

# BENEFITS AND ALLOWANCES FOR MILITARY PERSONNEL IN INACTIVE-DUTY TRAINING STATUS

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# **PREFACE**

This study describes the background in laws and regulations covering the eligibility of reserve military personnel who are in inactive-duty training (IDT) status for certain allowances and benefits. The focus of the study is to establish the degree of equality for such allowances and benefits between IDT personnel and personnel in other categories of armed service. To do this, six types of benefits and allowances are examined: the survivor benefit annuity, dependency and indemnity compensation, the death gratuity, servicemen's group life insurance, disability benefits, and hostile fire and imminent danger pay. Each section of the study provides a brief description of the intent and value of the benefits offered, a listing of the law and/or regulation establishing eligibility, and a discussion, where relevant, of possible differences in coverage affecting IDT personnel.

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#### INTRODUCTION

Against the background of increased participation by reserve personnel in combat operations in Afghanistan and Iraq, the equality of benefits and allowances between active-duty and other categories of armed forces personnel has come under increased scrutiny. Although special pays such as those for hazardous duty positions (e.g., parachute and submarine duties) have been routinely available to members performing inactive-duty training (IDT), the eligibility of those members for other types of allowances and benefits has been less clear. The following text examines the legal basis of eligibility for programs related primarily to the death or disability of IDT personnel: the survivor benefit annuity, dependency and indemnity compensation, death gratuity, servicemen's group life insurance, disability benefits, and hostile fire and imminent danger pay. The documents that provide official guidance on this subject fall into two categories: titles of the U.S. Code, which is the legal basis for all forms of military compensation, and chapters of the Department of Defense Financial Management Regulation, volume 7A, which applies the U.S. Code to concrete compensation policies. In the case of each type of benefit/allowance, the questions to be answered are: how specifically do the law and the regulations define the eligibility of IDT personnel, and, given that degree of specificity, what possible variations can occur when guidelines are fully met?

# **DEFINITIONS**

Two titles of the U.S. Code list the categories of activity included under the term "inactive duty training" (hereafter referred to as IDT) in identical terms. Those titles and their respective sections are: section 101, paragraph 22 of Title 37 of the U.S. Code ("Pay and Allowances of the Uniformed Services") and section 101(c) of U.S. Code Title 10 ("Definitions," under subtitle A, part I, "Organization and General Military Powers"). Their common definition of IDT duty is:

"A) Duty prescribed for members of a reserve component by the Secretary concerned under section 206 of this title [Title 37] or any other law; and

<sup>&</sup>lt;sup>1</sup> As of November 2005, about 40 percent of U.S. forces in Iraq belonged to reserve units. See U.S. Army Force Management School, *Reserve Components of the United States Military: An Executive Primer*, Ft. Belvoir, Virginia, 2006, 8, quoted in Richard Weitz, *The Reserve Policies of Nations: A Comparative Analysis*, Strategic Studies Institute publication, U.S. Army War College, Carlisle, PA, September 2007, 8.

B) Special additional duties authorized for members of a reserve component by an authority designated by the Secretary concerned and performed by them on a voluntary basis in connection with the prescribed training or maintenance activities of the units to which they are assigned."<sup>2</sup>

Such activity "includes those duties when performed by members of a reserve component in their status as members of the National Guard, but (except as provided in section 206(d)(2) of this title) does not include work or study in connection with a correspondence course of a uniformed service." The "special additional duties" clause allows the attachment of IDT personnel to reserve units performing a variety of combat and noncombat operations.

