



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

COMPTROLLER  
(Program/Budget)

AUG 21 2003

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)  
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL  
MANAGEMENT AND COMPTROLLER  
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: FY 2004 Department of Defense (DoD) Military Personnel Composite  
Standard Pay and Reimbursement Rates

The FY 2004 DoD military composite pay and reimbursement rates (Tabs K1-K5) are now available on the reimbursable rates page of the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) website (<http://www.dod.mil/comptroller/rates/>). The composite standard pay rates will be used when determining the cost of military personnel for budget/management studies. The annual billable rate charged to non-DoD activities will be used when obtaining reimbursement for services provided to agencies outside the DoD. This rate contains an acceleration factor of 8 percent for officers and 16 percent for enlisted to cover medical health care costs of active duty personnel and their dependents.

Questions regarding these rates should be directed to Mr. Kevin Lannon in the Office of the Deputy Comptroller (Program/Budget), Directorate for Operations and Personnel. He can be reached by e-mail: [lannonk@osd.pentagon.mil](mailto:lannonk@osd.pentagon.mil), or by telephone at 703-697-3101x131.

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

John P. Roth  
Deputy Comptroller

Attachments

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
FISCAL YEAR 2004

OVERVIEW

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

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

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

The FY 2004 Military Composite Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2003.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE ARMY  
FOR FISCAL YEAR 2004**

<b>MILITARY PAY GRADE</b>	<b>AVERAGE BASIC PAY</b>	<b>PERMANENT CHANGE OF STATION EXPENSE<sup>1/</sup></b>	<b>ANNUAL DOD COMPOSITE RATE<sup>2/</sup></b>	<b>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES<sup>3/</sup></b>
O-10	\$142,500 <sup>4/</sup>	\$3,528	\$225,134	\$243,145
O-9	139,590	3,528	206,101	222,589
O-8	126,549	3,528	188,148	203,200
O-7	112,121	3,528	171,173	184,867
O-6	95,089	3,528	164,280	177,422
O-5	77,134	3,528	135,911	146,784
O-4	65,935	3,528	118,213	127,670
O-3	51,780	3,528	93,602	101,090
O-2	39,632	3,528	74,516	80,477
O-1	30,139	3,528	58,910	63,623
WO-5	\$69,762	\$3,528	\$121,445	\$131,161
WO-4	60,373	3,528	106,205	114,701
WO-3	50,097	3,528	95,708	103,365
WO-2	40,922	3,528	80,999	87,479
WO-1	34,128	3,528	63,476	68,554
E-9	\$56,581	\$2,117	\$100,091	\$116,106
E-8	45,447	2,117	85,414	99,080
E-7	38,530	2,117	74,615	86,553
E-6	30,814	2,117	63,819	74,030
E-5	25,088	2,117	53,095	61,590
E-4	20,103	2,117	43,980	51,017
E-3	16,722	2,117	37,796	43,843
E-2	15,007	2,117	34,852	40,428
E-1	11,555	2,117	33,386	38,728
CADETS	\$9,404	\$139	\$17,005	Not applicable

Notes: 1/ Represents a per capita permanent change of station (PCS) travel cost included in the composite rates not an actual PCS move rate. Calculated by dividing total amount budgeted for officer/enlisted/cadet PCS moves by budgeted officer/enlisted/cadet average strength levels. In situations where military personnel are required to make a PCS move to support a Foreign Military Sales case, the this PCS expense should be deleted from the composite rate and actual PCS costs should be charged to the case per FMR Vol. 15 Section 070203D.

2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, medical health care accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station and miscellaneous pay.

3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of 8 percent for officers and 16 percent for enlisted personnel.

4/ Basic pay for these officers is limited to the rate of basic pay for Level III of the Executive Schedule, which currently is \$142,500 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE NAVY  
FOR FISCAL YEAR 2004**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>PERMANENT CHANGE OF STATION EXPENSE <sup>1/</sup></u>	<u>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/</sup></u>
O-10	\$142,500 <sup>4/</sup>	\$3,909	\$218,519	\$236,001
O-9	137,900	3,909	209,939	226,734
O-8	124,925	3,909	193,455	208,931
O-7	110,669	3,909	175,056	189,060
O-6	93,160	3,909	163,343	176,411
O-5	75,500	3,909	140,367	151,596
O-4	63,921	3,909	126,240	136,339
O-3	51,750	3,909	108,199	116,854
O-2	41,004	3,909	83,672	90,366
O-1	30,378	3,909	67,604	73,012
WO-5	\$69,680	\$3,909	\$124,118	\$134,047
WO-4	\$63,269	3,909	115,930	125,204
WO-3	52,873	3,909	99,855	107,844
WO-2	44,287	3,909	89,737	96,916
WO-1	----	----	----	----
E-9	\$55,661	\$1,543	\$104,083	\$120,736
E-8	45,041	1,543	88,653	102,837
E-7	38,528	1,543	78,918	91,545
E-6	31,931	1,543	68,746	79,745
E-5	25,598	1,543	58,127	67,428
E-4	20,397	1,543	48,452	56,205
E-3	17,163	1,543	40,858	47,396
E-2	15,792	1,543	37,187	43,137
E-1	13,668	1,543	33,344	38,679
CADETS	\$9,419	\$115	\$17,280	Not applicable

Notes: 1/ Represents a per capita permanent change of station (PCS) travel cost included in the composite rates not an actual PCS move rate. Calculated by dividing total amount budgeted for officer/enlisted/cadet PCS moves by budgeted officer/enlisted/cadet average strength levels. In situations where military personnel are required to make a PCS move to support a Foreign Military Sales case, the this PCS expense should be deleted from the composite rate and actual PCS costs should be charged to the case per FMR Vol. 15 Section 070203D.

