

CHAPTER 3

GROSS PAY COMPUTATION

SECTION A
BASIC COMPUTATION**10301. Disability**
(Table 1-3-1, Rules 1 and 2)

a. Members permanently retired for disability receive the basic pay of the grade authorized, multiplied at their election by either

(1) Two and one-half percent times the years of service credited for percentage purposes, or

(2) The percentage of disability with which retired, not to exceed 75 percent maximum retired pay.

b. Members placed on the Temporary Disability Retired List (TDRL) for disability receive the basic pay of the grade authorized, multiplied at their election by either:

(1) Two and one-half percent times the years of service credited for percentage purposes, or

(2) The percentage of disability with which retired, or

(3) If neither renders at least 50 percent of the basic pay upon which pay is computed, minimum pay of 50 percent is authorized while on the TDRL.

c. For members retired for disability who are also otherwise eligible to be retired under some other provision of law follow the rule applicable to that section of law.

d. Members who first enter a uniformed service after 7 Sep 1980, receive the retired pay base, as computed under section 1407(b), multiplied at their election by either:

(1) 2 1/2 percent times the years of service credited for percentage purposes, or

* (2) The percentage of disability with which retired. See paragraph 10332.

10302. Voluntary
(Table 1-3-1, Rules 3 through 9)

Members voluntarily retired receive the basic pay of the grade authorized, multiplied by two and one-half percent times the years of service credited for percentage purposes. Members who first enter a uniformed service after 7 Sep 1980 receive the retired pay base computed under 10 U.S.C. 1407,

multiplied by two and one-half percent times the years of service credited for percentage purposes.

a. Enlisted Members. See paragraph 10121a for service credited for percentage multiple.

b. Commissioned Officers. See paragraph 10121b for service credited for percentage multiple.

c. Warrant Officers. See paragraph 10121c for service credited for percentage multiple.

10303. Mandatory
(Table 1-3-1, Rules 10 through 13)

Members mandatorily retired receive the basic pay of the grade authorized multiplied by two and one-half percent times the years of service credited for percentage purposes. Members who first enter a uniformed service after 7 Sep 1980 receive the retired pay base as computed under 10 U.S.C. 1407, multiplied by two and one-half percent times the years of service credited for percentage purposes.

a. Army and Air Force. See paragraph 10121d(1) for service credited for percentage multiple.

b. Navy and Marine Corps. See paragraph 10121d(2) for service credited for percentage purposes.

10304. Reservist (Age and Service Retirement)
(Table 1-3-1, Rule 14)

Members of the Reserve or National Guard retired for age and service receive the basic pay of the grade authorized multiplied by two and one-half percent times the years of service credited for percentage purposes. Members who first enter a uniformed service after 7 Sep 1980 receive the retired pay base as computed under 10 U.S.C. 1407, multiplied by two and one-half percent times the years of service credited for percentage purposes. See paragraph 10121f for service credited for percentage multiple. (This is the formula for converting retirement points into percentage years: total number of retirement points divided by 360. Carry the result to three decimal places; then round to two decimal places.)

Example: 4735 retirement points divided by 360 = 13.152 or 13.15 years for percentage purposes.

10305. Fleet Reserve/Fleet Marine Corps Reserve (Table 1-3-1, Rule 15)

Members transferred to the Fleet Reserve/Fleet Marine Corps Reserve are entitled, when not on active duty, to have their retainer pay computed by:

* a. Multiplying monthly basic pay received at time of transfer by two and one-half percent times the number of years of active service (as adjusted in paragraph 10345) in the armed forces.

* b. Multiplying retainer pay base (if member became a member of a uniformed service after 7 Sep 1980) computed under 10 U.S.C. 1407 by two and one-half percent times the number of years of active service (as adjusted in paragraph 10345) in the armed forces.

b. Members transferred to the Fleet Reserve pay formulas to arrive at retainer pay. The (FR) or Fleet Marine Corps Reserve (FMCR) were administratively placed in separate classes to differentiate between laws and conditions governing the computation of these pay entitlements. The following classes are applicable to these members:

c. Longevity Pay. Longevity is the length of service performed by each member.

(1) Before 1 Oct 1949, longevity pay was a big factor in computing retainer pay. Certain pay laws contained provisions for computing longevity pay. Such pay was based on the length of service. During this period, base pay and longevity were fitted into the framework of

COMPONENT	CODE	APPLICABLE TO
FR FMCR	F-4c 1-b	Members who are in the Naval service on 1 July 1925 and later transferred to the Fleet Reserve/Fleet Marine Corps Reserve after completion of 16 years but less than 20 years of active service.
FR FMCR	F-4d 1-c	Members who were in the Naval service on 1 July 1925 and later transferred to the Fleet Reserve/Fleet Marine Corps Reserve after completion of 20 years but less than 30 years of active service.
FR FMCR	F-5 H-1	Members who first enlisted in the Naval service after 1 July 1925 and later transferred to the Fleet Reserve/Fleet Marine Corps Reserve before 10 Aug 1946 after completion of 20 years but less than 30 years of active service.
FR FMCR	F-6 1-d	Members who first enlisted in the Naval service after 1 July 1925 and later transferred to the Fleet Reserve/Fleet Marine Corps Reserve on or after 10 Aug 1946 after completion of 20 years but less than 30 years of active service.

10306. Historical Pay Computations for Fleet Reserve/Fleet Marine Corps Reserve Members

a. The laws which governed the computation of retainer pay for members transferred to the Fleet Reserve/Fleet Marine Corps Reserve from its inception in 1916 through 30 June 1938, are of no value since they were assembled in the Naval Reserve Act of 1938, effective 1 July 1938. Therefore, the earlier computations are not included in this manual since they were restated effective 1 July 1938. See table 1-3-2 for the pay computations.

computation for the longevity pay changed several times before being superseded by basic pay. The various computations and the periods applicable are:

(a) Until 31 May 1942, for Navy members the computation was 10 percent of base pay for the first increment of 4 years' naval service, plus 5 percent of base pay for each 4-year increment thereafter, but not to exceed 16 years, or 25 percent.

