

**VOLUME 7B, CHAPTER 8: “BASIC PAY RATES, LEGISLATIVE AND COST-OF-LIVING ADJUSTEMENTS (COLA) TO RETIRED PAY”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **February 2015** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated the hyperlinks and revised to the chapter to comply with current administrative instructions.	Revision
0802	Relocated definitions from Section 0801 to Section 0802 and renumbered the chapter respectively.	Revision
080512.A	Added Cost-of-Living Adjustment (COLA) rates for retired pay, effective December 1, 2015.	Addition
080512.B	Added monthly basic pay increase, for members of the uniformed services, effective January 1, 2016.	Addition
Table 8-1	Updated Table 8-1, Full COLA Percentage Table.	Revision
Bibliography	Updated Bibliography.	Revision

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## CHAPTER 8

**BASIC PAY RATES, LEGISLATIVE AND COST-OF-LIVING  
ADJUSTMENTS (COLA) TO RETIRED PAY**

## 0801 GENERAL

## 080101. Overview

Historical information on legislative actions for the application of special provision in determining the accuracy of retired pay from October 1949 to Fiscal Year (FY) 1993 is located in the archived Chapter 8, dated July 2013, to include Cost-of-Living Adjustment (COLA) rates for the period.

## 080102. Purpose

## A. Accuracy of Retired Pay

Information in this chapter enables the reader to determine the accuracy of a member's current retired pay through a history of basic pay rates, retired pay increases, and the application of special provisions in determining retired pay. Retired pay for members who have entered a Uniformed Service after September 7, 1980 is computed using a retired or retainer pay base. See Chapter 3 for gross pay computation. This chapter explains the effect of legislative and COLA on retired pay that has been computed using a retired or retainer pay base.

## B. The Use and Effect of Active Duty Pay Rate Increases on Retired Pay

Before June 1, 1958, compiling tables to show the actual rates of retired pay was relatively simple since all members (except the pre-October 1, 1949 "saved pay" accounts) received a direct percentage of the active-duty basic pay rates in effect October 1, 1949 through May 31, 1958. With the enactment of Public Law 85-422, effective June 1, 1958, it became increasingly more difficult to prepare and maintain tables reflecting the pay of members on the retired rolls and, eventually, preparing such tables was no longer feasible. Public Law 85-422 prohibited the recomputation of retired pay based on changes in the active-duty basic pay rates after retirement. The date of retirement was a factor in computing retired pay because the retired member's pay was fixed to the basic pay rate in effect on the date of retirement. The exceptions permitting members to use another basic pay rate under certain conditions and circumstances are outlined in later paragraphs. The applicable active-duty pay tables now serve as the basis for determining the rate of retired pay.

## C. Service After September 7, 1980

Members who have entered a Uniformed Service after September 7, 1980:

1. The amount of retired pay is individualized. Members who retire with the same grade and years of service for percentage and basic pay purposes may not receive the same amount of retired pay.

2. The member's current retired pay can be verified from the retired or retainer pay base, years of service for percentage purposes or percentage of disability, retired pay increases, and the application of any special provisions in retired pay identified in this chapter.

#### 080103. Authoritative Guidance

The bibliography at the end of this chapter lists the authoritative references.

### \*0802. DEFINITIONS

#### 080201. Base Index

The base index is the price index for the base quarter for the most recent adjustment under Title 10, United States Code, section 1401a(b) ([10 U.S.C. § 1401a\(b\)](#)).

#### 080202. Base Quarter

Base Quarter is the calendar quarter ending on September 30 of each year.

#### 080203. Burchinal Decision

This Comptroller General decision ([53 Comp. Gen. 698 \(1974\)](#)) held that retired pay is computed only under the current pay rates or the pay rates in effect immediately before the current rate pursuant to 10 U.S.C. § 1401a(e). Public Law 90-207, effective October 1, 1967, added subsection (e) under 10 U.S.C. § 1401a as a method to prevent pay inversion. On October 7, 1975, [Public Law 94-106](#) added subsection (f) under 10 U.S.C. § 1401a which superseded 10 U.S.C. § 1401a(e).

#### 080204. COLA

Percentage change increases are applied to retired pay based on laws using the Consumer Price Index (CPI), Urban Wage Earners and Clerical Workers–U.S. City Average (CPI-W), as published by the Bureau of Labor Statistics, to determine the amount of the increase. Full COLA percentages appear in Table 8-1.

A. Full COLA. Members on the retired rolls receive the full COLA if their retired pay is computed using the basic pay rates which were effective before the previous COLA.

B. Partial COLA. Members whose retired pay is computed using the basic pay rates that become effective at the same time or after the previous COLA receive a partial COLA. This increase is effective from the later of the date of the full COLA or date of retirement.

080205. Legislative Increase

A legislative increase refers to any adjustment in retired pay authorized by legislation that identifies a percentage increase rather than being based on the CPI.

080206. One Percent Add-On

The 1 percent add-on is 1 percent added to all full COLAs in retired pay from November 1, 1969 through March 31, 1976. The 1 percent did not apply to partial COLAs. The add-on was provided to make up for the 3-month time lag between the rise in the CPI and the actual increase in retired pay. Public Law 94-440 eliminated the 1 percent add-on.

080207. Otherwise Qualified

This term refers to members, retired under a particular law, who are eligible for retirement under another law that may provide greater benefits. It pertains primarily to disability retirees when members have enough service to be retired for nondisability.

080208. Pay Inversion

A condition that exists during the periods when the COLA in retired pay exceeds the percentage increases applied to active-duty basic pay rates.

080209. Pay Table Code

The designation by number (or other means) used by the Defense Finance and Accounting Service (DFAS) to identify active-duty pay rates in effect during various time periods.

080210. Price Index

Price index refers to the CPI (all items, United States city average) published by the Bureau of Labor Statistics.

080211. Price Index for a Quarter

For purposes of this chapter, the price index for a calendar quarter is the arithmetical mean (average) of the price index for the three months comprising that quarter.

**080212.**          Re-computation

Re-computation is the provision for recomputing retired pay using a pay table other than that used in the first computation of retired pay.

**080213.**          Retired Pay

The term "retired pay" includes retainer pay.

**080214.**          Retired Pay Base

The retired pay base is an average of the highest monthly basic pay rates applicable to a member determined by the length of time the member was a member of a Uniformed Service (less than or at least 36 months) and/or the type of retirement (e.g., disability or voluntary). The retired pay base or retainer pay base applies to members who entered a Uniformed Service after September 7, 1980. It replaced the monthly basic pay rate formerly used to compute retired or retainer pay. See Chapter 3 for Pre-September 8, 1980 members.

**080215.**          Uniform Retirement Date Act (URDA)

The URDA ([5 U.S.C. § 8301](#)): (1) provides, under certain retirement laws, that members cannot be retired before the first day of the month after the date of first eligibility, and (2) determines the pay table used in computing retired pay. This provision is especially significant when the retirement date coincides with the effective date of an active-duty basic pay rate increase, because of the additional requirement to compute pay on the rates in effect as of the date retirement would have occurred except for this restriction.

