the Air Force. However, basic pay is limited to the rate of basic pay for Level III of the Executive Schedule, which is \$12,050.00.
- O-1, O-2, and O-3 rates do not apply to commissioned officers who have been credited with over 4 years (i.e., at least 4 years and 1 day) of active duty service as an enlisted member or as a warrant officer or as both an enlisted member and a warrant officer.
- These rates, or, when applicable, the O-1E rates in Table 1-8 apply during periods of active service while as a student of the Uniformed Services University of Health Sciences. Also see subparagraphs 010201.H and 010301.A.
- Basic pay rate for Aviation Cadets is \$1,558.20.
- Basic pay rate for Academy Cadets/Midshipmen and ROTC members/applicants is \$792.60.

★Table 1-7. Monthly Rates of Basic Pay--Commissioned Officers, Aviation Cadets, Academy Cadets/Midshipmen, and ROTC Members/Applicants--Effective January 1, 2004

MONTHLY RATES OF BASIC PAY—COMMISSIONED OFFICERS CREDITED WITH OVER 4 YEARS' ACTIVE DUTY ENLISTED AND/OR WARRANT OFFICER SERVICE—EFFECTIVE JANUARY 1, 2004 (note 1)

Pay Grade	Cumulative Years of Service (note 2)							
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18
O-3E	4,027.20	4,220.10	4,431.60	4,568.70	4,794.30	4,984.20	5,092.80	5,241.30
O-2E	3,537.00	3,609.90	3,724.80	3,918.60	4,068.60	4,180.20	4,180.20	4,180.20
O-1E (note 3)	2,848.50	3,042.30	3,154.50	3,269.40	3,382.20	3,537.00	3,537.00	3,537.00

NOTES:

- Basic pay is limited to \$10,608.30 by Level V of the Executive Schedule.
- Creditable service to be taken into account for purposes of this table is active service as a warrant officer or as a warrant officer and an enlisted member, in the case of a commissioned officer on active duty who is paid from funds appropriated for active-duty personnel; or a commissioned officer on active Guard and Reserve duty. Creditable service to be taken into account for purposes of this table in the case of a commissioned officer who is paid from funds appropriated for reserve personnel is service as a warrant officer, or as a warrant officer and enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10. Effective November 24, 2003, creditable service to be taken into account for purposes of this table in the case of a commissioned officer is service as a warrant officer, as an enlisted member or as a warrant officer and enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.
- These rates do not apply to students of the Uniformed Services University of Health Sciences (USUHS) who do not have over 4 years (i.e., at least 4 years and 1 day) of active duty service as an enlisted member or as a warrant officer or as both an enlisted member and a warrant officer. See Table 1-7 for applicable rates. USUHS students with over 4 years of prior enlisted and/or warrant officer service are entitled to the O-1E rate of basic pay in this table during such active duty periods. Also see subparagraphs 010201.H and 010301.A.

★Table 1-8. Monthly Rates of Basic Pay—Commissioned Officers Credited With Over 4 Years' Active Duty Enlisted And/Or Warrant Officer Service—Effective January 1, 2004

MONTHLY RATES OF BASIC PAY—WARRANT OFFICERS—EFFECTIVE JANUARY 1, 2004 (note)															
<i>Cumulative Years of Service</i>															
Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,360.70	5,544.30	5,728.80	5,914.20
W-4	3,119.40	3,355.80	3,452.40	3,547.20	3,710.40	3,871.50	4,035.00	4,194.30	4,359.00	4,617.30	4,782.60	4,944.30	5,112.00	5,277.00	5,445.90
W-3	2,848.80	2,967.90	3,089.40	3,129.30	3,257.10	3,403.20	3,595.80	3,786.30	3,988.80	4,140.60	4,291.80	4,356.90	4,424.10	4,570.20	4,716.30
W-2	2,505.90	2,649.00	2,774.10	2,865.30	2,943.30	3,157.80	3,321.60	3,443.40	3,562.20	3,643.80	3,712.50	3,843.00	3,972.60	4,103.70	4,103.70
W-1	2,212.80	2,394.00	2,515.20	2,593.50	2,802.30	2,928.30	3,039.90	3,164.70	3,247.20	3,321.90	3,443.70	3,535.80	3,535.80	3,535.80	3,535.80

NOTE: Basic pay is limited to the rate of basic pay for Level V of the Executive Schedule which is **\$10,608.30**.

★Table 1-9. Monthly Rates of Basic Pay—Warrant Officers—Effective January 1, 2004

MONTHLY RATE OF BASIC PAY—ENLISTED MEMBERS—EFFECTIVE JANUARY 1, 2004 (note 3)															
<i>Cumulative Years of Service (note 2)</i>															
Pay Grade (note 1)	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
E-9	0.00	0.00	0.00	0.00	0.00	0.00	3,769.20	3,854.70	3,962.40	4,089.30	4,216.50	4,421.10	4,594.20	4,776.60	5,054.70
E-8	0.00	0.00	0.00	0.00	0.00	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E-7	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E-6	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E-5	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E-4	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 4 mos or more	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
E-1 under 4 mos	1,104.00														

NOTES:

1. For rank titles, see Appendix 2, Comparable Terms.
2. Basic pay for senior enlisted member (grade E-9) is **\$6,090.90** regardless of years of service while serving as:
 - a. Sergeant Major of the Army.
 - b. Master Chief Petty Officer of the Navy or Coast Guard.
 - c. Chief Master Sergeant of the Air Force.
 - d.. Sergeant Major of the Marine Corps.

If a member is placed on terminal leave pending retirement immediately following the completion of service as the senior enlisted member of a Military Department, then the member is entitled to the higher senior enlisted pay rate **\$6,090.90** up to a maximum of 60 days. If a member is hospitalized, and during or immediately before such hospitalization, completed service as the senior enlisted member of that Military Department's Armed Force, the member shall continue to be entitled, for not more than 180 days while so hospitalized, to the rate of basic pay authorized for a senior enlisted member.

3. Basic pay is limited to **\$10,608.30** by Level V of the Executive Schedule.

★Table 1-10. Monthly Rates of Basic Pay—Enlisted Members—Effective January 1, 2004