Section 206 of Title 37, which covers compensation for reserves, National Guard members, and individuals on IDT, nominally prescribes types of duty ineligible for basic pay but eligible for other forms of compensation. Contrary to the implication of the reference to section 206 from section 101 of U.S. Code Title 37 cited above, section 206 does not provide specific guidance on types of duty to which the relevant secretary might assign IDT individuals. Section 206 makes its stipulation of "compensation" for the following general activities:

- "1) each regular period of instruction, or period of appropriate duty, at which the member is engaged for at least two hours, including that performed on a Sunday or holiday;
- 2) the performance of such other equivalent training, instruction, duty, or appropriate duties, as the Secretary may prescribe."<sup>4</sup>

Also eligible for this type of compensation are personnel who are scheduled for such activity but unable to participate because of a physical disability incurred while on active duty or inactive-duty training.<sup>5</sup> Despite the unspecific nature of the U.S. Code definition of "inactive-duty training," the code's stipulated eligibility categories for all of the benefits and allowances

<sup>&</sup>lt;sup>2</sup> 37 U.S.C. ¶101, http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=31512057161+0+0+0& WAISaction=retrieve; 10 U.S.C. ¶101, http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=31522357584+0+0+0&WAISaction=retrieve.

<sup>&</sup>lt;sup>3</sup> 37 U.S.C. ¶101.

<sup>&</sup>lt;sup>4</sup> 37 U.S.C. ¶206, http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=31557458117+0+0+0 &WAISaction=retrieve.

<sup>&</sup>lt;sup>5</sup> 37 U.S.C. ¶206.

discussed in this report include that term specifically, thus eliminating the need to extrapolate linkages between types of activity and benefits.

In practice, inactive-duty training includes drills and other types of training performed periodically by reserve and National Guard members whose status is inactive and does not change to active during the time of their participation. This is a different category of training than, for example, active-duty training performed annually by reservists. For each session of such duty, members receive compensation amounting to one-thirtieth of the monthly basic pay of active members of the same rank. A maximum of two such sessions may be credited in one 24-hour period. In recent years, the nature of IDT activity has diversified to include "training" conducted overseas. Among compensation changes discussed in response to changing conditions of IDT is a proposed allowance for the travel of IDT personnel to training sites, which are more frequently located at long distances from their homes.

#### SURVIVOR BENEFIT ANNUITY

The survivor benefit annuity is designed to provide a monthly payment to eligible spouses on the death of a retired member of the armed forces. Up to a legally established maximum, the member can elect coverage that will guarantee a specific amount for the natural life of the surviving spouse, provided the spouse does not remarry. However, prior to 2003 there also was a provision for eligibility for this death benefit prior to the retirement of certain reserve members: paragraph (f) of section 1448 of Title 10 of the U.S. Code, entitled "Coverage of Survivors of Persons Dying when or before Eligible to Elect Reserve-Component Annuity." That provision subsequently was refined to include IDF personnel.

When it was enacted in November 2003, Pub.L.No.108–136, the *National Defense Authorization Act for Fiscal Year 2004*, included a section 644 entitled "Survivor Benefit Plan

Annuities for Surviving Spouses of Reserves not Eligible for Retirement Who Die from a Cause

Incurred or Aggravated while on Inactive-Duty Training." That provision added to paragraph (f)

<sup>&</sup>lt;sup>6</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 58, September 2007, ¶5801, http://www.defenselink.mil/comptroller/fmr/07a/07a 58.pdf.

<sup>&</sup>lt;sup>7</sup> For example, a maximum \$300 reimbursement proposed in May 2007 by Representative Robin Hayes in the House Armed Services Committee. See Rick Maze, "Benefits Plan Boasts Short-Term Fixes; House Panel Offers Improvements, but Most Are Temporary," *Air Force Times*, May 21, 2007, https://www.intelink.gov/new/results/docview/docview.do?risb=21\_T2095719543&format=GNBFI&sort=RELEVANCE&startDocNo=26&resultsUrlKe y=29\_T2096287280&cisb=22\_T2096287279&treeMax=true&treeWidth=0&csi=275822&docNo=44.

of section 1448 a new sub-category of "persons dying when or before eligible to elect reserve-component annuity." That category is "a member of a reserve component...[who] dies from an injury or illness incurred or aggravated in the line of duty during inactive-duty training." Pub.L.No.108–136 made the eligibility of such members retroactive to September 10, 2001. Prior to the amendment in the 2003 law, section 1448, which provides the fundamentals for application of the survivor benefit plan, had no language making death due to an illness or injury incurred while performing IDT an entitlement to payment of a survivor annuity benefit.