**080216.**          Years of Service for Basic Pay

Computation of service years creditable in determining the basic pay rate upon which retired pay is to be based may vary depending upon retirement law, see Volume 7A, Chapter 1.

**080217.**          Years of Service for Percentage Multiplier

The years of service for percentage multiplier refer to service years creditable in determining the percentage multiplier factor (2-1/2 percent times years of service of basic pay) in retired pay computation. Computation of years of service may vary depending upon retirement law. For Reserve retirements under [10 U.S.C., Chapter 1223](#), Reserve service points are converted to years of service (i.e., total points divided by 360 equal years of service), see Volume 7B, Chapter 1.

### 0803 MAJOR CHANGES IN THE USE OF BASIC PAY RATES AND CONDITIONS APPLICABLE TO COMPUTATION OF RETIRED PAY

#### 080301. Retired Pay Based on the Consumer Price Index (CPI)

Effective October 1, 1963, 10 U.S.C. § 1401a, as added by Public Law 88-132, stipulated that future adjustments to retired pay would be based on the CPI. Each January the Secretary of Defense was to review the CPI from the previous calendar year and, if it had increased 3 percent or more, then would affect a percentage increase in retired pay as of April 1 using the percentages of increase in the CPI.

#### 080302. Effects of Public Law 90-207 on Retired Pay Computation

Public Law 90-207, effective October 1, 1967, added subsections (c) through (e) under 10 U.S.C. § 1401a. Subsections (c) and (d) stipulated that retired pay, when computed from the current basic pay rates, would increase at the later of the next COLA or retirement date by a partial adjustment. The partial adjustment represented the percent by which the new base index exceeded the index in effect on the day before the basic pay increase. Subsection (e), a saved-pay provision, permitted computation of retired pay on the basic pay rates in effect immediately preceding those in effect on retirement date if they were more favorable because of a COLA. Public Law 98-94, section 921, effective September 24, 1983, repealed the 1-year look-back provision that was under 10 U.S.C. § 1401a(e). For additional information on the repealed section, see paragraph 080213 in archived Chapter 8. Section 8(a) of Public Law 90-207 provided that, effective January 1, 1968, whenever the General Schedule of Compensation for Federal classified employees increased, an adjustment in the monthly basic pay authorized members of the Uniformed Services immediately would become effective.

#### 080303. One percent Increase to COLA

Public Law 91-179, effective October 31, 1969, stipulated that 1 percent would be added to the percentage increase each time there was a general COLA to retired pay. Partial COLA increases did not include the 1 percent.

#### 080304. Pay Inversion

Public Law 85-422, effective June 1, 1958, prohibited recomputation of retired pay each time active-duty pay was increased. Therefore, it was assumed that members of the same pay grade and years of service who retired under later active-duty pay increases would receive a greater retired pay. Beginning in 1971 there were instances where the cumulative COLA applied to retired pay was greater than the increases in the active-duty pay rates, which was known as “pay inversion.” Pay inversion created some retention problems because, through early retirement, members could increase their retired pay rather than remaining on active duty. Under 53 Comp. Gen. 698 (1974), known as the “Burchinal Decision,” members were restricted to the greater amount of pay, based on two computations of retired pay, computed on the active-duty pay rates in effect:



A. At the time of retirement using the pay grade and years of service for both basic pay and percentage multiplier at the time of retirement, or

B. Immediately before the active-duty basic pay rates in effect on the date of retirement, plus the COLA in retired pay applicable to those basic pay rates. For this computation, the same pay grade and years of service for both basic pay and multiplier at the time of retirement were used even though the computation used the earlier basic pay rates.

080305. Tower Amendment

Public Law 94-106, October 7, 1975, added subparagraph (f) to 10 U.S.C. § 1401a. The new provision stipulated another method to offset, in part, the effect of “pay inversion.” This method involved computing pay based “on any previous basic pay rates, on and after January 1, 1971, plus COLA, if the member was eligible for retirement at the time those rates were in effect.” The computation was restricted to the pay grade and years of service at that earlier time (for retirements on October 5, 1994 or later, the computation may not be based on a grade higher than that held at the time of retirement). The statute applies to all members retired on or after January 1, 1971. There were no retroactive pay adjustments for the period before October 7, 1975. Pursuant to [Public Law 113-66](#), December 26, 2013, those retired members who first became a member of a uniformed service on or after September 8, 1980 and whose retired pay is computed using the high-three method, the Tower Amendment applies only at the time of retirement and not when the first COLA are announced. A member recalled to active duty after retirement is not entitled to recomputation of retired pay under the Tower Amendment upon release from that active duty. Pay recomputation upon that release is restricted to the methods prescribed in [10 U.S.C. § 1402](#) and covered in Chapter 7. The Tower Amendment did not repeal or modify those provisions.

080306. Basic Pay Average

[Public Law 96-342](#), as codified at [10 U.S.C. § 1407](#), established a retired pay base for use in computing retired or retainer pay. Title 10, U.S.C., section 1407 applies to members who have entered a Uniformed Service after September 7, 1980. The percentage of cost-of-living increases is determined by the most recent basic pay rate used in the computation of the retired or retainer pay base.

080307. Modification of COLAs Applicable to Military Retired and Retainer Pay

[Public Law 98-270](#), April 18, 1984, amended [5 U.S.C. § 8340\(a\) and \(b\)](#) to modify COLAs that also applied to military retired and retainer pay under 10 U.S.C. § 1401a(b). The effective date for COLAs was changed from March 1 to December 1. The COLA equaled the percentage change in the price index for the base quarter of such year over the price index for the base quarter of the preceding year. The price index for a base quarter was defined as the arithmetical mean of such index for the 3 months of the base quarter. The partial COLA equaled the percentage increase of the average CPI for July, August, and September over the CPI for the preceding December.

## 080308. The Military Retirement Reform Act of 1986

The Military Retirement Reform Act of 1986, Public Law 99-348:

A. Reduced the retired pay multiplier for any member who first became a member of a Uniformed Service after July 31, 1986, and who retired before age 62 with less than 30 years of creditable service (excluding retirements under [10 U.S.C., Chapter 61](#), and 1223). The multiplier was reduced by:

1. One percentage point for each full year that the member's years of creditable service were less than 30; and

2. One-twelfth of 1 percentage point for each month by which the member's years of creditable service (after counting all full years of such service) was less than a full year.

B. Stipulated cost-of-living increases for any member who first became a member of a Uniformed Service on or after August 1, 1986, when the increase in the CPI exceeded 1 percent. The cost-of-living increase was 1 percentage point less than the increase in CPI.

C. Restored the reduction in retired pay multiplier under subparagraph 080308.A at age 62 and provided a one-time restoral at age 62 for the reduction in cost-of-living increase under subparagraph 080308.B.

