



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

MAY - 9 2013

COMPTROLLER

(Program/Budget)

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 AIR FORCE
(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 2014 Department of Defense (DoD) Military Personnel Composite Standard Pay
and Reimbursement Rates

The FY 2014 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://comptroller.defense.gov/reports.html>. The composite standard pay rates will be used when determining the military personnel appropriations cost for budget/management studies, but should not be considered as the fully-burdened cost of military personnel for the purposes of workforce-mix decisions. 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 \$11,048 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 2014

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 military personnel appropriations cost for budget/management studies, but should not be considered as the fully-burdened cost of military personnel for the purposes of workforce-mix decisions.

- Rates **include** a per capita normal cost of \$3,756 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 military personnel appropriations cost for budget/management studies, but may not be included in reimbursements to the Services’ personnel accounts during the year of execution (FY 2014).

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 \$11,048** to cover medical health care costs of active duty personnel and their dependents.
- Rates **exclude** the per capita normal cost of \$3,756 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 2014).

The FY 2014 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2013.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2014 ^{1/}

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE ^{2/}</u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}</u>
O-10	\$181,955 ^{5/}	\$290,524	\$297,816
O-9	181,955	297,030	304,322
O-8	170,501	282,772	290,064
O-7	148,356	255,389	262,681
O-6	125,234	240,157	247,449
O-5	101,873	200,865	208,157
O-4	85,048	170,818	178,110
O-3	67,271	137,876	145,168
O-2	51,373	110,834	118,126
O-1	38,302	83,832	91,124
WO-5	\$98,494	\$186,797	\$194,089
WO-4	81,939	165,050	172,342
WO-3	66,983	140,791	148,083
WO-2	55,933	122,848	130,140
WO-1	48,424	107,216	114,508
E-9	\$75,919	\$147,027	\$154,319
E-8	59,726	124,141	131,433
E-7	50,483	109,890	117,182
E-6	40,681	94,112	101,404
E-5	33,528	78,840	86,132
E-4	26,787	62,152	69,444
E-3	22,013	52,647	59,939
E-2	20,422	48,835	56,127
E-1	17,261	43,500	50,792
CADETS	\$12,549	\$18,112	Not applicable

Notes:

- ^{1/} Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- ^{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 \$3,756 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 \$11,048 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,756 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 \$181,955 per year.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2014 ^{1/}

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$181,811 ^{5/}	\$293,243	\$300,535
O-9	181,811	300,342	307,634
O-8	167,412	286,069	293,361
O-7	146,430	258,295	265,587
O-6	122,837	231,636	238,928
O-5	99,023	197,106	204,398
O-4	83,396	175,451	182,743
O-3	67,663	150,825	158,117
O-2	52,842	118,718	126,010
O-1	38,760	95,235	102,527
WO-5	\$98,015	\$184,828	\$192,120
WO-4	86,190	168,184	175,476
WO-3	72,346	147,913	155,205
WO-2	61,070	131,265	138,557
WO-1	---	---	---
E-9	\$74,424	\$146,222	\$153,514
E-8	58,931	124,052	131,344
E-7	50,343	111,322	118,614
E-6	41,112	97,494	104,786
E-5	32,963	83,029	90,321
E-4	26,426	67,713	75,005
E-3	22,486	56,634	63,926
E-2	20,486	49,965	57,257
E-1	17,303	44,019	51,311
CADETS	\$12,307	\$18,437	Not applicable

Notes:

- ^{1/} Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- ^{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 \$3,756 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 \$11,048 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,756 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 \$181,955 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2014 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$181,560 ^{5/}	\$282,386	\$289,678
O-9	181,560	300,359	307,651
O-8	169,809	286,760	294,052
O-7	146,525	252,811	260,103
O-6	124,495	223,524	230,816
O-5	100,779	190,568	197,860
O-4	85,870	167,077	174,369
O-3	68,799	139,562	146,854
O-2	52,812	111,403	118,695
O-1	38,718	86,152	93,444
WO-5	\$95,930	\$182,542	\$189,834
WO-4	81,702	158,306	165,598
WO-3	68,357	138,858	146,150
WO-2	57,413	121,044	128,336
WO-1	50,949	110,566	117,858
E-9	\$74,545	\$144,024	\$151,316
E-8	57,723	118,247	125,539
E-7	49,184	105,172	112,464
E-6	40,337	91,662	98,954
E-5	32,641	76,664	83,956
E-4	26,609	61,864	69,156
E-3	22,610	51,935	59,227
E-2	20,551	45,783	53,075
E-1	17,534	40,557	47,849

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 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 \$3,756 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 \$11,048 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,756 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 \$181,955 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2014 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$181,955 ^{5/}	\$300,500	\$307,792
O-9	181,955	308,546	315,838
O-8	167,351	287,857	295,149
O-7	145,207	256,876	264,168
O-6	121,777	226,867	234,159
O-5	98,656	191,940	199,232
O-4	83,863	169,078	176,370
O-3	66,521	140,318	147,610
O-2	52,104	115,605	122,897
O-1	36,876	89,978	97,270
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$75,425	\$145,299	\$152,591
E-8	60,204	123,131	130,423
E-7	51,277	108,811	116,103
E-6	42,106	94,747	102,039
E-5	33,837	79,953	87,245
E-4	26,851	65,541	72,833
E-3	22,069	51,365	58,657
E-2	20,522	46,852	54,144
E-1	17,575	40,542	47,834
CADETS	\$12,296	\$17,851	Not applicable

Notes:

- 1/ Reimbursement procedures for Foreign Military Sales (FMS) are specifically addressed in the DoD FMR Vol. 15 Section 070203. 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.
- 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 \$3,756 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 \$11,048 for all personnel. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). **Excludes** a per capita normal cost of \$3,756 for MERHC accrual -- **see Tab K-1**.
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- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$181,955 per year.