The basis for calculating the monthly survivor annuity is the member's base pay at the time of death, meaning that there would be substantial variability in annuity amounts among beneficiaries. This variability is in contrast to the death gratuity and the dependency and indemnity compensation (DIC), which provide fixed amounts. (For discussion of those death benefits, see below.)

Aside from possible differences in the base pay on which the benefit is computed, the survivor benefit annuity computation for all reserve members is more complex than that for regular military members, who receive a simple percentage of a base amount determined by the amount of their retirement pay. Section 1451(f) of Title 10 of the U.S. Code ("Amount of Annuity") prescribes the following variables in the computation for reserve members, which is to be done by the Secretary of Defense: the age of the member at the time of such election (irrelevant if, under section 1448(f), the member dies before electing coverage by a reserve-component annuity); the difference in age between the member and the beneficiary; the date chosen for the annuity to become effective (also irrelevant if the member has not made such a choice because he/she died before becoming eligible); "appropriate group annuity tables"; and "such other factors as the Secretary considers relevant."

In all cases, section 1451(b)(2) stipulates that for reserve members the maximum percentage of the base pay figure shall be less than the maximum of 55 to which regular military members are entitled. Section 1451(b)(3), "Computation of Reserve-Component Annuity when Participant Dies before Age 60," stipulates the method by which a base figure for the annuity is to be computed if a retirement-eligible member dies before reaching the point where his/her

<sup>9</sup> 10 U.S.C. ¶1451(f), http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=232767279846+0+0+0& WAISaction=retrieve.

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<sup>&</sup>lt;sup>8</sup> Pub.L.No. 108–136, *National Defense Authorization Act for Fiscal Year 2004*, ¶644, 117 Stat 1392, 1517, November 24, 2003, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108\_cong\_public\_laws&docid=f:publ136.108.

retirement payment has been calculated. That calculation establishes a theoretical retirement pay figure based on the member's base pay on the day the annuity goes into effect. <sup>10</sup> This base figure would vary according to time in service and grade.

# DEPENDENCY AND INDEMNITY COMPENSATION

The payment of monthly dependency and indemnity compensation (DIC) is aimed partly at compensating for lost family income and partly at reparation for the member's death. 

Dependency and indemnity compensation is based on the provisions of Title 38 of the U.S. Code, sections 1301 to 1323. The clause establishing eligibility is in section 1310, which says that the Secretary of Defense "shall pay dependency and indemnity compensation to the "surviving spouse, children, and parents" of any veteran dying after December 31, 1956, from a "service-connected or compensable disability." The term "veteran" is defined in section 101, paragraph 2, of Title 38, as a "person who served in the active military, naval, or air service."

Paragraph 24 of section 101 then defines that service by listing three categories of activity in which an included person can be engaged: active duty, active duty for training, and "any period of inactive duty training during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty or from an acute myocardial infarction, a cardiac arrest, or a cerebrovascular incident occurring during such training." (Because the term "veteran" is defined only as one who "has served in active duty military, naval, or air service," the fact of being a deceased veteran does not qualify one's survivors for dependency and indemnity compensation; the veteran must have died *while* performing that type of duty.)

Paragraph 3011 sets out the amount of monthly entitlement for spouses and dependent children; that amount has been raised steadily to compensate for inflation. As of mid-2007, spouses received \$1,067, with a uniform additional allotment of \$250 for each dependent child under age 18. For spouses of members who died before January 1, 1993, the amount depends on

<sup>&</sup>lt;sup>10</sup> 10 U.S.C. ¶1451(a) and (b), http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=232767279846+0+0+0&WAISaction=retrieve.

<sup>&</sup>lt;sup>11</sup> U.S. Department of Defense, Office of the Secretary of Defense, *Military Compensation Background Papers*, 6<sup>th</sup> ed. Arlington, Virginia: Pentagon, 2005, 902.

<sup>&</sup>lt;sup>12</sup> 38 U.S.C. ¶1310, http://frwebgate4.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=2345637997+0+0+0&WA ISaction=retrieve.