0804 PROVISIONS OF PAY CHANGES, EXCEPTIONS, AND SPECIAL COMPUTATIONS BETWEEN DECEMBER 1, 1993 AND DECEMBER 1, 2005

For historical information on legislative actions affecting retired pay from October 1949 to December 1993, see archived Chapter 8, dated July 2013.

## 080401. COLA and Basic Pay Rates FY 1994

A. A COLA, effective December 1, 1993, provides the following increases. (NOTE: [Public Law 103-66](#) prohibits the payment for months before March 1994 of any increase in retired pay associated with the COLA except for those members retired for disability under 10 U.S.C., Chapter 61).

1. Pre-August 1986 members:

a. Members who first entered service before August 1, 1986, and whose retired pay has been computed on active-duty pay rates in effect before January 1, 1993, received a 2.6 percent adjustment.

b. Members who first entered service before August 1, 1986, and who became entitled to retired pay computed on the January 1, 1993 active-duty pay rate, received a 1.9 percent adjustment.

2. Post-August 1986 members:

a. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay before January 1, 1993, received a 1.6 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay on or after January 1, 1993, received a pro-rata initial adjustment as follows:

<u>Retired Between</u>	<u>Percent Increase</u>
January 1, 1993 – March 31, 1993	1.2
April 1, 1993 – June 30, 1993	0.7
July 1, 1993 – September 30, 1993	0.2
October 1, 1993 – December 31, 1993	-0-

B. Basic pay rates effective January 1, 1994, [Executive Order 12886](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 1994.
3. No entitlement to pay computed on the January 1, 1994 basic pay rates for members who retired on January 1, 1994, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1993 transfers).

080402. COLA and Basic Pay Rates FY 1995

A. A COLA, effective December 1, 1994, provides the following increases. (NOTE: Title 10, U.S.C., section 1401a(b)(2)(B)(ii), as amended by [Public Law 103-337](#) and [Public Law 103-335](#)), prohibited payment for months before March 1995 of any increased retired pay associated with COLAs, except for those members or former members retired for disability under 10 U.S.C., Chapter 61. The delay did not pertain to Survivor Benefit Plan (SBP) base amounts and associated annuities and premiums, or to the exclusion amounts for dual compensation.

1. Pre-August 1986 members:
  - a. Members who first entered service before August 1, 1986, and whose retired pay has been computed on active-duty pay rates in effect before January 1, 1994, received a 2.8 percent adjustment.

b. Members who first entered service before August 1, 1986, and who became entitled to retired pay computed on the January 1, 1994 active-duty basic pay rate, received a 2.2 percent adjustment.

2. Post-August 1986 members:

a. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay before January 1, 1994, received a 1.8 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay on or after January 1, 1994, received a pro-rata initial adjustment as follows:

<u>Retired Between</u>	<u>Percent Increase</u>
January 1, 1994 – March 31, 1994	1.4
April 1, 1994 – June 30, 1994	1.2
July 1, 1994 – September 30, 1994	0.7
October 1, 1994 – December 31, 1994	-0-

B. Basic pay rates effective January 1, 1995, [Executive Order 12944](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 1995.
3. No entitlement to pay computed on the January 1, 1995 basic pay rates for members who retired on January 1, 1995, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1994 transfers).

080403. COLA and Basic Pay Rates FY 1996

In FY 1996, the COLA became effective December 1, 1995. Certain adjustments under 10 U.S.C. § 1401a(b)(2) and [Public Law 104-106](#), were not payable for periods before March 1996, which included the payment of increased retired or retainer pay for members and former members retired on the basis of longevity, age, or non-Regular service (10 U.S.C., Chapter 1223). Adjustments, which became payable beginning December 1, 1995, included the increases in survivor annuities and SBP costs (including SBP base amounts and associated annuities and premiums), retired pay based on disability, and the exclusion amounts for dual compensation.

1. Pre-August 1986 members:

a. Members who first entered service before August 1, 1986, and whose retired pay had been computed on active-duty basic pay rates in effect before January 1, 1995, received a 2.6 percent adjustment.

b. Members who first entered service before August 1, 1986, and who became entitled to retired pay computed on the January 1, 1995 active-duty pay rate, received a 2.0 percent adjustment.

2. Post-August 1986 members:

a. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay before January 1, 1995, received a 1.6 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay on or after January 1, 1995, received a pro-rata initial adjustment as follows:

<u>Retired Between</u>	<u>Percent Increase</u>
January 1, 1995 – March 31, 1995	1.3
April 1, 1995 – June 30, 1995	0.8
July 1, 1995 – September 30, 1995	0.2
October 1, 1995 – December 31, 1995	-0-

B. Basic pay rates effective January 1, 1996, [Executive Order 12990](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 1996.
3. No entitlement to pay computed on the January 1, 1996 basic pay rates for members who retired on January 1, 1996, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1995 transfers).

080404. Initial Computation of Retiree COLAs and Basic Pay Rates for FY 1997

The FY 1997 Department of Defense Authorization Act, [Public Law 104-201](#), clarified the method of computing the first COLA of retired pay for members who entered a Uniformed Service after September 7, 1980, but before August 1, 1986, and provided the following.

A. A COLA, effective December 1, 1996, provided for:

1. Pre-August 1986 members:

a. Members who first entered service before August 1, 1986, and whose retired pay has been computed under active-duty pay rates in effect before January 1, 1996, received a 2.9 percent adjustment.

b. Members who first entered service before September 8, 1980, and who become entitled to an initial amount of retired pay computed on the January 1, 1996 active-duty pay rate, received a 2.5 percent adjustment.

c. Members who first entered service after September 7, 1980, but before August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1996, received a pro-rata initial adjustment as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
January 1, 1996 – March 31, 1996	2.5
April 1, 1996 – June 30, 1996	1.5
July 1, 1996 – September 30, 1996	0.5
October 1, 1996 – December 31, 1996	-0-

2. Post-August 1986 members:

a. Members who first entered service on or after August 1, 1986, and who become entitled to retired pay before January 1, 1996, received a 1.9 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1996, received a pro-rata initial adjustment as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
January 1, 1996 – March 31, 1996	1.7
April 1, 1996 – June 30, 1996	1.0
July 1, 1996 – September 30, 1996	0.2
October 1, 1996 – December 31, 1996	-0-

B. Basic pay rates effective January 1, 1997, [Executive Order 13033](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 1997.

3. No entitlement to pay computed on the January 1, 1997 basic pay rates for members who retired on January 1, 1997, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1996 transfers).