EXAMPLE: Member served 18 years; on transfer to the Fleet Reserve the longevity pay credit was computed:

1. 10% - 4 years
2. 5% - 4 years
3. 5% - 4 years
4. 5% - 4 years
5. 0% - 4 years

(b) From 1 June 1942 to 30 Sep 1949, the computation was 5 percent of base pay of grade for each 3 years of service up to 30 years, maximum of 50 percent.

(2) On 1 Oct 1949, when basic pay became an important factor, longevity pay was not computed separately but was included in the rate of basic pay.

(a) Members transferring to the FR/FMCR on or after 1 Oct 1949 were required to elect the formula under which their pay would be computed. The two formulas were the fractional, under which a member would receive one-third or one-half of base pay, and the percentage two and one-half percent times years of active Federal service times basic pay. Such election was indicated on the authorization for transfer to the Fleet Reserve.

(b) Effective 10 Aug 1956, members transferring to the FR/FMCR would receive retainer pay computed on the formula included in the codification of the military pay laws under Title 10 of the U.S.C. The prior computations were still in effect for the members to whom they applied. Members who enter a uniformed service before 8 Sep 1980 receive retainer pay computed under this formula.

(c) Members who enter a uniformed service after 7 Sep 1980 receive retainer pay under the formula codified in 1956 except the retainer pay base is used instead of a monthly basic pay rate.

10307. Heroism Pay and Good Conduct (Markings). Enlisted members retired after 20 years of active service may be entitled to an additional 10 percent retired pay for extraordinary heroism, if authorized, not to exceed 75 percent of the basic pay on which their retirement pay is computed. See paragraph 10161. Navy and Marine Corps personnel may have been authorized an additional 10 percent for good conduct, but not both. See paragraph 10206c.

SECTION B APPLICATION OF SAVED PAY

10311. Career Compensation Act Effective 1 Oct 1949

a. An officer retired for disability before 1 Oct 1949 who failed to elect within a 5-year period to receive pay under the 1949 Act, or who did not qualify for pay under the 1949 Act, continued to receive pay under laws in effect before 1 Oct 1949 computed at 75 percent of the basic pay of the grade authorized.

b. Members who, on 1 Oct 1949 were hospital patients and who, before 1 Jan 1951, retired for disability as the result of the disease or injury for which they were hospitalized:

(1) Could elect to receive pay under laws in effect on 30 Sep 1949 computed at 75 percent of the basic pay of the grade authorized; or

(2) Could elect to receive retired pay computed under section 402(d) of Public Law 351, 81st Congress.

c. Members who, on 1 Oct 1949 were receiving or were entitled to receive pay under any provision of law were authorized to continue their entitlement to receive the pay which they were entitled to receive under laws in effect on 30 Sep 1949.

10312. Military Pay Act Effective 1 June 1958

a. Members who retired or transferred to Fleet Reserve/Fleet Marine Corps Reserve on or after 1 June 1958 and before 1 Apr 1963, who were receiving active duty basic pay under the 1 Apr 1955 "saved pay" rates continued to receive pay computed under those rates, based upon service credited for basic pay purposes as of 1 June 1958.

b. Members retired or transferred to Fleet Reserve/Fleet Marine Corps Reserve on 1 June 1958 were entitled to pay computed on the 1 June 1958 active duty basic pay rates, or on the 1 Apr 1955 active duty basic pay rates plus 6 percent, whichever was greater.

c. Members retired or transferred to Fleet Reserve/Fleet Marine Corps Reserve after 1 June 1958, who were receiving active duty saved pay were entitled to retired pay computed on the 1 Apr 1955 active duty basic pay rates, but were not entitled to the additional 6 percent increase.

10313. Military Pay Effective 1 Oct 1967

a. With respect to members described in subparagraph c, their retired or retainer pay may not be less than it would have been if they had become entitled to that pay based on the same basic pay grade, years of service for basic pay and percentage purposes, and percent of disability (if any) on the day before the effective date of the rates of monthly basic pay on which retired or retainer pay is based. Such members receive pay:

(1) Computed under the current basic pay rates in effect on date of retirement or transfer, or

(2) Computed under the rates of basic pay in effect immediately before the current rates, whichever is greater.

b. The above computations were in some instances subject to the provisions of the Uniform Retirement Date Act. For application of the URDA provisions, see paragraph 10132.

c. The "1-year look-back" provision codified at 10 U.S.C. 1401a(e) was repealed by section 921 of the DoD Authorization Act, FY 84 (Public Law 98-94, 24 Sep 1983). Under the provisions of that repeal, this paragraph now applies only to:

(1) Members retired or transferred to the Fleet Reserve/Fleet Marine Corps Reserve 1 Oct 1967 through 24 Sep 1983, inclusive; and

(2) Members eligible for retirement or transfer on or before 24 Sep 1983, provided such member retires or transfers on or before 24 Sep 1986. If such member retires or transfers after 24 Sep 1986, the retired or retainer pay may not be less than it would have been had the member actually retired or transferred on 23 Sep 1986.