<sup>&</sup>lt;sup>13</sup> 38 U.S.C. ¶1310.

<sup>&</sup>lt;sup>14</sup> 38 U.S.C. ¶101, http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=312793361786+0+0+0&WA ISaction=retrieve.

the rank and time of service of the member; under that system, the widow of a field-grade officer who died in 1992 receives more than twice as much as the widow of an E–7 who died at the same time. Widows of individuals of those respective ranks who died in 1993 or later, however, receive identical amounts. Aside from those differences, there is no indication of variations in the prescribed application of the eligibility criteria listed above between IDT and other categories of personnel.

### **DEATH GRATUITY**

Title 10 of the U.S. Code, sections 1475 to 1480, prescribes conditions and eligibility for payment of a one-time death gratuity, whose purpose is to provide an immediate cash payment to survivors of a member who has died, during the time before other benefit payments become available to those survivors. The death must have occurred while the member was on active duty or inactive-duty training, or in transit to or from such duty. A death attributed to such duty also qualifies if it occurs within 120 days of release from duty. <sup>16</sup>

The heading for the introductory death gratuity section, number 1475, is "Death Gratuity: Death of Members on Active Duty or Inactive Duty Training and of Certain Other Persons." Section (a) of that paragraph lists statuses of personnel whose deaths entitle survivors to the death gratuity benefit. Second on that list is "a reserve of an armed force who dies while on inactive duty training (other than work or study in connection with a correspondence course of an armed force or attendance, in an inactive status, at an educational institution under the sponsorship of an armed force or the Public Health Service)."<sup>17</sup>

Section 646 of Pub.L.No.108–136, enacted in November 2003, doubled the amount of the one-time death gratuity paid to eligible survivors of members performing any of the duty assignments listed in paragraph 1475 of Title 10. <sup>18</sup> Accordingly, that statute increased the amount to \$12,000, and the Military Family Tax Relief Act of 2003 (Pub.L.No.108–121) made

<sup>&</sup>lt;sup>15</sup> U.S. Department of Defense, Office of the Secretary of Defense, 849.

<sup>&</sup>lt;sup>16</sup> U.S. Department of Defense, Office of the Secretary of Defense, 836.

<sup>&</sup>lt;sup>17</sup> 10 U.S.C. ¶1475, http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=233455281260+0+0+0 &WAISaction=retrieve.

<sup>&</sup>lt;sup>18</sup> Pub.L.No. 108–136, *National Defense Authorization Act for Fiscal Year 2004*, ¶646, 117 Stat 1392, 1518, November 24, 2003, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108\_cong\_public\_laws&docid=f:publ136.108.

the entire amount tax-exempt for the first time. 19 Section 1013 of Pub.L.No. 109–13, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, raised the payment to \$100,000 for combat-related deaths, retroactive to October 7, 2001 (the date on which the United States invaded Afghanistan). <sup>20</sup>

#### SERVICEMEN'S GROUP LIFE INSURANCE

The serviceman's group life insurance (SGLI) program is designed to provide optional life insurance protection to members at an affordable premium, which is deducted from their basic pay. The benefits and conditions of the SGLI program are prescribed in sections 1965 to 1980 of U.S. Code Title 38. Retired reserve members are ineligible for veterans' group life insurance, a continuation of SGLI coverage that is available only to retired members of the active-duty force.<sup>21</sup>

Section 1967 establishes eligibility and amounts of insurance coverage. Subsection (1)(B) of the listing of categories eligible, section (a) of that paragraph, is as follows: "Any member of a uniformed service on active duty for training or inactive duty training scheduled in advance by competent authority."22

Among the definitions provided by section 1965 of Title 38, for use in the ensuing paragraphs describing eligibility for the program, is the following definition of "inactive duty training":

"(A) duty (other than full-time duty) prescribed or authorized for Reserves (including commissioned officers of the Reserve Corps of the Public Health Service) which duty is scheduled in advance by competent authority to begin at a specific time and place; and

Tsunami Relief, 2005, ¶1013, 119 Stat 231, 246, May 11, 2005, http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=109 cong public laws&docid=f:publ013.109.