080405. COLA and Basic Pay Rates FY 1998

A. A COLA, effective December 1, 1997, provided for:

1. Pre-August 1986 members:

a. Members who first entered service before August 1, 1986, and whose retired pay has been computed under active-duty pay rates in effect before January 1, 1997, received a 2.1 percent adjustment.

b. Members who first entered service before September 8, 1980, and who became entitled to an initial amount of retired pay computed on the January 1, 1997 active-duty basic pay rate, received a 1.3 percent adjustment.

c. Members who first entered service after September 7, 1980, but before August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1997, are entitled to a pro-rata initial adjustment as follows:

<b><u>Retired Pay Effective Date</u></b>	<b><u>Percent Increase</u></b>
January 1, 1997 – March 31, 1997	1.3
April 1, 1997 – June 30, 1997	0.8
July 1, 1997 – September 30, 1997	0.4
October 1, 1997 – December 31, 1997	-0-

2. Post-Aug 1986 members:

a. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay before January 1, 1997, received a 1.1 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1997, received a pro-rata initial adjustment as follows:

<b><u>Retired Pay Effective Date</u></b>	<b><u>Percent Increase</u></b>
January 1, 1997 – March 31, 1997	0.6
April 1, 1997 – June 30, 1997	0.3
July 1, 1997 – September 30, 1997	0.1
October 1, 1997 – December 31, 1997	-0-

B. Basic pay rates effective January 1, 1998, [Executive Order 13071](#), effective January 1, 1998, provided for:

1. Increased basic pay rates.

2. No increase for members retired before January 1, 1998.

3. No entitlement to pay computed on January 1, 1998 basic pay rates for members who retired on January 1, 1998, and who were subject to the URDA warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1997 transfers).

080406. COLA and Basic Pay Rates FY 1999

A. A COLA, effective December 1, 1998, provided for:

1. Pre-August 1986 members:

a. Members who first entered service before August 1, 1986, and whose retired pay has been computed under active-duty pay rates in effect before January 1, 1998, received a 1.3 percent adjustment.

b. Members who first entered service before September 8, 1980, and who became entitled to an initial amount of retired pay computed on the January 1, 1998 active-duty pay rate, received a 1.0 percent adjustment.

c. Members who first entered service after September 7, 1980, but before August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1998, received a pro-rata initial adjustment as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
January 1, 1998 – March 31, 1998	1.0
April 1, 1998 – June 30, 1998	0.9
July 1, 1998 – September 30, 1998	0.4
October 1, 1998 – December 31, 1998	-0-

2. Post-August 1986 members:

a. Members who first entered service on or after August 1, 1986, and who became entitled to retired pay before January 1, 1998, received a 0.3 percent adjustment.

b. Members who first entered service on or after August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1998, are entitled to a pro-rata initial adjustment as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
January 1, 1998 – March 31, 1998	0.3
April 1, 1998 – June 30, 1998	0.4
July 1, 1998 – September 30, 1998	0.1
October 1, 1998 – December 31, 1998	-0-



B. Basic pay rates effective January 1, 1999, [Executive Order 13106](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 1999.
3. No entitlement to pay computed on the January 1, 1999 basic pay rates for members who retired on January 1, 1999, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1998 transfers).

080407. COLA and Basic Pay Rates FY 2000

A. A COLA, effective December 1, 1999, provided for:

1. Pre-August 1986 members:
  - a. Members who first entered service before August 1, 1986, and whose retired pay has been computed under active-duty pay rates in effect before January 1, 1999, received a 2.4 percent adjustment.
  - b. Members who first entered service before September 8, 1980, and who became entitled to an initial amount of retired pay computed on the January 1, 1999 active-duty basic pay rate, received a 2 percent adjustment.
  - c. Members who first entered service after September 7, 1980, but before August 1, 1986, and who became entitled to an initial amount of retired pay on or after January 1, 1999, are entitled to a pro-rata adjustment as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
January 1, 1999 – March 31, 1999	2.0
April 1, 1999 – June 30, 1999	1.7
July 1, 1999 – September 30, 1999	0.7
October 1, 1999 – December 31, 1999	-0-

2. Officers in grades 0-7 through 0-10. Recomputation of retired pay for certain members retired during the period April 30 through December 31, 1999.

a. [Section 601\(d\) of Public Law 106-65](#) revised the limits imposed on the rates of basic pay for members of the Uniformed Services. Pay rates for grades 0-7 and above will be limited, effective January 1, 2000, to the pay rate for Level III of the Executive Schedule.

b. Section 601(e) of Public Law 106-65 provides that retired pay be recomputed, effective January 1, 2000, for certain members who retired during the period of April 30, 1999 through December 31, 1999. As a result, the retired pay of members in grade

0-9 with over 26 years of service and 0-10s with over 16 years of service will be recomputed. The new rates will be for months beginning on or after January 1, 2000, and will be computed as if the Level III of the Executive Schedule limit had applied at the time of a qualified member's retirement. No increased amount is payable for any period before January 1, 2000 as a result of this provision. Retired pay rates for affected members should be recomputed for their entitlement for January 2000 as though the following rates of basic pay had been applicable at the time of retirement:

0-9	Over 26 years of service:	\$9,528.90
0-10	Over 16 years of service:	\$9,528.90
0-10	Over 18 years of service:	\$9,528.90
0-10	Over 20 years of service:	\$10,167.00
0-10	Over 22 years of service:	\$10,167.00
0-10	Over 24 years of service:	\$10,167.00
0-10	Over 26 years of service:	\$10,491.60

B. Basic pay rates effective January 1, 2000, [Executive Order 13144](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2000.
3. No entitlement to pay computed on the January 1, 2000 basic pay rates for members who retired on January 1, 2000, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 1999 transfers).

080408. COLA and Basic Pay Rates FY 2001

A. A COLA, effective December 1, 2000, provided for:

1. Pre-August 1986 members:
  - a. Members who first entered service before August 1, 1986, and whose retired pay has been computed under active-duty pay rates in effect before January 1, 2000, received a 3.5 percent adjustment.
  - b. Members who first entered service before September 8, 1980, and who became entitled to an initial amount of retired pay computed on the January 1, 2000 active duty basic pay rate, received a 2.8 percent adjustment. This adjustment includes any member whose retired pay is computed on a pay cell of the July 1, 2000 pay table that was unchanged from the rate of January 1, 2000.
  - c. Members who first entered service before September 8, 1980, and who became entitled to an initial amount of retired pay computed on the July 1, 2000 active-duty basic pay rate, received a 0.7 percent adjustment. This adjustment

includes any member whose retired pay is computed on a pay cell of the July 1, 2000 pay table that was changed from the rate of January 1, 2000.

d. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retired Pay Effective Date</u>	<u>Percent Increase</u>
Before January 1, 2000	3.5
January 1, 2000 – March 31, 2000	2.8
April 1, 2000 – June 30, 2000	1.8
July 1, 2000 – September 30, 2000	0.7
October 1, 2000 – December 31, 2000	-0-

B. Basic pay rates effective January 1, 2001, [Executive Order 13182](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2001.
3. No entitlement to pay computed on the January 1, 2001 basic pay rates for members who retired on January 1, 2001, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2000 transfers).