SECTION C TOWER AMENDMENT

10321. Basic Provisions

a. Members who retire or transfer to Fleet Reserve/Fleet Marine Corps Reserve 1 Jan 1971 and thereafter, who fully qualify for retirement on a date earlier than their actual retirement date, receive the most favorable rate of pay they would have received had they actually retired or transferred on the earlier date

(1) After becoming retirement eligible on or after 1 Jan 1971 (see chapter 1, section A, Creditable Service for Retirement);

(2) Based upon the grade and service creditable on the earlier computation date; and

(3) Subject to the provisions of paragraph 10313.

b. Members who retired or transferred to Fleet Reserve/Fleet Marine Corps Reserve before 7 Oct 1975, effective date of the Tower Amendment, had their pay adjusted from 7 Oct 1975. No adjustments were authorized under provisions of the amendment for any period before 7 Oct 1975.

c. A member retiring 1 Oct 1988 or later who, after initially becoming eligible for retired pay, is reduced in grade pursuant to sentence of a

court-martial, may not be entitled to computation on a grade higher than the grade in which retired.

10322. Earlier Computation Dates

a. Predetermined earlier computation dates are established for uniformity in computing pay of members who qualify under 10 U.S.C. 1401a(f). Generally, the day immediately preceding an active duty basic pay rate change should be used as the earlier date of voluntary retirement eligibility, unless the computation would be more favorable based on the first day of the month preceding an active duty basic pay rate change.

b. Members of the Fleet Reserve/Fleet Marine Corps Reserve may be transferred on any intermediate day of a month. Therefore, the earlier computation date for these members is the day before new active duty basic pay rates become effective.

c. Warrant officers retired under provisions of 10 U.S.C. 1293 (see table 1-3-1, rule 4), on the effective date of a change in the active duty pay rates, compute retired pay using the rate of basic pay in effect on the day before the date of retirement (or one prior pay rate under 10 U.S.C. 1401a(e) if paragraph 10313c applies). Therefore, the earlier retirement eligibility date would be 1 year earlier with retired pay computed based on pay rates in effect on the day before the earlier eligibility date, (or one prior pay rate under 10 U.S.C. 1401a(e) if paragraph 10313c applies).

10323. Computation at Time of Retirement or Transfer to the FR/FMCR

a. Members receive the most favorable retired pay as adjusted by applicable cost-of-living adjustments (COLADJ) computed by using:

(1) The active duty basic pay rate applicable on the actual retirement or transfer date, or

(2) One prior active duty basic pay rate at the same grade and service applicable on the actual retirement or transfer date if the provisions of paragraph 10313c apply.

(3) Any active duty basic pay rate in effect on or after 1 Jan 1971 at the grade and service credited on the earlier computation date, if retirement eligible on the earlier date. After this rule is used, apply rule a(2) above without further loss of grade and service.

b. Members retiring for disability who are eligible for voluntary retirement or transfer to Fleet Reserve/Fleet Marine Corps Reserve on an earlier date may have gross retired pay entitlement computed in accordance with the provisions of the

Tower Amendment when more favorable. However, the basic pay rate applicable for an earlier retirement date under this condition for gross pay computation cannot be used for computing pay based upon the disability rating. The rate of pay based upon degree of disability may be calculated only on the basic pay rate applicable under a(1) or (2) above.

***SECTION D
RETIRED BASE PAY**

10331. Basic Provisions

a. Public Law 96-342, 8 Sep 1980 enacted the first major change in the computation of military retired or retainer pay since 1948. Public Law 96-342 revised the method for computing retired pay for a member who enters a uniformed service after 7 Sep 1980. Previously, retired or retainer pay was computed as a percentage of basic pay rate. Under 10 U.S.C. 1407 retired pay is computed as a percentage of member's retired pay base. The retired pay base is the average of the monthly basic pay rates a member receives or is entitled to for a period of 36 months, whether or not consecutive. This is commonly referred to as "High 36 months" or "High 3 average." If the member serves on active duty for less than 36 months, the retired pay base is equal to the total amount of monthly basic pay which the member receives during the period of active duty divided by the number of months, including any fraction, which the member serves on active duty.

b. A member is considered to have first entered a uniformed service when any individual, on or after 8 Sep 1980 is first appointed or enlisted in the uniformed services. A member who first enlists before 8 Sep 1980 under the delayed entry program, in a Reserve component as part of the Senior Reserve Officers' Training Corps (ROTC) or ROTC Financial Assistance programs, as a student at a Uniformed Services University of Health Sciences, or as a participant in the Armed Forces Health Professions Scholarship Program is considered to have first become a member before 8 Sep 1980.

10332. Computation of Pay

a. Monthly basic pay amounts, starting with the highest rate of pay, are added together until the total number of months equals 36 months. Divide the total pay derived from the sum of these months by 36, and round to the nearest cents to obtain the high-three average monthly basic pay rate applicable to the member. Any bad time the

member had should not be included in the computations.

(1) A full month served counts as one month regardless of any interruption by a pay rate change and regardless of the number of days in that month.

(a) Member serves the entire calendar month at a single rate of basic pay. This counts as one month of applicability under this rate of basic pay regardless of the number of days in the month—28, 29, 30, or 31.

(b) Member serves the entire calendar month with multiple rates of basic pay applicable. If a member is paid more than one rate during a given month which is a full month of service, each rate will be carried as applicable for the number of days paid at that rate. For example, if a member has a longevity pay increase effective February 11, the old rate is applicable for 10 days and the new rate is applicable for 20 days (regardless of any leap year). If a month has 31 days, the 31st is ignored; i.e., if the member has a longevity pay increase effective August 11, the old rate is applicable for 10 days and the new rate is applicable for 20 days. The 30-day months are allocated in a straight-forward manner.

(2) If the member has less than 36 months of service, add up all the member's basic pay and compute the number of months in the same manner described above for accumulating 36 months or more of pay. Divide the total pay by the total time expressed as months plus days where days less than 30 are counted as 1/30th of a month. Round to the nearest cent.