<sup>&</sup>lt;sup>19</sup> Pub.L.No. 108–121, *Military Family Tax Relief Act of 2003*, ¶102, 117 Stat 1335, November 11, 2003, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108 cong public laws&docid=f:publ121.108. <sup>20</sup> Pub.L.No. 109–13, Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and

<sup>&</sup>lt;sup>21</sup> U.S. Department of Defense, Office of the Secretary of Defense, 827.

<sup>&</sup>lt;sup>22</sup> 38 U.S.C. ¶1965, http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=31251748430+0+0+0 &WAISaction=retrieve.

(B) in the case of a member of the National Guard or Air National Guard of any State, such term means duty (other than full-time duty) which is scheduled in advance by competent authority to begin at a specific time and place..."<sup>23</sup>

Section 1967, "Persons Insured," provides that for all Ready Reserve members described in section 1965(5), both an IDT member and "each insurable dependent" are insurable by the SGLI program. This provision was inserted in the Code by section 4 of Pub.L.No.107–14, the Veterans Survivor Benefits Improvement Act of 2001.<sup>24</sup> The maximum coverage amount for the spouse is \$100,000, and dependent children have uniform coverage of \$10,000, if such coverage is elected.<sup>25</sup>

Section 1965(5) of Title 38 attributes this eligibility, among other categories, to Ready Reserves who are required to perform at least 12 periods of IDT per year, the standard minimum for eligibility for compensation (as provided by Chapter 1223 of U.S. Code Title 10). This eligibility also is stated in section 5807 of volume 7A, chapter 58, of the Department of Defense Financial Management Regulation, "Pay and Allowances for Inactive Duty Training" (2006 edition). <sup>26</sup>

Although inactive-duty training members are eligible for SGLI coverage, their coverage is intermittent: it is in force only during the time of qualifying duty, together with associated travel; it resumes when the next period of qualifying duty begins. This constitutes a fundamental difference between the benefits of active-duty regular and reserve personnel and IDT personnel. That difference extends to the continuation of coverage if the member is totally disabled on completion of his/her duty. If an IDT member is totally disabled at the end of a period of intermittent duty, coverage may continue for as long as 120 days rather than terminating immediately, as it would under normal circumstances. For active-duty members separating from the armed forces, coverage normally continues for 120 days after separation, but it may continue for as long as one year if the member is totally disabled at the time of separation.

<sup>&</sup>lt;sup>23</sup> 38 U.S.C. ¶1965, http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=31251748430+0+0+0 &WAISaction=retrieve.

<sup>&</sup>lt;sup>24</sup> Pub.L.No. 107–14, *Veterans' Survivor Benefits Improvements Act of 2001*, 115 Stat 25, June 5, 2001; U.S. Department of Defense, Office of the Secretary of Defense, 833.

<sup>&</sup>lt;sup>25</sup> U.S. Department of Veterans' Affairs, "Servicemembers' and Veterans' Group Life Insurance," http://www.insurance.va.gov/sgliSite/FSGLI/sglifam.htm.

<sup>&</sup>lt;sup>26</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 58, June 2006, section 5807, http://www.defenselink.mil/comptroller/fmr/07a/07a\_58.pdf.

Pub.L.No.109–13 increased the maximum coverage of the SGLI program from \$250,000 per member to \$400,000. <sup>27</sup>

#### **DISABILITY BENEFITS**

# **Disability Retirement Pay**

Members who are determined to have incurred a service-related disability are eligible to receive two types of benefit: a monthly disability retirement payment and a single disability severance payment. Title 10, section 1206, of the U.S. Code provides for the retirement or separation of a member who is determined to be "unfit to perform the duties of his office, grade, rank, or rating because of physical disability" that is "a result of an injury, illness, or disease incurred or aggravated in line of duty after September 23, 1996....while performing active duty or inactive-duty training," on condition that "based upon accepted medical principles, the disability is of a permanent nature and stable" (the same wording as that conditioning eligibility for active-duty members in section 1203, "Regulars and Members on Active Duty for More than 30 Days"). <sup>28</sup>

