

DRAFT

(Program/Budget)

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)
COMPTROLLERS, DEFENSE AGENCIES

SUBJECT: Fiscal Year (FY) 2023 Department of Defense (DoD) Civilian Personnel
Fringe Benefits Rates

The FY 2023 DoD Civilian Personnel Fringe Benefits Rates are published on the
attachment to this memorandum and on the reimbursable rates page of the Office of the Under
Secretary of Defense (Comptroller) (OUSD(C)) website:

<https://comptroller.defense.gov/Financial-Management/Reports/rates2023/>.

The “Billings to Other DoD Components and Federal Agencies” will be used when
obtaining reimbursement for services provided to another DoD activity or Federal agency. The
applicable rates when obtaining reimbursement for services provided to agencies outside of the
Federal Government is “Billings to All Others.” These rates contain a factor of 7.4 percent to
recover unfunded benefits such as civilian retirement, post-retirement health care, and post-
retirement life insurance.

Direct questions regarding these rates to my Point of Contact Ms. Nathalie M. Stith at
nathalie.m.stith2.civ@mail.mil or (703) 692-0668.

Deputy Comptroller

Attachment:
As stated

DRAFT CIVILIAN PERSONNEL FRINGE BENEFIT
FISCAL YEAR 2023

Apply civilian personnel fringe benefit rates to civilian labor costs incurred in support of reimbursable orders, as appropriate. These rates should be used when billing other DoD Components, Federal agencies, and private parties under the requirements of Chapter 6 of Volume 11A, “Reimbursable Operations, Policy and Procedures,” of the DoD Financial Management Regulation (DoD 7000.14-R). Billings to the Foreign Military Sales (FMS) Administrative Charge Account and to FMS cases are to be processed under the provisions of Chapter 7, Volume 15, “Security Assistance Policy and Procedures,” of the DoD Financial Management Regulation (DoD 7000.14-R).

The following FY 2023 civilian personnel fringe benefit rates, which are effective October 1, 2022, are as follows:

<u>COMPONENT</u>	BILLINGS TO OTHER DoD COMPONENTS AND <u>FEDERAL AGENCIES¹</u>	BILLINGS TO ALL <u>OTHERS^{2/3}</u>
Army	39.7%	47.1%
Navy	38.5%	45.9%
Marine Corps	34.7%	42.1%
Air Force	39.2%	46.6%
Defense Health Agency	30.1%	37.5%
Defense Contract Audit Agency	39.4%	46.8%
Defense Logistics Agency	30.4%	37.8%
Other Defense Agencies	37.5%	44.9%

Notes:

¹ Apply these rates for FMS billings to the FMS Admin Charge Account.

² Apply these rates for FMS billings other than to the FMS Admin Charge Account.

³ These rates include 7.4% for unfunded civilian retirement, postretirement health benefit, and postretirement life insurance costs.

DRAFT FISCAL YEAR 2023 CIVILIAN PERSONNEL FRINGE BENEFIT RATE
CALCULATIONS FOR APPROPRIATED FUNDS

COMPONENT	TOTAL Object Class 11 ¹	TOTAL Object Class 12 ¹	Funded Benefits Rate ²	Unfunded Retirement Rate ³	Public and Private Party Rate ⁴
Army	\$15,338,113	\$6,086,927	39.7%	7.4%	47.1%
Navy	\$11,335,729	\$4,361,273	38.5%	7.4%	45.9%
Marine Corps	\$1,718,394	\$595,881	34.7%	7.4%	42.1%
Air Force	\$12,587,020	\$4,936,283	39.2%	7.4%	46.6%
Defense Health Agency	\$5,054,222	\$1,522,767	30.1%	7.4%	37.5%
Defense Contract Audit Agency	\$419,151	\$165,259	39.4%	7.4%	46.8%
Defense Logistics Agency	\$37,468	\$11,401	30.4%	7.4%	37.8%
Other Defense Agencies	\$7,558,907	\$2,832,753	37.5%	7.4%	44.9%
Overall	\$55,848,729	\$18,712,819	33.5%	7.4%	40.9%

Notes:

¹Sources: The FY 2023 President's Budget for Civilian Personnel Costs (OP-8) from Appropriated Funds Activities, excluding the OP-8 for the Working Capital Funds.

²For Billings to Other DoD and Federal Agencies, use the "Funded Benefits Rate."

³OUSD(C) Memorandum for Record, dated September 19, 2022, Subject: FY 2023 Unfunded Civilian Retirement (UCR) Factor.

⁴For Billings to All Others, use the "Public and Private Party Rate," which includes the "Unfunded Retirement Rate."