(3) When a member serves less than a full month, count only the number of days actually paid so that each total of 30 days equals 1 month. If a member serves less than a full month and one or more rates of basic pay apply, each rate should be carried as applicable for the number of days the member was actually paid at the particular rate. For example, assume the member had a break in service and returned to active duty on February 8, but has a longevity increase effective February 11. When a member serves through the end of February, the month is assumed to have 30 days. This member receives 3 days at one rate and 20 days at the new rate, or 23 days of pay even though only 21 or 22 days were served.

Example: Member receives monthly basic pay of \$17,658.30 over 14 months and 11 days.

$$\frac{\$17,658.30}{14 \text{ mos \& } 11} = \frac{\$17,658.30}{14.36667} = \$1,229.12 \text{ Retired Pay Base}$$

\$1,229.12	Retired Pay Base
x <u> </u> %	Retired Pay Multiplier
\$x,xxx.xx	Retired Pay Rounded

b. When it is to the member's advantage, a saved pay rate under the provisions of 10 U.S.C. 1401a(e) may be used to compute retired pay. The saved pay provisions of 10 U.S.C. 1401a(e) were eliminated 24 Sep 1983. See paragraph 10313 for eligibility. 10 U.S.C. 1401a(e) authorizes the use of basic pay rates in effect on the day before the effective date of the rates of monthly basic pay on which the member's retired pay would otherwise be based.

c. Cost-of-living adjustments to military retired pay under 10 U.S.C. 1401 a(b), (c), (d), full and partial (or pro-rata) cost-of-living adjustments, also apply to military retired pay computed on the new retired pay base method provided for by 10 U.S.C. 1407, Retired Pay Base. The most recent active duty basic pay rate used to compute the retired pay base determines whether a member is entitled to a full or partial (or pro-rata) cost-of-living adjustment.

*SECTION E SPECIAL PROVISIONS

10341. Entitlement Under More Than One Pay Formula

Members who are entitled to pay computed under more than one pay formula or provision of law are entitled to be paid under the formula that is most favorable to them.

10342. Commissioned Officers With More Than 4 Years' Active Enlisted and/or Warrant Officer Service

Members who at the time of retirement are in pay grades O1E, O2E, and O3E, having served more than 4 years of active duty as enlisted members and/or warrant officers, receive pay computed on the special basic pay rates authorized for them.

10343. Commissioned Officers Serving in Special Positions

a. Officers who served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or other special positions of importance, as shown in paragraph 10142a, may receive retired pay computed on the highest rate of basic pay applicable to them while they served in that

position. The provision of sections 3963 and 8963 of Title 10 U.S.C., which requires 6 months in grade for Army and Air Force officers, does not apply to service in special positions of importance when computing retired pay under 10 U.S.C. 1401a(f).

b. On 14 Dec 1944, special grades of Fleet Admiral of the United States Navy and General of the Army were created with insignia of five stars. The pay was set at the same pay and allowances as a rear admiral of the upper half, plus personal money allowance of \$5,000 a year. When retired, these members were to receive pay equal to 75 percent of their active duty pay. The five-star grade was made permanent by an Act of Congress on 23 Mar 1946. Active duty pay remained the same as set by the 1944 Act. These members were exempted from mandatory retirement because of age. These members receive the same pay and allowances that they received while on active duty. The grade expired 1 July 1950.

10344. Enlisted Members Serving in Special Positions

Enlisted members who served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard may receive retired pay computed on the highest rate of basic pay applicable while serving in that special position.

10345. Service Credit Rounding of Months

For percentage purposes in computing retired or retainer pay:

a. Members who retired before 1 Jan 1982 receive credit for any fractional part of a year that is 6 months or more as an additional year. Any portion of a year that is less than 6 months is disregarded. This applies to any member who before 1 Jan 1982:

- (1) Applied for retirement;
- (2) Applied for transfer to the Fleet Reserve/Fleet Marine Corps Reserve;
- (3) Is being processed for retirement under the provisions of chapter 61 of Title 10;
- (4) Is on the temporary disability retired list and thereafter retired under the provisions of sections 1210(c) or (d) of Title 10.

b. Unless covered by subparagraph a., above, members who become entitled to retired or retainer pay 1 Jan 1982 through 30 Sep 1983, inclusive, will receive credit on a month-by-month basis for each full month served of 6 months or more; disregard a fraction of a year that is less than 6 months.

c. Members who become entitled to retired or retainer pay on or after 1 Oct 1983, receive credit for each full month actually served. Less than full months are disregarded. See table 1-3-4.

Note: If a member retires 1 Oct 1983 or later and the member is entitled to retired pay under 10 U.S.C. 1401a(f) using a hypothetical retirement date which is before 1 Jan 1982, service credit of 6 months or more is rounded to a full year effective 1 July 1986.

d. In calculating the percentage factor under subparagraphs b or c, the percent will be rounded at least to the nearest 1/100 of one percentage. For example, 20 years 7 months (20.58 years) times 2.5 percent equals 51.45 percent. See table 1-3-4. This rounding method will also be used for computing retired or retainer pay under 10 U.S.C. 1401a(e) and (f). (See paragraph 10301c.)

10346. Computation Under the Uniform Services Pay Act, 2 Oct 1963

a. Beginning 1 Oct 1963, members retired between 1 Oct 1949 and 31 May 1958, including members retired before 1 Oct 1949 receiving pay under the 1949 Act, received the greater of:

(1) An increase of 5 percent in the retired pay to which entitled on 30 Sep 1963, or

(2) Pay computed on the basic pay rates established under the 1 June 1958 Act without a 5 percent increase.

b. Beginning 1 Oct 1963, members retired for service before 1 Oct 1949, and being paid under laws in effect on 30 Sep 1949, receive the greater of

(1) An increase of 5 percent in the retired pay to which entitled on 30 Sep 1963; or

(2) Pay recomputed on the basic pay rates established by the Military Pay Act of 1958 without a 5 percent increase, based on actual active service creditable.