080409. COLA and Basic Pay Rates FY 2002

A. A COLA, effective December 1, 2001, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is set out according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2001	2.6 percent	1401a(b)(2)
January 1, 2001**	2.0 percent	1401a(c)
July 1, 2001***	0.0 percent	1401a(c)

\* The effective date of a pay cell (i.e., a pay rate specified for a given grade and years of service) of the July 1, 2001 pay table is considered to be January 1, 2001 if the pay rate for that cell is unchanged from the January rate.

\*\* Includes those whose retired pay is computed on a pay cell of the July 1, 2001 pay table unchanged from the rate for that pay cell in the January 1, 2001 pay table.

\*\*\* Includes those whose retired pay is computed on a pay cell of the July 1, 2001 pay table changed from the rate for that pay cell in the January 1, 2001 pay table.

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2001	2.6 percent	1401a(b)(2)
January 1, 2001 – March 31, 2001	2.0 percent	1401a(d)
April 1, 2001 – June 30, 2001	1.1 percent	1401a(d)
July 1, 2001 – September 30, 2001	0.0 percent	1401a(d)
October 1, 2001 – December 31, 2001	0.0 percent	1401a(d)

NOTE: Because of an error in the CPI, all accounts were underpaid by .01 percent, effective December 1999. All accounts affected were corrected, recomputed, and paid by December 2001.

B. Basic pay rates effective January 1, 2002, [Executive Order 13249](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2002.
3. No entitlement to pay computed on the January 1, 2002 basic pay rates for members who retired on January 1, 2002, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2001 transfers).

080410. COLA and Basic Pay Rates FY 2003

A. A COLA, effective December 1, 2002, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2002	1.4 percent	1401a(b)(2)
January 1, 2002	1.4 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2002	1.4 percent	1401a(b)(2)
January 1, 2002 – March 31, 2002	1.4 percent	1401a(d)
April 1, 2002 – June 30, 2002	1.4 percent	1401a(d)
July 1, 2002 – September 30, 2002	1.4 percent	1401a(d)
October 1, 2002 – December 31, 2002	0.0 percent	1401a(d)

B. Basic pay rates effective January 1, 2003, [Public Law 107-314](#) and [Executive Order 13282](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2003.
3. No entitlement to pay computed on the January 1, 2003 basic pay rates for members who retired on January 1, 2003, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2002 transfers).

080411. COLA and Basic Pay Rates FY 2004

A. A COLA, effective December 1, 2003, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980, is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2003	2.1 percent	1401a(b)(2)
January 1, 2003	1.7 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2003	2.1 percent	1401a(b)(2)
January 1, 2003 – March 31, 2003	1.7 percent	1401a(d)
April 1, 2003 – June 30, 2003	0.7 percent	1401a(d)
July 1, 2003 – September 30, 2003	0.4 percent	1401a(d)
October 1, 2003 – December 31, 2003	0.0 percent	1401a(d)

B. Basic pay rates effective January 1, 2004, [Public Law 108-136](#) and [Executive Order 13322](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2004.
3. No entitlement to pay computed on the January 1, 2004 basic pay rates for members who retired on January 1, 2004, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2003 transfers).
4. The added provision to [10 U.S.C § 1406](#) that an individual who served as commander of a uniformed or combatant command shall have retired pay computed using the rates of basic pay authorized for the Chairman/Vice Chairman of the Joint Chiefs of Staff and the Chiefs of Service.

080412. COLA and Basic Pay Rates FY 2005

A. A COLA, effective December 1, 2004, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2004	2.7 percent	1401a(b)(2)
January 1, 2004	2.7 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2004	2.7 percent	1401a(b)(2)
January 1, 2004 – March 31, 2004	2.7 percent	1401a(d)
April 1, 2004 – June 30, 2004	1.8 percent	1401a(d)
July 1, 2003 – September 30, 2003	0.4 percent	1401a(d)
October 1, 2003 – December 31, 2003	0.0 percent	1401a(d)
July 1, 2004 – September 30, 2004	0.3 percent	1401a(d)
October 1, 2004 – December 31, 2004	0.0 percent	1401a(d)

B. Basic pay rates effective January 1, 2005, [Public Law 108-375](#) and [Executive Order 13368](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2005.

3. No entitlement to pay computed on the January 1, 2005 basic pay rates for members who retired on January 1, 2005, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2004 transfers).

#### 0805 PROVISIONS OF PAY CHANGES, EXCEPTIONS, AND SPECIAL COMPUTATIONS STARTING DECEMBER 2005

##### 080501. COLA and Basic Pay Rates FY 2006

###### A. A COLA, effective December 1, 2005, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2005	4.1 percent	1401a(b)(2)
January 1, 2005	3.4 percent	1401a(d)

2. Retired pay COLA for those who first became a member of a Uniformed Service on or after September 8, 1980, retired pay COLA is specified according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2005	4.1 percent	1401a(b)(2)
January 1, 2005 – March 31, 2005	3.4 percent	1401a(d)
April 1, 2005 – June 30, 2005	2.8 percent	1401a(d)
July 1, 2005 – September 30, 2005	1.4 percent	1401a(d)
October 1, 2005 – December 31, 2005	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and who elected to receive a bonus under the provisions of [37 U.S.C. § 322](#), renumbered to [37 U.S.C. § 354](#), is specified according to their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2005	3.1 percent	1401a(e)
January 1, 2005 – March 31, 2005	2.6 percent	1401a(e)
April 1, 2005 – June 30, 2005	2.3 percent	1401a(e)
July 1, 2005 – September 30, 2005	1.1 percent	1401a(e)
October 1, 2005 – December 31, 2005	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2006, [Public Law 109-163](#) and [Executive Order 13393](#), effective January 1, 2006, provided for:

1. Increase basic pay rates.
2. No increase for members retired before January 1, 2006.
3. No entitlement to pay computed on the January 1, 2006 basic pay rates for members who retired on January 1, 2006, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2005 transfers).

080502. COLA and Basic Pay Rates FY 2007

A. A COLA, effective December 1, 2006, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980, is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<b><u>Rates of Pay Effective</u></b>	<b><u>Percent Increase</u></b>	<b><u>10 U.S.C. Authority</u></b>
Before January 1, 2006	3.3 percent	1401a(b)(2)
January 1, 2006	2.8 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<b><u>Retirement Effective</u></b>	<b><u>Percent Increase</u></b>	<b><u>10 U.S.C. Authority</u></b>
Before January 1, 2006	0.3 percent	1401a(b)(2)
January 1, 2006 – March 31, 2006	2.8 percent	1401a(d)
April 1, 2006 – June 30, 2006	2.4 percent	1401a(d)
July 1, 2006 – September 30, 2006	0.6 percent	1401a(d)
October 1, 2006 – December 31, 2006	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and who elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to their retirement as follows:

<b><u>Retirement Effective</u></b>	<b><u>Percent Increase</u></b>	<b><u>10 U.S.C. Authority</u></b>
Before January 1, 2006	2.3 percent	1401a(e)
January 1, 2006 – March 31, 2006	2.0 percent	1401a(e)
April 1, 2006 – June 30, 2006	1.9 percent	1401a(e)
July 1, 2006 – September 30, 2006	0.3 percent	1401a(e)
October 1, 2006 – December 31, 2006	0.0 percent	1401a(e)



B. Basic pay rates effective January 1, 2007, [Public Law 109-364](#) and [Executive Order 13420](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2007.
3. Increased targeted adjusted basic pay rates within each pay grade effective April 1, 2007.
4. No entitlement to pay computed on the January 1, 2007 basic pay rates for members who retired on January 1, 2007, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2006 transfers).
5. Cumulative years of service pay rates expanded to over 40 years of service.

