



COMPTROLLER

(Program/Budget)

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

MAR 24 2010

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 ARMY
(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 2011 Department of Defense (DoD) Military Personnel Composite
Standard Pay and Reimbursement Rates

The FY 2011 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://www.dod.mil/comptroller/rates/>. The composite standard pay rates will be used when determining the cost of military personnel for budget/management studies. 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 \$10,132 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 2011

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 cost of military personnel for budget/management studies.

- Rates **include** a per capita normal cost of \$5,673 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 cost of military personnel for budget/management studies, but may not be included in reimbursements to the Services’ personnel accounts during the year of execution (FY 2011).

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 \$10,132** to cover medical health care costs of active duty personnel and their dependents. The acceleration factor prior to FY 2006 was based on a percentage of the DoD Composite Rate (e.g., 8 percent for officers; 16 percent for enlisted).
- Rates **exclude** the per capita normal cost of \$5,673 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 2011).

The FY 2011 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2010.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2011 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,587 ^{5/}	\$286,785	\$291,244
O-9	180,229	287,373	291,832
O-8	162,699	271,454	275,913
O-7	140,887	242,849	247,308
O-6	119,354	225,429	229,888
O-5	96,910	189,389	193,848
O-4	81,252	162,360	166,819
O-3	63,863	131,569	136,028
O-2	48,376	105,459	109,918
O-1	38,056	84,676	89,135
WO-5	\$94,327	\$195,120	\$199,579
WO-4	78,041	163,405	167,864
WO-3	64,009	137,189	141,648
WO-2	52,238	113,491	117,950
WO-1	46,571	101,603	106,062
E-9	\$71,261	\$137,312	\$141,771
E-8	56,684	116,439	120,898
E-7	48,175	103,615	108,074
E-6	38,298	88,636	93,095
E-5	31,443	74,207	78,666
E-4	25,441	60,712	65,171
E-3	20,850	53,950	58,409
E-2	19,049	52,390	56,849
E-1	15,901	46,420	50,879
CADETS	\$11,925	\$17,309	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. 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. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 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 \$5,673 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 \$10,132 for all personnel. **Excludes** per capita normal cost of \$5,673 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 \$181,587 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2011 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,587 ^{5/}	\$291,527	\$295,986
O-9	181,587	293,387	297,846
O-8	161,619	267,571	272,030
O-7	139,396	238,269	242,728
O-6	117,298	218,288	222,747
O-5	94,425	187,883	192,342
O-4	79,869	169,549	174,008
O-3	65,118	144,700	149,159
O-2	51,126	113,231	117,690
O-1	37,874	90,901	95,360
WO-5	\$95,112	\$182,380	\$186,839
WO-4	82,822	157,931	162,390
WO-3	70,047	140,858	145,317
WO-2	57,958	123,935	128,394
WO-1	----	----	----
E-9	\$71,210	\$140,175	\$144,634
E-8	56,707	119,669	124,128
E-7	47,527	105,918	110,377
E-6	39,346	92,856	97,315
E-5	31,585	79,826	84,285
E-4	25,354	67,296	71,755
E-3	21,516	55,557	60,016
E-2	19,676	50,071	54,530
E-1	17,122	44,599	49,058
CADETS	\$11,648	\$17,241	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. 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. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 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 \$5,673 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 \$10,132 for all personnel. **Excludes** per capita normal cost of \$5,673 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 \$181,587 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2011 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,587 ^{5/}	\$268,540	\$272,999
O-9	177,001	297,113	301,572
O-8	163,781	274,479	278,938
O-7	140,738	247,118	251,577
O-6	118,965	214,323	218,782
O-5	95,616	182,619	187,078
O-4	82,042	160,144	164,603
O-3	66,955	135,971	140,430
O-2	50,877	108,708	113,167
O-1	36,830	81,289	85,748
WO-5	\$90,392	\$172,187	\$176,646
WO-4	78,437	154,652	159,111
WO-3	65,646	134,797	139,256
WO-2	55,260	118,636	123,095
WO-1	48,788	107,516	111,975
E-9	\$71,909	\$137,529	\$141,988
E-8	55,490	113,662	118,121
E-7	46,908	102,437	106,896
E-6	38,306	89,034	93,493
E-5	30,581	72,962	77,421
E-4	25,288	60,201	64,660
E-3	21,459	51,799	56,258
E-2	19,686	47,168	51,627
E-1	16,845	43,521	47,980

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. 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. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
- 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 \$5,673 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 \$10,132 for all personnel. **Excludes** per capita normal cost of \$5,673 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 \$181,587 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2011 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/4/}
O-10	\$181,587 ^{5/}	\$300,725	\$305,184
O-9	181,587	305,777	310,236
O-8	160,654	273,032	277,491
O-7	139,237	246,184	250,643
O-6	115,447	214,027	218,486
O-5	93,313	182,049	186,508
O-4	78,866	160,639	165,098
O-3	63,403	136,217	140,676
O-2	48,814	110,344	114,803
O-1	34,673	87,651	92,110
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$72,291	\$137,410	\$141,869
E-8	58,494	116,749	121,208
E-7	49,755	104,179	108,638
E-6	40,444	90,069	94,528
E-5	32,353	76,538	80,997
E-4	25,667	63,428	67,887
E-3	21,021	50,452	54,911
E-2	19,727	46,434	50,893
E-1	16,900	41,007	45,466
CADETS	\$11,654	\$16,793	Not applicable

Notes:

- 1/ Effective fiscal year 2005, military personnel services for Foreign Military Sales (FMS) shall be priced using the Composite Rates that already include permanent change of station (PCS) expense and shall no longer use the actual PCS expense for PCS moves to support a FMS case. Effective FY 2006, the military personnel services for FMS shall be priced using the DoD Composite Rate plus the acceleration factor shown in Tab K-1. 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. The next update of the DoD FMR Vol. 15 Section 070203 will reflect these change.
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- 4/ To compute a Daily Rate, apply a factor of .00439. To compute an Hourly Rate, apply a factor of .00055.
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