10347. Computation Under the Military Pay Act, 20 May 1958

a. Members who first became entitled to retired pay on 1 June 1958 were authorized to receive pay computed on the new 1 June 1958 basic pay rates or on the 1 Apr 1955 active duty basic pay rates plus 6 percent, whichever is greater.

b. Members retired after 1 June 1958 who were receiving active duty saved pay were entitled to retired pay computed on the 1 Apr 1955 active duty basic pay rates but were not entitled to the additional 6 percent increase.

c. An increment of \$200 for generals and admirals and \$100 for lieutenant generals and vice admirals was added to the basic pay rate used in the computation of pay before a 6 percent increase on 1 June 1958 for retired officers:

(1) Who had served in that grade for at least 180 days, and

(2) Who were entitled to retired pay on the day before the effective date of the Military Pay Act of 1958.

10348. Commissioned Officers With World War I Service

Members retired for any reason as regular commissioned officers, and those who retired for disability as nonregular commissioned officers, who served in any capacity as members of the military or naval forces of the United States before 12 Nov 1918, are entitled to receive pay computed at 75 percent of the basic pay of the grade in which retired.

10349. Emergency Officers Retired List (EORL)

All persons who served as officers of the Army, Navy, or Marine Corps during World War I, other than officers of the regular Army, Navy, or Marine Corps, and who during such service incurred a physical disability incurred in the line of duty, were placed on a separate retired list.

a. Payment was authorized at 75 percent of the pay and rank at time of discharge from commissioned service, with entitlement to the same privileges as provided by law for officers of the regular Army, Navy, or Marine Corps retired for physical disability incurred in the line of duty.

b. Payments are made by the Department of Veterans Affairs from funds appropriated to that agency.

***10350. Temporary Rate of Basic Pay for Certain Members With Over 24 Years of Service**

Members in pay grade E-7, E-8, E-9, W-4, W-5, or O-6 who have over 24, but less than 26 years of service, are entitled to a special rate of pay effective for months Jan 1993 through Sep 1995. However, a member who is entitled to a special temporary rate, as it is adjusted, on 1 Sep 1995 shall continue to be entitled to such rate so long as the member remains entitled to basic pay under 37 U.S.C. 204, and is in pay grade E-7, E-8, E-9, W-4, W-5, or O-6.

TABLE 1-3-1								
COMPUTATION OF RETIRED PAY								
RULE	A	B	C	D	E	F	G	
	A member of the	who is	under provisions of 10 U.S.C.	receives the (note 7)	multiplied by	plus	minus (note 8)	
1	Armed Forces	retired for disability	1201	monthly active duty pay of the grade in which pay is authorized to be computed (note 1)	2-1/2 percent times the years of service credited for percentage purposes, or the percentage of disability assigned (note 3)	amount necessary to increase the product of steps D and E to 50 percent of basic pay	excess over 75 percent of basic pay	
2			1204					1202
3	Army or Air Force	voluntarily retired	3914		2-1/2 percent times the years of service credited for percentage purposes (note 3)	10 percent of the product of steps D and E (note 2)		
4	Armed Forces		8914					1293
5	Army		3911					3917
			3918					3924
6	Air Force		8911					8917
			8918					8924
7	Navy or Marine Corps		6321					6323
8			6322					6326
9			6327					
					75 percent			
					50 percent (note 5)			
10	Armed Forces	involuntarily retired	0564		2-1/2 percent times the years of service credited for percentage purposes (note 3)	amount necessary to increase the product of steps D and E to 50 percent of basic pay		
			0633					
			0634					
			0635					
			0636					
			1251					
			1255					
			1263					
			1305					
11	Army		3883					3884
			3885					3886
			3913					3916
		3919	3920					
		3921	3922					
		3923	(note 6)					
12	Navy or Marine Corps	6371	6372					
		6373	6374					
		6375	6376					
		6377	6378					
		6379	6380					
		6383	6390					
		6391	6394					
		6396	6398					
		6400	(note 6)					

TABLE 1-3-1, CONTINUED							
RULE	A	B	C	D	E	F	G
	Member of the	who is	under provisions of 10 U.S.C.	receives the (note 7)	multiplied by	plus	minus (note 8)
13	Air Force	involuntarily retired	8883 8884 8885 8886 8913 8916 8919 8920 8921 8922 8923 (note 6)	monthly active duty pay of the grade in which pay is authorized to be computed (note 1)	2-1/2 percent times the years of service credited for percentage purposes (note 3)	amount necessary to increase the product of steps D and E to 50 percent of basic pay	excess over 75 percent of basic pay
14	Armed Forces, Reserve, or National Guard	Reservist (age and service requirement)	1331		2-1/2 percent times the years of service credited for percentage purposes (note 4)		
15	Navy or Marine Corps	transferred to the FR/FMCR	6330		2-1/2 percent times the years of service credited for percentage purposes (note 3)	10 percent of the product of steps D and E (note 2)	

NOTES:

- For active duty basic pay rate applicable. see paragraphs 10132, 10311, 10321, 10322, 10323, 10341, 10342, and 10344. For a person who first became a member of a uniformed service after 7 Sep 1980, take the monthly retired pay base.
- Enlisted members credited with an act of extraordinary heroism in the line of duty.
- See chapter 1 for service creditable for percentage purposes:

Voluntary retirement:

- Paragraph 10121a-Enlisted members
- Paragraph 10121b-Commissioned Officers
- Paragraph 10121c-Warrant Officers

Mandatory retirement:

- Paragraph 10121d(1)-Army and Air Force
- Paragraph 10121d(2)-Navy and Marine Corps

Disability retirement:

- Paragraph 10121e

Reservist age and service retirement:

- Paragraph 10121f

- Total number of retirement points divided by 360. Carry the resultant figure to three decimal places, then round to two decimal places.