C. Public Law 109-364 provides the following changes in retirement computation:

1. The retired pay base for officers in pay grades O-7 through O-10 who retired after September 30, 2006 shall have their retired pay computed using the rate of basic pay for such period provided by law rather than the rate capped at Level II of the Executive Schedule.
2. The removal of the 75 percent maximum cap for the retired pay multiplier under [10 U.S.C. § 1409](#) if the member retires after December 31, 2006 with more than 30 years of creditable service.
3. The additional longevity pay increases for senior grades above 28 years of service resulting in increased retired pay for future senior members retiring with over 30 years of creditable service.

080503. COLA and Basic Pay Rates FY 2008

A. A COLA, effective December 1, 2007, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of the active-duty basic pay rate used to compute their retired pay as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2007	2.3 percent	1401a(b)(2)
January 1 – April 1, 2007	2.3 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2007	2.3 percent	1401a(b)(2)
January 1, 2007 – March 31, 2007	2.3 percent	1401a(d)
April 1, 2007 – June 30, 2007	2.3 percent	1401a(d)
July 1, 2007 – September 30, 2007	0.2 percent	1401a(d)
October 1, 2007 – December 31, 2007	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and who elected to receive a career status bonus under the provisions of 37 U.S.C. § 354 is specified according to their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2007	1.3 percent	1401a(e)
January 1, 2007 – March 31, 2007	1.3 percent	1401a(e)
April 1, 2007 – June 30, 2007	1.3 percent	1401a(e)
July 1, 2007 – September 30, 2007	0.0 percent	1401a(e)
October 1, 2007 – December 31, 2007	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2008, [Public Law 110-181](#) and [Executive Order 13454](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2008.
3. No entitlement to pay computed on the January 1, 2008 basic pay rates for members who retired on January 1, 2008, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2007 transfers).

080504. COLA and Basic Pay Rates FY 2009

A. A COLA, effective December 1, 2008, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2008	5.8 percent	1401a(b)(2)
January 1 – December 31, 2008	5.0 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2008	5.8 percent	1401a(b)(2)
January 1, 2008 – March 31, 2008	5.0 percent	1401a(d)
April 1, 2008 – June 30, 2008	3.8 percent	1401a(d)
July 1, 2008 – September 30, 2008	1.2 percent	1401a(d)
October 1, 2008 – December 31, 2008	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and who elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2008	4.8 percent	1401a(e)
January 1, 2008 – March 31, 2008	4.2 percent	1401a(e)
April 1, 2008 – June 30, 2008	3.3 percent	1401a(e)
July 1, 2008 – September 30, 2008	1.0 percent	1401a(e)
October 1, 2008 – December 31, 2008	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2009, [Public Law 110-417](#) and [Executive Order 13483](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2009.
3. No entitlement to pay computed on the January 1, 2009 basic pay rates for members who retired on January 1, 2009, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2008 transfers).

080505. COLA and Basic Pay Rates FY 2010

A. A COLA, effective December 1, 2009, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2009	0.0 percent	1401a(b)(2)
January 1 – December, 2009	0.0 percent	1401a(c) & 1401a(f)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2009	0.0 percent	1401a(b)(2)
January 1, 2009 – March 31, 2009	0.0 percent	1401a(d) & 1401a(f)
April 1, 2009 – June 30, 2009	0.0 percent	1401a(d) & 1401a(f)
July 1, 2009 – September 30, 2009	0.0 percent	1401a(d) & 1401a(f)
October 1, 2009 – December 31, 2009	0.0 percent	1401a(d) & 1401a(f)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and who elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2009	0.0 percent	1401a(e)
January 1 – March 31, 2009	0.0 percent	1401a(e) & 1401a(f)
April 1 – June 30, 2009	0.0 percent	1401a(e) & 1401a(f)
July 1 – September 30, 2009	0.0 percent	1401a(e) & 1401a(f)
October 1– December 31, 2009	0.0 percent	1401a(e) & 1401a(f)

B. Basic pay rates effective January 1, 2010, [Public Law 111-84](#) and [Executive Order 13525](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2010.
3. No entitlement to pay computed on the January 1, 2010 basic pay rates for members who retired on January 1, 2010, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2009 transfers).

080506. COLA and Basic Pay Rates FY 2011

A. A COLA, effective December 1, 2010, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	0.0 percent	1401a(b)(2)
January 1 – December 31, 2010	0.0 percent	1401a(c) & 1401a(f)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	0.0 percent	1401a(b)(2)
January 1 – March 31, 2010	0.0 percent	1401a(d) & 1401a(f)
April 1 – June 30, 2010	0.0 percent	1401a(d) & 1401a(f)
July 1 – September 30, 2010	0.0 percent	1401a(d) & 1401a(f)
October 1 – December 31, 2010	0.0 percent	1401a(d) & 1401a(f)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	0.0 percent	1401a(e)
January 1 – March 31, 2010	0.0 percent	1401a(e) & 1401a(f)
April 1 – June 30, 2010	0.0 percent	1401a(e) & 1401a(f)
July 1 – September 30, 2010	0.0 percent	1401a(e) & 1401a(f)
October 1 – December 31, 2010	0.0 percent	1401a(e) & 1401a(f)

B. Basic pay rates effective January 1, 2011, [Executive Order 13561](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2011.
3. No entitlement to pay computed on the January 1, 2011 basic pay rates for members who retired on January 1, 2011, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2010 transfers).

080507. Removal of the 75 Percent Cap Subject to Provision

A member who retired or became entitled to retired pay due to physical disability on or before January 7, 2011, may not have a retired pay multiplier in excess of 75 percent. Under Public Law 111-383, a member with more than 30 years of creditable service who first becomes entitled to retired pay due to physical disability, on or after January 8, 2011, shall not have their multiplier reduced if it is in excess of 75 percent.