2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, medical health care accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station and miscellaneous pay.

3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of 8 percent for officers and 16 percent for enlisted personnel.

4/ Basic pay for these officers is limited to the rate of basic pay for Level III of the Executive Schedule, which currently is \$142,500 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
U.S. MARINE CORPS  
FOR FISCAL YEAR 2004**

<b>MILITARY PAY GRADE</b>	<b>AVERAGE BASIC PAY</b>	<b>PERMANENT CHANGE OF STATION EXPENSE <sup>1/</sup></b>	<b>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></b>	<b>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/</sup></b>
O-10	\$142,500 <sup>4/</sup>	\$3,335	\$218,264	\$235,725
O-9	139,604	3,335	197,494	213,294
O-8	126,485	3,335	180,352	194,781
O-7	111,642	3,335	176,231	190,330
O-6	96,998	3,335	160,734	173,592
O-5	78,451	3,335	136,973	147,930
O-4	65,966	3,335	119,480	129,038
O-3	53,233	3,335	100,144	108,155
O-2	41,488	3,335	81,057	87,542
O-1	30,416	3,335	63,041	68,085
WO-5	\$69,206	\$3,335	\$113,811	\$122,916
WO-4	61,180	3,335	109,875	118,665
WO-3	51,048	3,335	95,467	103,105
WO-2	43,122	3,335	81,740	88,280
WO-1	38,148	3,335	75,809	81,874
E-9	\$56,348	\$1,450	\$101,186	\$117,376
E-8	45,634	1,450	84,564	98,095
E-7	37,941	1,450	73,667	85,454
E-6	30,969	1,450	63,297	73,424
E-5	24,526	1,450	52,286	60,652
E-4	20,395	1,450	43,627	50,607
E-3	17,392	1,450	37,323	43,294
E-2	15,844	1,450	33,128	38,428
E-1	13,411	1,450	29,354	34,051

Notes: 1/ Represents a per capita permanent change of station (PCS) travel cost included in the composite rates not an actual PCS move rate. Calculated by dividing total amount budgeted for officer/enlisted/cadet PCS moves by budgeted officer/enlisted/cadet average strength levels. In situations where military personnel are required to make a PCS move to support a Foreign Military Sales case, the this PCS expense should be deleted from the composite rate and actual PCS costs should be charged to the case per FMR Vol. 15 Section 070203D.

2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, medical health care accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station and miscellaneous pay.

3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of 8 percent for officers and 16 percent for enlisted personnel.

4/ Basic pay for these officers is limited to the rate of basic pay for Level III of the Executive Schedule, which currently is \$142,500 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE AIR FORCE  
FOR FISCAL YEAR 2004**

<b>MILITARY PAY GRADE</b>	<b>AVERAGE BASIC PAY</b>	<b>PERMANENT CHANGE OF STATION EXPENSE <sup>1/</sup></b>	<b>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></b>	<b>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/</sup></b>
O-10	\$142,499 <sup>4/</sup>	\$4,603	\$213,991	\$231,110
O-9	139,611	4,603	210,245	227,064
O-8	126,483	4,603	193,478	208,957
O-7	112,190	4,603	177,658	191,870
O-6	94,825	4,603	170,199	183,815
O-5	76,841	4,603	147,209	158,986
O-4	65,102	4,603	127,481	137,679
O-3	52,342	4,603	102,492	110,691
O-2	39,822	4,603	77,723	83,941
O-1	30,396	4,603	64,550	69,714
		4,603		
WO-5	---	---	---	---
WO-4	---	---	---	---
WO-3	---	---	---	---
WO-2	---	---	---	---
WO-1	---	---	---	---
E-9	\$57,030	\$2,261	\$103,453	\$120,005
E-8	46,028	2,261	87,114	101,053
E-7	39,132	2,261	77,013	89,335
E-6	32,208	2,261	66,474	77,110
E-5	25,992	2,261	56,248	65,248
E-4	20,539	2,261	45,648	52,952
E-3	17,143	2,261	39,248	45,527
E-2	15,853	2,261	36,985	42,902
E-1	12,995	2,261	34,457	39,971
CADETS	\$9,606	\$231	\$17,303	Not applicable

Notes: 1/ Represents a per capita permanent change of station (PCS) travel cost included in the composite rates not an actual PCS move rate. Calculated by dividing total amount budgeted for officer/enlisted/cadet PCS moves by budgeted officer/enlisted/cadet average strength levels. In situations where military personnel are required to make a PCS move to support a Foreign Military Sales case, the this PCS expense should be deleted from the composite rate and actual PCS costs should be charged to the case per FMR Vol. 15 Section 070203D.

2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, medical health care accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station and miscellaneous pay.

3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of 8 percent for officers and 16 percent for enlisted personnel.

4/ Basic pay for these officers is limited to the rate of basic pay for Level III of the Executive Schedule, which currently is \$142,500 per year.