EXAMPLE: 4735 retirement points divided by 360 = 13.152 or 13.15 years of service for percent-age purposes (for the 1331 retiree only) to be multiplied by 2 1/2 percent.

- Members retired under 10 U.S.C. 6327 are authorized to receive retired pay at 50 percent of the active duty basic pay of their grade when not on active duty. This provision applies only to persons who were members of the Naval Reserve or Marine Corps Reserve on 1 Jan 1953. The provisions of 10 U.S.C. 6327 terminated on 1 Jan 73. However, termination of the section did not affect any accrued rights to retired pay.

- Public Law 96-513, 12 Dec 1980, repealed the following sections: 3913, 3919, 3921-3923, 6371-6374, 6376-6380, 6390, 6394, 6396, 6398, 6400, 8883, 8913, 8915, 8916, 8919, 8921-8923, 8927. Section 6375 was repealed by Public law 87-123, 3 Aug 1961.

- If member entered a uniformed service after 7 Sep 1980, substitute the retired pay base for the monthly active duty pay.

- If member was initially retired on or after 1 Oct 1983, the amount computed, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1. Any future adjustments to such pay must be made on the rounded figure. Retired pay of members retired on 30 Sep 1983 will not be rounded until there is an adjustment under 10 U.S.C. 1401a; then, and with each subsequent adjustment, the amount as adjusted, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1. The rounded amount becomes the member's entitlement and any future adjustments shall be based on this rounded entitlement.

TABLE 1-3-2						
HISTORICAL PAY COMPUTATIONS - FLEET RESERVE AND FLEET MARINE CORPS RESERVE						
R U L E	A	B	C	D	E	F
	If member retires in class	during period	with years of service	then pay computation formula is	plus	and applicable law is
1	F-4c 1-b	pre-1938 to 31 May 1942	at least 16; less than 20	1/3 x base pay rating in which transferred (note 1)	longevity pay (25% maximum), extraordinary heroism (10%)	52 Stat 1179, section 203, 34 U.S.C. 854b
2	F-4c 1-c		at least 20; less than 30	1/2 x base pay rating in which transferred (note 1)	longevity pay (25% maximum), extraordinary heroism (10%), or good conduct (10%)	
3	F-5 H-1					
4	F-4c 1-b	1 June 1942 to 9 Aug 1946	at least 16; less than 20	1/3 x base pay rating in which transferred (note 1)	longevity pay (50% maximum), extraordinary heroism (10%)	56 Stat 359, Public Law 607, 6 June 1942
5	F-4d 1-c		at least 20; less than 30	1/2 x base pay rating in which transferred (note 1)	longevity pay (50% maximum), extraordinary heroism (10%), or good conduct (10%)	
6	F-5 H-1					
7	F-4c 1-b	10 Aug 1946 to 30 Sep 1949	at least 16; less than 20 (note 2)	1/3 x base pay rating in which transferred (note 1) or (note 2)	longevity pay (50% maximum), extraordinary heroism (10%)	60 Stat 993, Public Law 720, 10 Aug 1946
8	F-4d 1-c		at least 20; less than 30	1/2 x base pay rating in which transferred (note 2)	longevity pay (50% maximum), extraordinary heroism (10%), or good conduct (10%)	
9	F-6 (note 3) 1-d		at least 20	1/2 x base pay rating in which transferred (note 1) or 2 1/2% x years of active federal service multiplied by base pay of rating in which transferred	longevity pay (75% maximum), extraordinary heroism (10%)	
10	all classes	transferred before 1 Oct 1949, effective on 1 Oct 1949				

TABLE 1-3-2, CONTINUED						
R U L E	A	B	C	D	E	F
	If member retires in class	during period	with years of service	then pay computation formula is	plus	and applicable law is
11	F-4c 1-b	on or after 1 Oct 1949	at least 20	1/3 x basic pay receiving at transfer (note 5) or 2 1/2% x yrs of active federal service = percent; percent x basic pay of rating in which transferred (note 6 and 8)	extraordinary heroism (10%)	Public Law 351, 1 Oct 1949
12	F-4d 1-c			1/2 x basic pay receiving at transfer (note 5) or 2 1/2% x yrs of active federal service = percent; percent x basic pay of rating in which transferred (note 6 and 8)	extraordinary heroism (10%), or good conduct (10%)	
				1/2 x basic pay receiving at transfer (note 5) or 2 1/2% x yrs of active federal service = percent; percent x basic pay of rating in which transferred (note 6)	extraordinary heroism (10%)	
13	F-6 1-d		2 1/2% x yrs of active service in Armed Forces = percent; percent x basic pay receiving at transfer (notes 7 and 8)	extraordinary heroism (10%)		
14		on or after 10 Aug 1956				Public Law 1028, 10 Aug 1956, 10 U.S.C. 6330

NOTES:

- Fractional year of 6 months or more not creditable as 1 year for longevity or transfer.
- Fractional transfer of 6 months or more creditable equals full year for transfer and longevity effective 10 Aug 1946.
- Effective 10 Aug 1946 class F-5 changed to class F-6.
- Six months or more equals 1 year for active service; 6 months or more does not equal 1 year for basic pay; no good conduct or extraordinary heroism.
- Six months equals 1 year for basic pay and not for computing years of naval service for transfer.
- Six months or more equals 1 full year for active service and basic pay.
- Six months equals 1 year for active service (include constructive service in active service). Six months equals 1 year for basic pay (do not include constructive service in service for basic pay).
- If member entered a uniformed service after 7 Sep 1980, substitute the retainer pay base for the base or basic pay.

