



COMPTROLLER
(Program/Budget)

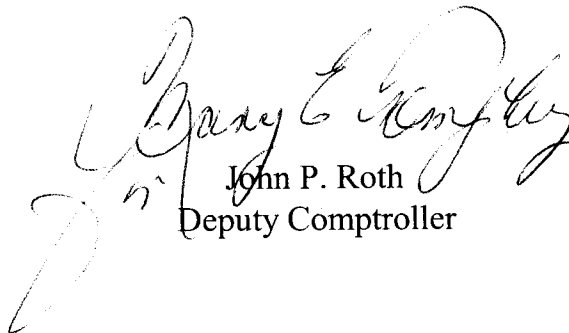
OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL - 1 2009

MEMORANDUM FOR DIRECTOR, HEALTH AND FINANCIAL POLICY, OFFICE OF
ASSISTANT SECRETARY OF DEFENSE
(HEALTH AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY DIRECTOR, ADMINISTRATION AND
MANAGEMENT
DEPUTY DIRECTOR FOR RESOURCE MANAGEMENT,
DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: FY 2010 Department of Defense (DoD) Military Personnel Composite
Standard Pay and Reimbursement Rates

The FY 2010 DoD military composite pay and reimbursement rates (Tabs K1-K5 attached) are now available on the reimbursable rates page of the Office of the Under Secretary of Defense (Comptroller) website <http://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 \$9,586 to cover medical health care costs of active duty personnel and their dependents.


John P. Roth
Deputy Comptroller

Attachment:
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2010

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.

- Rates **include** a per capita normal cost of \$5,642 for Medicare-Eligible Retiree Health Care (MERHC) accruals. Beginning with FY 2006, the MERHC accruals are paid from the permanent, indefinite appropriations of the General Fund of the Treasury instead of the military personnel appropriations. However, for budget purposes, MERHC accruals continue to be counted as part of the Military Departments’ discretionary budget authority. Therefore, the MERHC accruals must be included for determining the cost of military personnel for budget/management studies, but may not be included in reimbursements to the Services’ personnel accounts during the year of execution (FY 2010).

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

- Rates **include an acceleration factor of \$9,586** to cover medical health care costs of active duty personnel and their dependents. The acceleration factor prior to FY 2006 was based on a percentage of the DoD Composite Rate (e.g., 8 percent for officers; 16 percent for enlisted).
- Rates **exclude** the per capita normal cost of \$5,642 for Medicare-Eligible Retiree Health Care (MERHC) accruals. Beginning with FY 2006, the MERHC accruals are paid from the General Fund of the Treasury and cannot be reimbursed to the Services’ personnel accounts during the year of execution (FY 2009).