Disability retirement pay is computed under section 1401 of Title 10. The formulas for that computation are the same for personnel covered by section 1206 as for the active-duty members covered by section 1203. Because the formula for determining disability retirement pay is based on the retired pay to which the member is entitled, multiplied by either years of service or degree of disability, the actual amount of this monthly payment varies greatly. There also is a distinction between section 1203 members and section 1206 members with respect to the timing of pay cessation if it is determined that disability has occurred "not in the line of duty." In such a case, for members on "ordered active duty," pay ceases only on the date of expiration of that active duty or when the member is relieved from active duty, but for members on IDT pay ceases immediately, at the time the disability occurs. <sup>29</sup> If the disability continues or recurs, for an

<sup>&</sup>lt;sup>27</sup> Pub.L.No. 109–13, ¶1012, Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief of 2005, 119 Stat 231,244, May 11, 2005.

<sup>&</sup>lt;sup>28</sup> 10 U.S.C. ¶¶1203, 1206, http://frwebgate1.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=311739451336+0+0+0&WAISaction=retrieve.

<sup>&</sup>lt;sup>29</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 57, September 2006, section 570604B, http://www.defenselink.mil/comptroller/fmr/07a/07a\_57.pdf.

ensuing period of not more than six months the IDT member is entitled to pay and allowances, minus any civilian income earned during the period following the disability.<sup>30</sup>

# **Disability Severance Pay**

Section 1212 of Title 10 stipulates the eligibility of both active-duty (section 1203) and IDT (section 1206) members for a single, lump-sum disability severance pay. For both categories, section 1212 offers the same set of options in establishing the amount (variations on the formula "years of active service, not to exceed twelve, multiplied by twice the rate of monthly pay that the member would be receiving if on active duty"). The member is entitled to choose the option yielding the highest payment.<sup>31</sup> Because this benefit is based on grade and time in service at the time of disability, the actual amount of payment varies greatly among members.

# HOSTILE FIRE AND IMMINENT DANGER PAY

Hostile fire and imminent danger pay, which has existed since 1952, recognizes the particular rigors and hazards of combat duty, in the same spirit as the various categories of hazardous duty pay recognize the special physical and psychological stress of activities such as submarine duty and parachute jumping.<sup>32</sup>

Chapter 58, section 580306, of the Department of Defense Financial Management Regulation (entitled "Pay and Allowances for Inactive Duty Training") stipulates, "A member of a Reserve Component is entitled to hostile fire/imminent danger pay for any month during which the member while engaged in a regular period of instruction or period of appropriate duty also meets the requirements of Chapter 10 of this volume [volume 7A]. This includes....duties as the Secretary of the Military Department (or designee) may prescribe. The compensation will be equal to the full monthly special pay authorized under paragraph 100102 of this volume and will not be prorated or otherwise reduced."<sup>33</sup> Section 310 of Title 37 of the U.S. Code is the legal

<sup>&</sup>lt;sup>30</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 57, September 2006, table 57–2.

<sup>&</sup>lt;sup>31</sup> 10 Û.S.C. 1212, http://frwebgate1.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=311487453228+0+0+0 &WAISaction=retrieve.

<sup>&</sup>lt;sup>32</sup> U.S. Department of Defense, Office of the Secretary of Defense, 252.

<sup>&</sup>lt;sup>33</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 58, September 2007, section 580306, http://www.defenselink/mil/comptroller/fmr/07a/07a 58.pdf.

foundation that prescribes the categories of personnel who are eligible for this special pay. The section stipulates eligibility for hostile fire and imminent danger pay for members who are entitled to pay and allowances under section 204 of Title 37 (active duty and other types of full-time duty) or to compensation under section 206 (reserves, National Guard members, and inactive-duty training). Section 310 states no exception to these categories.