TABLE 1-3-3							
EXAMPLES OF HOW YEARS, MONTHS, AND DAYS ARE CONVERTED TO YEAR AND PERCENTAGE MULTIPLE							
At Least			Not More Than			Converted Years	Percentage Multiple
Years	Months	Days	Years	Months	Days		
0	6	0	1	5	29	1	2-1/2
1	6	0	2	5	29	2	5
2	6	0	3	5	29	3	7-1/2
3	6	0	4	5	29	4	10
4	6	0	5	5	29	5	12-1/2
5	6	0	6	5	29	6	15
6	6	0	7	5	29	7	17-1/2
7	6	0	8	5	29	8	20
8	6	0	9	5	29	9	22-1/2
9	6	0	10	5	29	10	25
10	6	0	11	5	29	11	27-1/2
11	6	0	12	5	29	12	30
12	6	0	13	5	29	13	32-1/2
13	6	0	14	5	29	14	35
14	6	0	15	5	29	15	37-1/2
15	6	0	16	5	29	16	40
16	6	0	17	5	29	17	42-1/2
17	6	0	18	5	29	18	45
18	6	0	19	5	29	19	47-1/2
19	6	0	20	5	29	20	50
20	6	0	21	5	29	21	52-1/2
21	6	0	22	5	29	22	55
22	6	0	23	5	29	23	57-1/2
23	6	0	24	5	29	24	60
24	6	0	25	5	29	25	62-1/2
25	6	0	26	5	29	26	65
26	6	0	27	5	29	27	67-1/2
27	6	0	28	5	29	28	70
28	6	0	29	5	29	29	72-1/2
29	6					30	75

* NOTE: This table applies to members retired before 1 Jan 1982 with several exceptions covered in paragraph 10345b.

TABLE 1-3-4														
SERVICE CONVERSIONS EFFECTIVE 1 JAN 1982														
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
		= 0.	2		= 5.00	4		= 10.00	6		= 15.00	8		= 20.00
	1	= 0.20	2	1	= 5.20	4	1	= 10.20	6	1	= 15.20	8	1	= 20.20
	2	= 0.43	2	2	= 5.43	4	2	= 10.43	6	2	= 15.43	8	2	= 20.43
	3	= 0.63	2	3	= 5.63	4	3	= 10.63	6	3	= 15.63	8	3	= 20.63
	4	= 0.83	2	4	= 5.83	4	4	= 10.83	6	4	= 15.83	8	4	= 20.83
	5	= 1.05	2	5	= 6.05	4	5	= 11.05	6	5	= 16.05	8	5	= 21.05
	6	= 1.25	2	6	= 6.25	4	6	= 11.25	6	6	= 16.25	8	6	= 21.25
	7	= 1.45	2	7	= 6.45	4	7	= 11.45	6	7	= 16.45	8	7	= 21.45
	8	= 1.68	2	8	= 6.68	4	8	= 11.68	6	8	= 16.68	8	8	= 21.68
	9	= 1.88	2	9	= 6.88	4	9	= 11.88	6	9	= 16.88	8	9	= 21.88
	10	= 2.08	2	10	= 7.08	4	10	= 12.08	6	10	= 17.08	8	10	= 22.08
	11	= 2.30	2	11	= 7.30	4	11	= 12.30	6	11	= 17.30	8	11	= 22.30
1		= 2.50	3		= 7.50	5		= 12.50	7		= 17.50	9		= 22.50
1	1	= 2.70	3	1	= 7.70	5	1	= 12.70	7	1	= 17.70	9	1	= 22.70
1	2	= 2.93	3	2	= 7.93	5	2	= 12.93	7	2	= 17.93	9	2	= 22.93
1	3	= 3.13	3	3	= 8.13	5	3	= 13.13	7	3	= 18.13	9	3	= 23.13
1	4	= 3.33	3	4	= 8.33	5	4	= 13.33	7	4	= 18.33	9	4	= 23.33
1	5	= 3.55	3	5	= 8.55	5	5	= 13.55	7	5	= 18.55	9	5	= 23.55
1	6	= 3.75	3	6	= 8.75	5	6	= 13.75	7	6	= 18.75	9	6	= 23.75
1	7	= 3.95	3	7	= 8.95	5	7	= 13.95	7	7	= 18.95	9	7	= 23.95
1	8	= 4.18	3	8	= 9.18	5	8	= 14.18	7	8	= 19.18	9	8	= 24.18
1	9	= 4.38	3	9	= 9.38	5	9	= 14.38	7	9	= 19.38	9	9	= 24.38
1	10	= 4.58	3	10	= 9.58	5	10	= 14.58	7	10	= 19.58	9	10	= 24.58
1	11	= 4.80	3	11	= 9.80	5	11	= 14.80	7	11	= 19.80	9	11	= 24.80

