



COMPTROLLER

(Program/Budget)

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

APR 13 2011

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 2012 Department of Defense (DoD) Military Personnel Composite
Standard Pay and Reimbursement Rates

The FY 2012 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 \$10,791 to cover medical health care costs of active duty personnel and their dependents.

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

John P. Roth
Deputy Comptroller

Attachment:
As stated

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2012

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 \$5,580 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 2012).

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 \$10,791** 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 \$5,580 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 2012).

The FY 2012 Military Composite Standard Pay and Reimbursement Rates for Army, Navy, Marine Corps and Air Force are effective October 1, 2011.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
FOR FISCAL YEAR 2012 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$179,700 ^{5/}	\$295,240	\$300,451
O-9	179,700	298,409	303,620
O-8	164,786	275,574	280,785
O-7	141,840	245,980	251,191
O-6	120,905	232,064	237,275
O-5	98,389	193,920	199,131
O-4	82,327	166,273	171,484
O-3	64,681	132,959	138,170
O-2	49,611	106,997	112,208
O-1	38,317	85,616	90,827
WO-5	\$96,774	\$191,550	\$196,761
WO-4	79,963	162,748	167,959
WO-3	64,815	139,175	144,386
WO-2	53,324	117,717	122,928
WO-1	47,188	103,267	108,478
E-9	\$73,581	\$148,501	\$153,712
E-8	57,966	122,739	127,950
E-7	49,010	108,292	113,503
E-6	39,005	91,901	97,112
E-5	32,135	76,381	81,592
E-4	25,882	62,996	68,207
E-3	21,190	54,193	59,404
E-2	20,120	49,812	55,023
E-1	17,951	45,041	50,252
CADETS	\$12,171	\$17,373	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 changes.
- 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 \$5,580 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 \$10,791 for all personnel. **Excludes** per capita normal cost of \$5,580 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 \$179,700 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
FOR FISCAL YEAR 2012 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$179,700 ^{5/}	\$295,272	\$300,483
O-9	179,700	298,682	303,893
O-8	163,007	276,318	281,529
O-7	141,732	247,850	253,061
O-6	119,075	228,029	233,240
O-5	95,857	195,933	201,144
O-4	80,988	176,448	181,659
O-3	66,071	151,715	156,926
O-2	51,840	119,393	124,604
O-1	38,055	93,767	98,978
WO-5	\$96,409	\$184,188	\$189,399
WO-4	83,941	164,626	169,837
WO-3	70,807	147,002	152,213
WO-2	59,095	129,592	134,803
WO-1	----	----	----
E-9	\$72,925	\$145,320	\$150,531
E-8	57,489	122,138	127,349
E-7	48,844	109,136	114,347
E-6	39,917	95,664	100,875
E-5	32,016	82,231	87,442
E-4	25,665	67,867	73,078
E-3	21,636	56,206	61,417
E-2	19,839	51,414	56,625
E-1	16,919	48,237	53,448
CADETS	\$11,828	\$17,495	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 changes.
- 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 \$5,580 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 \$10,791 for all personnel. **Excludes** per capita normal cost of \$5,580 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 \$179,700 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
U.S. MARINE CORPS
FOR FISCAL YEAR 2012 ^{1/}**

MILITARY PAY GRADE	AVERAGE BASIC PAY	ANNUAL DOD COMPOSITE RATE ^{2/}	ANNUAL RATE BILLABLE TO OTHER FEDERAL AGENCIES ^{3/ 4/}
O-10	\$179,700 ^{5/}	\$305,390	\$310,601
O-9	179,700	306,749	311,960
O-8	166,173	288,497	293,708
O-7	142,785	255,324	260,535
O-6	120,714	224,170	229,381
O-5	97,214	191,597	196,808
O-4	83,187	165,553	170,764
O-3	67,437	138,835	144,046
O-2	51,380	112,391	117,602
O-1	37,288	83,580	88,791
WO-5	\$91,927	\$177,993	\$183,204
WO-4	79,740	157,704	162,915
WO-3	66,637	137,058	142,269
WO-2	56,045	121,804	127,015
WO-1	49,387	110,344	115,555
E-9	\$72,949	\$142,135	\$147,346
E-8	56,167	116,326	121,537
E-7	47,558	103,422	108,633
E-6	38,913	90,508	95,719
E-5	31,173	73,557	78,768
E-4	25,702	60,758	65,969
E-3	21,810	52,555	57,766
E-2	19,975	47,580	52,791
E-1	17,096	43,622	48,833

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 changes.
- 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 \$5,580 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 \$10,791 for all personnel. **Excludes** per capita normal cost of \$5,580 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 \$179,700 per year.

**MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
FOR FISCAL YEAR 2012 ^{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	\$179,700 ^{5/}	\$302,793	\$308,004
O-9	179,700	310,406	315,617
O-8	161,559	278,624	283,835
O-7	139,875	253,904	259,115
O-6	116,962	222,130	227,341
O-5	94,631	189,607	194,818
O-4	80,029	166,559	171,770
O-3	64,527	140,582	145,793
O-2	49,594	114,651	119,862
O-1	35,636	91,654	96,865
WO-5	----	----	----
WO-4	----	----	----
WO-3	----	----	----
WO-2	----	----	----
WO-1	----	----	----
E-9	\$72,601	\$141,266	\$146,477
E-8	58,939	120,488	125,699
E-7	50,088	107,647	112,858
E-6	40,773	93,337	98,548
E-5	32,671	79,393	84,604
E-4	25,872	65,526	70,737
E-3	21,163	51,994	57,205
E-2	19,776	47,651	52,862
E-1	16,942	41,957	47,168
CADETS	\$11,833	\$17,181	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 changes.
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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.
- 5/ Basic pay for these officers is limited to the rate of basic pay for Level II of the Executive Schedule, which currently is \$179,700 per year.