080508. COLA and Basic Pay Rates FY 2012

- A. A COLA, effective December 1, 2011, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2011	3.6 percent	1401a(b)(2)
January 1 – December 31, 2011	3.6 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2011	3.6 percent	1401a(b)(2)
January 1 – March 31, 2011	3.6 percent	1401a(d)
April 1 – June 30, 2011	2.4 percent	1401a(d)
July 1 – September 30, 2011	0.4 percent	1401a(d)
October 1 – December 31, 2011	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2011	2.6 percent	1401a(e)
January 1 – March 31, 2011	2.6 percent	1401a(e)
April 1 – June 30, 2011	1.9 percent	1401a(e)
July 1 – September 30, 2011	0.1 percent	1401a(e)
October 1 – December 31, 2011	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2012, [Executive Order 13594](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2012.

3. No entitlement to pay computed on the January 1, 2012 basic pay rates for members who retired on January 1, 2012, and who were subject to the URDA, warrant officers, Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2011 transfers).

NOTE: Members retiring in 2012 may be entitled to more retired pay using the 2011 pay rates increased by a partial COLA, instead of using the increased pay rates with more service credit. Under 10 U.S.C. § 1401a(f)(1), inversions to retired pay entitlements are prevented by allowing

computation of retired pay based on retirement at an earlier date. In such computations, the grade and service credit must be those applicable on the earlier date being used. Also, the retiree must meet the retirement eligibility requirements as of the earlier date.

080509. COLA and Basic Pay Rates FY 2013

A. A COLA, effective December 1, 2012, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2012	1.7 percent	1401a(b)(2)
January 1 – December 31, 2012	1.7 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2012	1.7 percent	1401a(b)(2)
January 1 – March 31, 2012	1.7 percent	1401a(d)
April 1 – June 30, 2012	1.0 percent	1401a(d)
July 1 – September 30, 2012	0.2 percent	1401a(d)
October 1 – December 31, 2012	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. § 354, is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2012	0.7 percent	1401a(e)
January 1 – March 31, 2012	0.7 percent	1401a(e)
April 1 – June 30, 2012	0.5 percent	1401a(e)
July 1 – September 30, 2012	0.0 percent	1401a(e)
October 1 – December 31, 2012	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2013, [Executive Order 13641](#) provided for:

1. Increased basic pay rates.

2. No increase for members retired before January 1, 2013.
3. No entitlement to pay computed on the January 1, 2013 basic pay rates for members who retired on January 1, 2013, and who were:
  - a. Subject to the URDA
  - b. Warrant officers, or
  - c. Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2012 transfers).

For additional information about the URDA, see Chapter 1, section 0104.

080510. COLA and Basic Pay Rates FY 2014

A. A COLA, effective December 1, 2013, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2013	1.5 percent	1401a(b)(2)
January 1 – December 31, 2013	1.5 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2013	1.5 percent	1401a(b)(2)
January 1 – March 31, 2013	1.5 percent	1401a(d)
April 1 – June 30, 2013	0.9 percent	1401a(d)
July 1 – September 30, 2013	0.4 percent	1401a(d)
October 1 – December 31, 2013	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. § 322 (renumbered 37 U.S.C. § 354), is specified according to the date of their retirement, as follows:



<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2013	0.5 percent	1401a(e)
January 1 – March 31, 2013	0.5 percent	1401a(e)
April 1 – June 30, 2013	0.4 percent	1401a(e)
July 1 - September 30, 2013	0.0 percent	1401a(e)
October 1 - December 31, 2013	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2014, [Executive Order 13655](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2014.
3. No entitlement to pay computed on the January 1, 2014 basic pay rates for members who retired on January 1, 2014, and who were:
  - a. Subject to the URDA
  - b. Warrant officers, or
  - c. Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2013 transfers).

For additional information about the URDA, see Chapter 1, section 0104.

080511. COLA and Basic Pay Rates FY 2015

A. A COLA, effective December 1, 2014, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2014	1.7 percent	1401a(b)(2)
January 1 – December 31, 2014	1.7 percent	1401a(c)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2014	1.7 percent	1401a(b)(2)
January 1 – March 31, 2014	1.7 percent	1401a(d)
April 1 – June 30, 2014	1.3 percent	1401a(d)
July 1 – September 30, 2014	0.1 percent	1401a(d)
October 1 – December 31, 2014	0.0 percent	1401a(d)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. 354 is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2014	0.7 percent	1401a(e)
January 1 – March 31, 2014	0.7 percent	1401a(e)
April 1 – June 30, 2014	0.7 percent	1401a(e)
July 1 – September 30, 2014	0.0 percent	1401a(e)
October 1 – December 31, 2014	0.0 percent	1401a(e)

B. Basic pay rates effective January 1, 2015, [Executive Order 13686](#) provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2015.
3. No entitlement to pay computed on the January 1, 2015 basic pay rates for members who retired on January 1, 2015, and who were:
  - a. Subject to the URDA
  - b. Warrant officers, or
  - c. Fleet Reservists, and Fleet Marine Corps Reservists (December 31, 2014 transfers).

For additional information about the URDA, see Chapter 1, section 0104.

\*080512. COLA and Basic Pay Rates FY 2016

\* A. A COLA, effective December 1, 2015, provided for:

1. Retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980 is specified according to the effective date of their retirement as follows:

Retired pay based on:

<u>Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2015	0.0 percent	1401a(b)(2)
January 1 – December 31, 2015	0.0 percent	1401a(c) & 1401a(f)

2. Those who first became a member of a Uniformed Service on or after September 8, 1980, the retired pay COLA is set out according to the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2015	0.0 percent	1401a(b)(2)
January 1 – March 31, 2015	0.0 percent	1401a(d) & 1401a(f)
April 1 – June 30, 2015	0.0 percent	1401a(d) & 1401a(f)
July 1 – September 30, 2015	0.0 percent	1401a(d) & 1401a(f)
October 1 – December 31, 2015	0.0 percent	1401a(d) & 1401a(f)

3. The retired pay COLA for those who first became a member of the Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of 37 U.S.C. 354 is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2015	0.0 percent	1401a(e)
January 1 – March 31, 2015	0.0 percent	1401a(e) & 1401a(f)
April 1 – June 30, 2015	0.0 percent	1401a(e) & 1401a(f)
July 1 – September 30, 2015	0.0 percent	1401a(e) & 1401a(f)
October 1 – December 31, 2015	0.0 percent	1401a(e) & 1401a(f)

\* B. Basic pay rates effective January 1, 2016, *Executive Order 13715* provided for:

1. Increased basic pay rates.
2. No increase for members retired before January 1, 2016.
3. No entitlement to pay computed on the January 1, 2016 basic pay rates for members who retired on January 1, 2016, and who were:

- a. Subject to the URDA
- b. Warrant officers, or
- c. Fleet Reservists, and Fleet Marine Corps Reservists  
(December 31, 2015 transfers).

For additional information about the URDA, see Chapter 1, section 0104.