TABLE 1-3-4, CONTINUED

Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
10		= 25.00	12		= 30.00	14		= 35.00	16		= 40.00	18		= 45.00
10	1	= 25.20	12	1	= 30.20	14	1	= 35.20	16	1	= 40.20	18	1	= 45.20
10	2	= 25.43	12	2	= 30.43	14	2	= 35.43	16	2	= 40.43	18	2	= 45.43
10	3	= 25.63	12	3	= 30.63	14	3	= 35.63	16	3	= 40.63	18	3	= 45.63
10	4	= 25.83	12	4	= 30.83	14	4	= 35.83	16	4	= 40.83	18	4	= 45.83
10	5	= 26.05	12	5	= 31.05	14	5	= 36.05	16	5	= 41.05	18	5	= 46.05
10	6	= 26.25	12	6	= 31.25	14	6	= 36.25	16	6	= 41.25	18	6	= 46.25
10	7	= 26.45	12	7	= 31.45	14	7	= 36.45	16	7	= 41.45	18	7	= 46.45
10	8	= 26.68	12	8	= 31.68	14	8	= 36.68	16	8	= 41.68	18	8	= 46.68
10	9	= 26.88	12	9	= 31.88	14	9	= 36.88	16	9	= 41.88	18	9	= 46.88
10	10	= 27.08	12	10	= 32.08	14	10	= 37.08	16	10	= 42.08	18	10	= 47.08
10	11	= 27.30	12	11	= 32.30	14	11	= 37.30	16	11	= 42.30	18	11	= 47.30
11		= 27.50	13		= 32.50	15		= 37.50	17		= 42.50	19		= 47.50
11	1	= 27.70	13	1	= 32.70	15	1	= 37.70	17	1	= 42.70	19	1	= 47.70
11	2	= 27.93	13	2	= 32.93	15	2	= 37.93	17	2	= 42.93	19	2	= 47.93
11	3	= 28.13	13	3	= 33.13	15	3	= 38.13	17	3	= 43.13	19	3	= 48.13
11	4	= 28.33	13	4	= 33.33	15	4	= 38.33	17	4	= 43.33	19	4	= 48.33
11	5	= 28.55	13	5	= 33.55	15	5	= 38.55	17	5	= 43.55	19	5	= 48.55
11	6	= 28.75	13	6	= 33.75	15	6	= 38.75	17	6	= 43.75	19	6	= 48.75
11	7	= 28.95	13	7	= 33.95	15	7	= 38.95	17	7	= 43.95	19	7	= 48.95
11	8	= 29.18	13	8	= 34.18	15	8	= 39.18	17	8	= 44.18	19	8	= 49.18
11	9	= 29.38	13	9	= 34.38	15	9	= 39.38	17	9	= 44.38	19	9	= 49.38
11	10	= 29.58	13	10	= 34.58	15	10	= 39.58	17	10	= 44.58	19	10	= 49.58
11	11	= 29.80	13	11	= 34.80	15	11	= 39.80	17	11	= 44.80	19	11	= 49.80

TABLE 1-3-4, CONTINUED														
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
20		= 50.00	22		= 55.00	24		= 60.00	26		= 65.00	28		= 70.00
20	1	= 50.20	22	1	= 55.20	24	1	= 60.20	26	1	= 65.20	28	1	= 70.20
20	2	= 50.43	22	2	= 55.43	24	2	= 60.43	26	2	= 65.43	28	2	= 70.43
20	3	= 50.63	22	3	= 55.63	24	3	= 60.63	26	3	= 65.63	28	3	= 70.63
20	4	= 50.83	22	4	= 55.83	24	4	= 60.83	26	4	= 65.83	28	4	= 70.83
20	5	= 51.05	22	5	= 56.05	24	5	= 61.05	26	5	= 66.05	28	5	= 71.05
20	6	= 51.25	22	6	= 56.25	24	6	= 61.25	26	6	= 66.25	28	6	= 71.25
20	7	= 51.45	22	7	= 56.45	24	7	= 61.45	26	7	= 66.45	28	7	= 71.45
20	8	= 51.68	22	8	= 56.68	24	8	= 61.68	26	8	= 66.68	28	8	= 71.68
20	9	= 51.88	22	9	= 56.88	24	9	= 61.88	26	9	= 66.88	28	9	= 71.88
20	10	= 52.08	22	10	= 57.08	24	10	= 62.08	26	10	= 67.08	28	10	= 72.80
20	11	= 52.30	22	11	= 57.30	24	11	= 62.30	26	11	= 67.30	28	11	= 72.30
21		= 52.50	23		= 57.50	25		= 62.50	27		= 67.50	29		= 72.50
21	1	= 52.70	23	1	= 57.70	25	1	= 62.70	27	1	= 67.70	29	1	= 72.70
21	2	= 52.93	23	2	= 57.93	25	2	= 62.93	27	2	= 67.93	29	2	= 72.93
21	3	= 53.13	23	3	= 58.13	25	3	= 63.13	27	3	= 68.13	29	3	= 73.13
21	4	= 53.33	23	4	= 58.33	25	4	= 63.33	27	4	= 68.33	29	4	= 73.33
21	5	= 53.55	23	5	= 58.55	25	5	= 63.55	27	5	= 68.55	29	5	= 73.55
21	6	= 53.75	23	6	= 58.75	25	6	= 63.75	27	6	= 68.75	29	6	= 73.75
21	7	= 53.95	23	7	= 58.95	25	7	= 63.95	27	7	= 68.95	29	7	= 73.95
21	8	= 54.18	23	8	= 59.18	25	8	= 64.18	27	8	= 69.18	29	8	= 74.18
21	9	= 54.38	23	9	= 59.38	25	9	= 64.38	27	9	= 69.38	29	9	= 74.38
21	10	= 54.58	23	10	= 59.58	25	10	= 64.58	27	10	= 69.58	29	10	= 74.58
21	11	= 54.80	23	11	= 59.80	25	11	= 64.80	27	11	= 69.80	29	11	= 74.80
												30		= 75.00

NOTE:
To arrive at the above multipliers, divide the number of whole months by 12, carry the quotient 3, round to 2. Add this to the number of years and multiply by .025.

Example 1: 20 years, 7 months, 13 days
 7 months / 12 = .583 (.58)
 20.58 x .025 = 51.45%

Example 2: 20 years, 8 months, 28 days
 8 months / 12 = .667 (.67)
 20.67 X .025 = 51.68%

* Exception: Members who retire between 1 Jan 1982 and 30 Sep 1983 and meet the requirements of paragraph 10345b will round service credit of 6 months or more as shown on the table.

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