The FY 2010 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2009.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2010 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,248 ^{5/}	\$284,829	\$288,773
O-9	180,660	288,178	292,122
O-8	157,728	262,265	266,209
O-7	138,019	237,415	241,359
O-6	116,598	223,003	226,947
O-5	94,825	186,055	189,999
O-4	79,588	158,469	162,413
O-3	62,615	131,466	135,410
O-2	47,259	101,725	105,669
O-1	37,019	82,418	86,362
WO-5	\$92,948	\$181,169	\$185,113
WO-4	76,010	156,268	160,212
WO-3	62,860	133,299	137,243
WO-2	51,031	110,880	114,824
WO-1	45,357	99,333	103,277
E-9	\$69,622	\$135,993	\$139,937
E-8	55,387	115,394	119,338
E-7	47,311	103,211	107,155
E-6	37,654	87,688	91,632
E-5	30,709	72,934	76,878
E-4	24,912	59,993	63,937
E-3	20,442	52,095	56,039
E-2	18,666	51,844	55,788
E-1	15,528	48,607	52,551
CADETS	\$11,714	\$17,046	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (MERHC) accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$9,586 for all personnel. **Excludes** per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$181,248 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2010 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,248 ^{5/}	\$289,531	\$293,475
O-9	180,215	291,355	295,299
O-8	157,632	263,241	267,185
O-7	136,295	235,258	239,202
O-6	114,649	216,854	220,798
O-5	92,346	186,384	190,328
O-4	78,185	169,096	173,040
O-3	63,802	146,153	150,097
O-2	50,043	113,865	117,809
O-1	37,293	92,068	96,012
WO-5	\$91,267	\$177,664	\$181,608
WO-4	80,789	158,579	162,523
WO-3	68,667	141,376	145,320
WO-2	56,947	125,415	129,359
WO-1	----	----	----
E-9	\$69,429	\$137,541	\$141,485
E-8	55,236	117,577	121,521
E-7	47,050	105,214	109,158
E-6	38,495	91,797	95,741
E-5	30,911	78,820	82,764
E-4	24,832	64,966	68,910
E-3	21,063	54,661	58,605
E-2	19,235	48,943	52,887
E-1	17,154	44,472	48,416
CADETS	\$11,395	\$17,080	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (MERHC) accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1.**
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$9,586 for all personnel. **Excludes** per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1.**
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$181,248 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2010 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$177,001 ^{5/}	\$257,984	\$261,928
O-9	176,933	274,190	278,134
O-8	159,773	254,979	258,923
O-7	137,750	232,743	236,687
O-6	116,513	206,060	210,004
O-5	93,482	174,214	178,158
O-4	80,015	154,387	158,331
O-3	65,173	130,984	134,928
O-2	49,621	107,672	111,616
O-1	35,994	83,134	87,078
WO-5	\$87,830	\$164,726	\$168,670
WO-4	76,341	147,579	151,523
WO-3	64,137	129,285	133,229
WO-2	54,253	114,567	118,511
WO-1	47,883	104,403	108,347
E-9	\$70,917	\$135,783	\$139,727
E-8	55,625	113,422	117,366
E-7	46,281	99,440	103,384
E-6	37,887	87,398	91,342
E-5	29,930	71,627	75,571
E-4	24,586	58,824	62,768
E-3	20,929	50,953	54,897
E-2	19,235	46,421	50,365
E-1	16,408	41,913	45,857

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (MERHC) accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$9,586 for all personnel. **Excludes** per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$181,248 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2010 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,231 ^{5/}	\$301,170	\$305,114
O-9	179,472	301,942	305,886
O-8	157,030	269,822	273,766
O-7	136,231	240,810	244,754
O-6	113,778	210,637	214,581
O-5	92,720	180,373	184,317
O-4	78,371	158,693	162,637
O-3	63,380	134,089	138,033
O-2	48,620	109,266	113,210
O-1	34,569	86,508	90,452
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$70,367	\$133,894	\$137,838
E-8	57,275	114,599	118,543
E-7	48,781	102,035	105,979
E-6	39,633	87,921	91,865
E-5	31,596	74,541	78,485
E-4	25,291	61,991	65,935
E-3	20,588	49,671	53,615
E-2	19,235	45,593	49,537
E-1	16,478	40,446	44,390
CADETS	\$11,396	\$16,164	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for Medicare-eligible retiree health care (MERHC) accrual shall be deposited into the Miscellaneous Receipts Account 3041. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 2/ The annual DoD composite rate includes the following military personnel appropriation costs: average basic pay plus retired pay accrual, Medicare-eligible retiree health care (MERHC) accrual, basic allowance for housing, basic allowance for subsistence, incentive and special pay, permanent change of station expenses, and miscellaneous pay. **Includes** a per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 3/ The annual rate billable to Other Federal Agencies recovers additional military related health care costs financed by the Defense Health Program. The annual billable rate includes an acceleration factor of \$9,586 for all personnel. **Excludes** per capita normal cost of \$5,642 for MERHC accrual -- **see Tab K-1**.
- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$181,248 per year.