



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

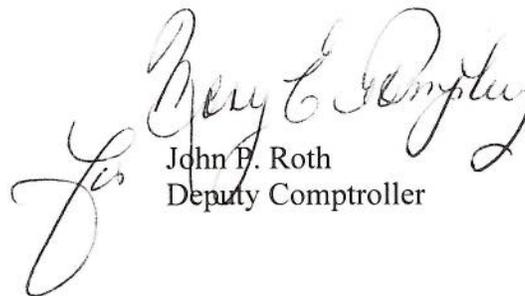
MAR 09 2016

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 2017 Department of Defense (DoD) Military Personnel Composite Standard Pay
and Reimbursement Rates

The FY 2017 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 \$10,957 to cover medical health care costs of active duty personnel and their dependents.


John F. Roth
Deputy Comptroller

Attachment:
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2017

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 \$3,866 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 2017).

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 \$10,957** to cover medical health care costs of active duty personnel and their dependents.
- Rates **exclude** the per capita normal cost of \$3,866 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 2017).

The FY 2017 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2016.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2017 ^{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	\$186,421 ^{5/}	\$295,780	\$302,871
O-9	186,421	295,167	302,258
O-8	175,923	286,311	293,402
O-7	152,907	257,464	264,555
O-6	130,355	242,628	249,719
O-5	106,007	205,194	212,285
O-4	88,521	177,678	184,769
O-3	70,716	145,671	152,762
O-2	52,919	109,496	116,587
O-1	39,346	87,241	94,332
WO-5	\$102,985	\$196,952	\$204,043
WO-4	84,537	168,199	175,290
WO-3	70,347	143,408	150,499
WO-2	58,838	125,096	132,187
WO-1	50,593	106,852	113,943
E-9	\$80,033	\$151,942	\$159,033
E-8	62,322	127,804	134,895
E-7	52,563	112,444	119,535
E-6	42,536	96,728	103,819
E-5	34,420	81,791	88,882
E-4	27,497	65,151	72,242
E-3	22,812	51,824	58,915
E-2	21,440	46,697	53,788
E-1	18,552	40,656	47,747
CADETS	\$12,788	\$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 \$3,866 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 \$10,957 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 \$3,866 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 \$186,421 for fiscal year (FY) 2017.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2017 ^{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	\$186,421 ^{5/}	\$305,815	\$312,906
O-9	186,421	302,623	309,714
O-8	173,829	286,683	293,774
O-7	151,162	261,694	268,785
O-6	127,945	233,013	240,104
O-5	103,109	198,950	206,041
O-4	86,913	176,759	183,850
O-3	69,963	151,878	158,969
O-2	54,338	121,988	129,079
O-1	39,923	96,454	103,545
WO-5	\$104,090	\$189,033	\$196,124
WO-4	89,723	171,547	178,638
WO-3	75,823	151,367	158,458
WO-2	63,224	133,467	140,558
WO-1	----	----	----
E-9	\$76,814	\$147,032	\$154,123
E-8	60,488	124,374	131,465
E-7	52,052	112,385	119,476
E-6	42,215	97,742	104,833
E-5	33,443	82,191	89,282
E-4	27,131	66,101	73,192
E-3	23,156	54,602	61,693
E-2	21,309	48,679	55,770
E-1	18,075	43,217	50,308
CADETS	\$12,822	\$19,097	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 \$3,866 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 \$10,957 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 \$3,866 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 \$186,421 for fiscal year (FY) 2017.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2017 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$186,421 ^{5/}	\$297,345	\$304,436
O-9	186,421	297,345	304,436
O-8	173,883	287,099	294,190
O-7	151,967	259,577	266,668
O-6	129,889	226,481	233,572
O-5	105,387	191,924	199,015
O-4	88,903	166,743	173,834
O-3	71,731	139,285	146,376
O-2	55,477	111,178	118,269
O-1	40,003	82,420	89,511
WO-5	\$98,528	\$182,229	\$189,320
WO-4	84,856	157,870	164,961
WO-3	70,539	137,393	144,484
WO-2	59,793	120,397	127,488
WO-1	52,422	109,589	116,680
E-9	\$77,132	\$153,228	\$160,319
E-8	60,266	121,652	128,743
E-7	51,528	108,115	115,206
E-6	42,358	94,202	101,293
E-5	33,504	75,906	82,997
E-4	27,255	60,015	67,106
E-3	23,254	51,074	58,165
E-2	21,332	45,821	52,912
E-1	18,089	40,676	51,633

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 \$3,866 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 \$10,957 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 \$3,866 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 \$186,421 for fiscal year (FY) 2017.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2017 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$186,421 ^{5/}	\$301,064	\$308,155
O-9	186,421	306,988	314,079
O-8	168,737	282,779	289,870
O-7	147,312	255,928	263,019
O-6	125,475	227,197	234,288
O-5	101,701	193,769	200,860
O-4	86,103	170,136	177,227
O-3	68,102	140,768	147,859
O-2	53,303	116,778	123,869
O-1	38,219	91,138	98,229
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$77,755	\$147,229	\$154,320
E-8	61,740	123,656	130,747
E-7	53,183	110,680	117,771
E-6	43,893	96,599	103,690
E-5	35,276	81,964	89,055
E-4	27,986	66,676	73,767
E-3	22,893	51,439	58,530
E-2	21,373	46,841	53,932
E-1	18,306	40,983	48,074
CADETS	\$12,634	\$18.307	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 \$3,866 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 \$10,957 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 \$3,866 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 \$186,421 for fiscal year (FY) 2017.