\*Table 8-1. Full COLA Percentage Table

No.	Date of COLA	Percent
1	Sep 1, 1965	4.4
2	Dec 1, 1966	3.7
3	Apr 1, 1968	3.9
4	Feb 1, 1969	4.0
5	Nov 1, 1969	4.3
6	Aug 1, 1970	5.6
7	Jun 1, 1971	4.5
8	Jul 1, 1972	4.8
9	Jul 1, 1973	6.1
10	Jan 1, 1974	5.5
11	Jul 1, 1974	6.3
12	Jan 1, 1975	7.3
13	Aug 1, 1975	5.1
14	Mar 1, 1976	5.4
15	Mar 1, 1977	4.8
16	Sep 1, 1977	4.3
17	Mar 1, 1978	2.4
18	Sep 1, 1978	4.9
19	Mar 1, 1979	3.9
20	Sep 1, 1979	6.9
21	Mar 1, 1980	6.0
22	Sep 1, 1980	7.7
23	Mar 1, 1981	4.4
24	Mar 1, 1982	8.7
25	Apr 1, 1983 (note 1)	3.3
		3.9
26	Dec 1, 1984	3.5
27	Dec 1, 1986	1.3
28	Dec 1, 1987	4.2 Pre-Aug 86 Member
		3.2 Post-Aug 86 Member
29	Dec 1, 1988	4.0 Pre-Aug 86 Member
		3.0 Post-Aug 86 Member
30	Dec 1, 1989	4.7 Pre-Aug 86 Member
		3.7 Post-Aug 86 Member
31	Dec 1, 1990	5.4 Pre-Aug 86 Member
		4.4 Post-Aug 86 Member
32	Dec 1, 1991	3.7 Pre-Aug 86 Member
		2.7 Post-Aug 86 Member

Table 8-1. Full COLA Percentage Table (Continued)

No.	Date of COLA	Percent
33	Dec 1, 1992	3.0 Pre-Aug 86 Member 2.0 Post-Aug 86 Member
34	Dec 1, 1993 (note 2)	2.6 Pre-Aug 86 Member 1.6 Post-Aug 86 Member
35	Dec 1, 1994 (note 2)	2.8 Pre-Aug 86 Member 1.8 Post-Aug 86 Member
36	Dec 1, 1995 (note 2)	2.6 Pre-Aug 86 Member 1.6 Post-Aug 86 Member
37	Dec 1, 1996	2.9 Pre-Aug 86 Member 1.9 Post-Aug 86 Member
38	Dec 1, 1997	2.1 Pre-Aug 86 Member 1.1 Post-Aug 86 Member
39	Dec 1, 1998	1.3 Pre-Aug 86 Member 0.3 Post-Aug 86 Member
40	Dec 1, 1999 (note 3)	2.4 Pre-Aug 86 Member 2.4 Post-Aug 86 Member w/o CSB 1.4 Post-Aug 86 Member w/CSB
41	Dec 1, 2000 (note 3)	3.5 Pre-Aug 86 Member 3.5 Post-Aug 86 Member w/o CSB 2.5 Post-Aug 86 Member w/CSB
42	Dec 1, 2001 (note 3)	2.6 Pre-Aug 86 Member 2.6 Post-Aug 86 Member w/o CSB 1.6 Post-Aug 86 Member w/CSB
43	Dec 1, 2002 (note 3)	1.4 Pre-Aug 86 Member 1.4 Post-Aug 86 Member w/o CSB 0.4 Post-Aug 86 Member w/CSB
44	Dec 1, 2003 (note 3)	2.1 Pre-Aug 86 Member 2.1 Post-Aug 86 Member w/o CSB 1.1 Post-Aug 86 Member w/CSB
45	Dec 1, 2004 (note 3)	2.7 Pre-Aug 86 Member 2.7 Post-Aug 86 Member w/o CSB 1.7 Post-Aug 86 Member w/CSB
46	Dec 1, 2005 (note 3)	4.1 Pre-Aug 86 Member 4.1 Post-Aug 86 Member w/o CSB 3.1 Post-Aug 86 Member w/CSB
47	Dec 1, 2006 (note 3)	3.3 Pre-Aug 86 Member 3.3 Post-Aug 86 Member w/o CSB 2.3 Post-Aug 86 Member w/CSB

Table 8-1. Full COLA Percentage Table (Continued)

No.	Date of COLA	Percent
48	Dec 1, 2007 (note 3)	2.3 Pre-Aug 86 Member 2.3 Post-Aug 86 Member w/o CSB 1.3 Post-Aug 86 Member w/CSB
49	Dec 1, 2008 (note 3)	5.8 Pre-Aug 86 Member 5.8 Post-Aug 86 Member w/o CSB 4.8 Post-Aug 86 Member w/CSB
50	Dec 1, 2009 (note 3)	0.0 Pre-Aug 86 Member 0.0 Post-Aug 86 Member w/o CSB 0.0 Post-Aug 86 Member w/CSB
51	Dec 1, 2010 (note 3)	0.0 Pre-Aug 86 Member 0.0 Post-Aug 86 Member w/o CSB 0.0 Post-Aug 86 Member w/CSB
52	Dec. 1, 2011 (note 3)	3.6 Pre-Aug 86 Member 3.6 Post-Aug 86 Member w/o CSB 2.6 Post-Aug 86 Member w/CSB
53	Dec. 1, 2012 (note 3)	1.7 Pre-Aug 86 Member 1.7 Post-Aug 86 Member w/o CSB 0.7 Post-Aug 86 Member w/CSB
54	Dec. 1, 2013 (note 3)	1.5 Pre-Aug 86 Member 1.5 Post-Aug 86 Member w/o CSB 0.5 Post-Aug 86 Member w/CSB
55	Dec. 1, 2014 (note 3)	1.7 Pre-Aug 86 Member 1.7 Post-Aug 86 Member w/o CSB 0.7 Post-Aug 86 Member w/CSB
*56	Dec. 1, 2015 (note 3)	0.0 Pre-Aug 86 Member 0.0 Post-Aug 86 Member w/o CSB 0.0 Post-Aug 86 Member w/CSB

**NOTES:**

1. A COLA, effective April 1, 1983, provided for: (a) a 3.3 percent or 3.9 percent adjustment for members whose pay was computed on basic pay rates in effect before October 1, 1982. Members who are age 62 or more on March 1, 1983, or who retired by reason of physical disability under [10 U.S.C., Chapter 61](#), were entitled to a 3.9 percent increase. Members under age 62 on March 1, 1983 were entitled to a 3.3 percent increase. (b) No entitlement to a partial COLA on April 1, 1983 for members whose pay was computed on the basic pay rates effective October 1, 1982. (The CPI declined from 292.8 in September 1982 to 290.0 in December 1982.)
2. See the associated COLA paragraph in section 0804 to determine whether member's COLA is delayed.

Table 8-1. Full COLA Percentage Table (Continued)

3. Separate retired pay COLA applicable for those who first became members of a Uniformed Service on or after August 1, 1986, who elected to receive a Career Status Bonus (CSB), Volume 7A, Chapter 66.



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