



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

MAR 09 2015

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 2016 Department of Defense (DoD) Military Personnel Composite Standard Pay  
and Reimbursement Rates

The FY 2016 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 \$11,093 to cover medical health care costs of active duty personnel and their dependents.

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

John P. Roth  
Deputy Comptroller

Attachment:  
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
FISCAL YEAR 2016

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 \$3,735 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 2016).

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 \$11,093** to cover medical health care costs of active duty personnel and their dependents.
- Rates **exclude** the per capita normal cost of \$3,735 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 2016).

The FY 2016 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2015.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE ARMY  
FOR FISCAL YEAR 2016 <sup>1/</sup>**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/ 4/</sup></u>
O-10	\$184,637 <sup>5</sup>	\$299,892	\$307,250
O-9	184,637	291,430	298,788
O-8	174,092	290,398	297,756
O-7	151,156	257,392	264,750
O-6	128,342	244,248	251,606
O-5	103,817	203,330	210,688
O-4	86,868	175,896	183,254
O-3	69,423	142,116	149,474
O-2	52,350	112,008	119,366
O-1	38,481	85,401	92,759
WO-5	\$101,134	\$193,803	\$201,161
WO-4	82,941	167,631	174,989
WO-3	68,677	143,137	150,495
WO-2	57,530	128,334	135,692
WO-1	49,560	108,710	116,068
E-9	\$78,150	\$150,905	\$158,263
E-8	60,938	126,386	133,744
E-7	51,423	111,469	118,827
E-6	41,696	95,787	103,145
E-5	33,892	79,896	87,254
E-4	27,164	64,484	71,842
E-3	22,431	51,486	58,844
E-2	21,056	46,870	54,228
E-1	18,109	41,654	49,012
CADETS	\$12,772	\$18,551	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 \$3,735 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 \$11,093 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 \$3,735 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 is currently projected to be \$184,637 for fiscal year (FY) 2016.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE NAVY  
FOR FISCAL YEAR 2016 <sup>1/</sup>**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></u>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/ 4/</sup></u>
O-10	\$184,637 <sup>5/</sup>	\$307,741	\$315,099
O-9	184,637	304,952	312,310
O-8	171,985	293,230	300,588
O-7	149,867	264,501	271,859
O-6	125,840	234,497	241,855
O-5	101,520	201,945	209,303
O-4	85,522	179,053	186,411
O-3	68,924	152,745	160,103
O-2	53,847	122,055	129,413
O-1	39,405	97,441	104,799
WO-5	\$101,952	\$187,868	\$195,226
WO-4	87,840	170,193	177,551
WO-3	74,143	153,190	160,548
WO-2	62,337	133,576	140,934
WO-1	0	0	0
E-9	\$75,270	\$146,893	\$154,251
E-8	59,768	124,997	132,355
E-7	51,197	112,392	119,750
E-6	41,750	98,266	105,624
E-5	33,002	82,865	90,223
E-4	26,713	66,235	73,593
E-3	22,714	54,723	62,081
E-2	20,989	49,477	56,835
E-1	17,900	43,809	51,167
CADETS	\$12,444	\$18,697	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 \$3,735 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 \$11,093 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 \$3,735 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 is currently projected to be \$184,637 for fiscal year (FY) 2016.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
U.S. MARINE CORPS  
FOR FISCAL YEAR 2016 <sup>1/</sup>**

<b>MILITARY PAY GRADE</b>	<b>AVERAGE BASIC PAY</b>	<b>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></b>	<b>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/ 4/</sup></b>
O-10	\$184,637 <sup>5/</sup>	\$287,494	\$294,852
O-9	184,637	305,277	312,635
O-8	171,844	291,553	298,911
O-7	147,955	256,334	263,692
O-6	127,367	229,095	236,453
O-5	103,514	192,894	200,252
O-4	87,699	168,545	175,903
O-3	70,140	139,749	147,107
O-2	54,073	111,694	119,052
O-1	39,644	85,133	92,491
WO-5	\$98,095	\$182,391	\$189,749
WO-4	83,603	157,756	165,114
WO-3	69,455	137,603	144,961
WO-2	58,912	120,291	127,649
WO-1	51,500	108,946	116,304
E-9	\$76,094	\$147,479	\$154,837
E-8	59,224	121,710	129,068
E-7	50,712	108,243	115,601
E-6	41,859	94,875	102,233
E-5	33,438	78,249	85,607
E-4	27,034	61,980	69,338
E-3	22,866	51,073	58,431
E-2	21,012	46,061	53,419
E-1	17,475	40,563	47,921

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 \$3,735 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 \$11,093 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 \$3,735 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 is currently projected to be \$184,637 for fiscal year (FY) 2016.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE AIR FORCE  
FOR FISCAL YEAR 2016 <sup>1/</sup>**

<b>MILITARY PAY GRADE</b>	<b>AVERAGE BASIC PAY</b>	<b>ANNUAL DOD COMPOSITE RATE <sup>2/</sup></b>	<b>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES <sup>3/4/</sup></b>
O-10	\$184,637 <sup>5/</sup>	\$300,815	\$308,173
O-9	184,637	306,475	313,833
O-8	168,607	285,764	293,122
O-7	146,978	258,857	266,215
O-6	123,150	228,163	235,521
O-5	99,588	194,537	201,895
O-4	84,534	171,144	178,502
O-3	66,641	141,025	148,383
O-2	52,365	116,784	124,142
O-1	37,577	91,366	98,724
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$76,842	\$147,204	\$154,562
E-8	60,760	123,588	130,946
E-7	52,336	110,482	117,840
E-6	43,079	96,388	103,746
E-5	34,629	81,893	89,251
E-4	27,480	66,592	73,950
E-3	22,489	51,503	58,861
E-2	21,009	46,751	54,109
E-1	17,994	40,635	47,993
CADETS	\$12,444	\$18,079	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 \$3,735 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 \$11,093 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 \$3,735 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 is currently projected to be \$184,637 for fiscal year (FY) 2016.