The policy statement at the beginning of Chapter 10, volume 7A, of the Department of Defense Financial Management Regulation, which covers hostile fire and imminent danger pay, states: "A member may be paid special pay for duty subject to hostile fire or imminent danger for any month when the member when entitled to basic pay for active duty or compensation for inactive duty also meets the qualifying criteria of this chapter." The clause on "compensation for inactive duty" was added between the October 2003 and February 2006 editions of Chapter 10; in 2003 that part of the policy statement was: "for any month for any part of which the member is entitled to basic pay." Because IDT personnel are not entitled to basic pay, this language effectively precluded IDT eligibility for this type of special pay in the financial management regulation, although the provision of U.S. Code Title 37, cited above, always included section 206, which in turn always included compensation for IDT. The seeming discrepancy between the DoD Financial Management Regulation and the U.S. Code, which was addressed finally in the 2006 revision of the former, could have led to differences in eligibility determinations for IDT personnel.

Chapter 10 states three criteria for eligibility: exposure to hostile fire or explosion of a hostile mine; being on duty in close proximity to an incident of hostile fire and exposed to the same dangers as members who actually come under hostile fire; or being killed, injured, or wounded in any type of hostile action. In addition, all categories of personnel also are eligible if they are serving in a geographic region designated as an area of imminent danger, where personnel might be subject to one of the hostile-fire conditions.<sup>36</sup> The imminent danger zones are those areas of the world officially listed by the Department of Defense and updated periodically as military conditions change. Eligibility for imminent danger pay begins when the member

<sup>&</sup>lt;sup>34</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 10, February 2006, section 1001, http://www.defenselink/mil/comptroller/fmr/07a/07a 10.pdf.

<sup>&</sup>lt;sup>35</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 10, October 2003, section 1001, http://www.marquette.edu/sla/documents/hostilefire.pdf.

<sup>&</sup>lt;sup>36</sup> U.S. Department of Defense, Office of the Comptroller, "DoD Financial Management Regulation," vol. 7A, ch. 10, February 2006, section 1001.

enters the designated zone; normally it ends when he/she leaves that zone. However, if a hostilefire-related injury or wound leads to hospitalization outside the zone, the allowance may continue for as long as three months.<sup>37</sup>

Currently, the special pay authorization for hostile fire/imminent danger duty is \$225 per month (it was increased from \$150, effective October 2002) for all categories of personnel meeting one of the conditions stipulated. The pay is tax-free if duty is within a designated hostile-fire zone.<sup>38</sup>

#### CONCLUSION

A thorough examination of laws and regulations pertaining to compensation of all categories of armed forces personnel shows that in the recent past there have been two possible sources of variation in the compensation of IDT and other personnel categories. The first source derives from loopholes in the language of laws and regulations, which have omitted specific coverage of the IDT category. The second source arises from differences inherent in the basing of compensation amounts on time and grade of service. Two major disparities of the first type have been addressed by legislative and regulatory changes. One was in the U.S. Code prescription for the survivor benefit annuity, which 2003 legislation has amended to include for the first time members on IDT. The second was in the Department of Defense Financial Management Regulation, which between 2004 and 2006 included the IDT category in its language on special pay eligibility for hostile fire and imminent danger duty.

The second type of disparity is intrinsic to the calculation of benefits, and thus naturally causes some IDT members or their survivors to receive lesser benefits. For example, the computation of disability severance pay is based on the actual or theoretical pay grade and service time of the member at the time that disability occurs, meaning that few computations would yield identical amounts. The amount of an individual servicemen's group life insurance benefits depends on the level of coverage elected. Aside from the two types of discrepancy (the first of which theoretically has been eliminated in legislation), the regulations and laws covering

<sup>37</sup> Defense Finance and Accounting Service, "Hostile Fire Pay," http://www.dfas.mil/militarypay/woundedwarrior

pay/hostilefirepay.html. <sup>38</sup> "Imminent-Danger or Hostile-Fire Pay," *Army Times*, 2007, http://www.armytimes.com/benefits/pay/military\_ otherpay imminentdangerofhostilefire 2007hbml.

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disability compensation, death benefits, and hostile fire/imminent danger pay nominally yield equivalent compensation for members in IDT and all other categories discussed here.

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