



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

COMPTROLLER  
(Program/Budget)

JUN 16 2017

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 2018 Department of Defense (DoD) Military Personnel Composite Standard Pay  
and Reimbursement Rates

The FY 2018 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 \$11,017 to cover medical health care costs of active duty personnel and their dependents.

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

John P. Roth  
Deputy Comptroller

Attachment:  
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
FISCAL YEAR 2018

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 \$4,693 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 2018).

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 \$11,017** to cover medical health care costs of active duty personnel and their dependents.
- Rates **exclude** the per capita normal cost of \$4,693 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 2018).

The FY 2018 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2017.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE ARMY  
FOR FISCAL YEAR 2018 <sup>1/</sup>**

<u>MILITARY PAY GRADE</u>	<u>AVERAGE BASIC PAY</u>	<u>ANNUAL DOD COMPOSITE RATE</u> <sup>2/</sup>	<u>ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES</u> <sup>3/ 4/</sup>
O-10	\$189,665 <sup>5/</sup>	\$304,445	\$310,769
O-9	189,655	302,802	309,126
O-8	183,597	299,360	305,684
O-7	160,132	270,891	277,215
O-6	135,965	248,109	254,433
O-5	109,419	207,354	213,678
O-4	91,489	181,412	187,736
O-3	72,986	146,953	153,277
O-2	53,532	110,714	117,038
O-1	40,546	87,718	94,042
WO-5	\$107,265	\$201,673	\$207,997
WO-4	88,577	172,980	179,304
WO-3	73,287	146,636	152,960
WO-2	60,492	129,156	135,480
WO-1	52,705	105,982	112,306
E-9	\$82,665	\$160,096	\$166,420
E-8	64,311	133,821	140,145
E-7	54,447	118,084	124,408
E-6	43,977	102,996	109,320
E-5	35,540	86,046	92,370
E-4	28,224	68,339	74,663
E-3	23,457	53,755	60,079
E-2	21,685	48,534	54,858
E-1	18,605	42,109	48,433
CADETS	\$13,116	\$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 \$4,693 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 \$11,017 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 \$4,693 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 \$189,665 for fiscal year (FY) 2018.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES**  
**DEPARTMENT OF THE NAVY**  
**FOR FISCAL YEAR 2018 <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	\$189,665 <sup>5/</sup>	\$301,892	\$308,216
O-9	188,834	306,930	313,254
O-8	176,092	288,690	295,014
O-7	153,234	263,581	269,905
O-6	131,235	239,477	245,801
O-5	105,641	206,227	212,551
O-4	89,067	183,006	189,330
O-3	71,665	157,038	163,362
O-2	55,792	126,149	132,473
O-1	40,622	100,733	107,057
WO-5	\$106,582	\$195,959	\$202,283
WO-4	91,658	175,792	182,116
WO-3	77,748	156,519	162,843
WO-2	64,660	139,097	145,421
WO-1	\$0	\$0	\$0
E-9	\$78,741	\$151,359	\$157,683
E-8	62,123	128,491	134,815
E-7	53,481	116,512	122,836
E-6	43,351	102,378	108,702
E-5	34,384	86,108	92,432
E-4	27,940	69,312	75,636
E-3	23,876	57,568	63,892
E-2	21,912	51,166	57,490
E-1	18,635	45,228	51,552
CADETS	\$12,949	\$19,246	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 \$4,693 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 \$11,017 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 \$4,693 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 \$189,665 for fiscal year (FY) 2018.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
U.S. MARINE CORPS  
FOR FISCAL YEAR 2018 <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	\$189,665 <sup>5/</sup>	\$299,513	\$305,837
O-9	189,665	299,513	305,837
O-8	176,193	283,243	289,567
O-7	152,494	253,360	259,684
O-6	133,425	229,756	236,080
O-5	108,162	196,215	202,539
O-4	90,833	171,034	177,358
O-3	73,413	145,393	151,717
O-2	56,862	118,143	124,467
O-1	40,638	89,835	96,159
WO-5	\$100,062	\$185,740	\$192,064
WO-4	86,776	163,722	170,046
WO-3	72,582	144,826	151,150
WO-2	61,070	127,336	133,660
WO-1	54,170	116,614	122,938
E-9	\$78,918	\$148,601	\$154,925
E-8	61,758	124,126	130,450
E-7	52,689	110,661	116,985
E-6	43,047	96,798	103,122
E-5	33,765	77,353	83,677
E-4	28,015	62,747	69,071
E-3	23,813	53,988	60,312
E-2	21,860	48,507	54,831
E-1	18,551	43,732	54,749
	Not applicable	Not applicable	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 \$4,693 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 \$11,017 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 \$4,693 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 \$189,665 for fiscal year (FY) 2018.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES  
DEPARTMENT OF THE AIR FORCE  
FOR FISCAL YEAR 2018 <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	\$189,665 <sup>5/</sup>	\$302,625	\$308,949
O-9	188,191	312,779	319,103
O-8	172,946	290,278	296,602
O-7	150,916	262,250	268,574
O-6	129,073	233,420	239,744
O-5	104,445	199,266	205,590
O-4	88,119	173,671	179,995
O-3	69,805	145,514	151,838
O-2	55,336	122,025	128,349
O-1	39,417	96,435	102,759
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$79,403	\$154,956	\$161,280
E-8	63,231	128,642	134,966
E-7	54,491	113,906	120,230
E-6	45,086	99,570	105,894
E-5	36,185	84,744	91,068
E-4	28,836	69,435	75,759
E-3	23,532	53,973	60,297
E-2	21,957	50,816	57,140
E-1	18,806	44,229	50,553
CADETS	\$13,113	\$19,425	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 \$4,693 for MERHC accrual -- **see Tab K-1**.
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