

PERSONAL STATEMENT OF MILITARY COMPENSATION

This statement outlines the total value of your military pay, allowances and benefits. By making your compensation more “visible,” this statement can be useful when applying for credit or loans (including home loans). Another way this summary can be used is to help determine whether specific civilian employment offers would allow you to maintain the same standard of living as serving in the military. Start with the Total Direct Compensation on page 1, add the Federal Tax advantage from page 2, and then add any additional expense a civilian employer would expect you to pay for, such as health and life insurance, retirement contributions, etc. This will tell you the approximate level of civilian salary you must earn in order to maintain a similar standard of living as that provided by your military take home pay. Each section of this statement contains an explanation. However, if you have any questions, please contact your local finance office.

SUMMARY:	A. Basic Military Compensation as of March 2016.....	\$	85,047.96
	B. Special Pay and Bonuses.....	\$	2,472.00
	C. Expense Allowances.....	\$	
	TOTAL DIRECT COMPENSATION.....	\$	87,519.96
	Added value of Service-estimated indirect compensation.....	\$	3,275.21
	Added considerations/programs (Your estimate)	\$	_____
	YOUR TOTAL COMPENSATION	\$	_____

The following information provides details on the value of your personal compensation. Adding the indirect compensation and additional considerations to your direct compensation provides a clearer picture of your total military compensation package.

DIRECT COMPENSATION AS OF MARCH 2016 (NOTE 1)

A. BASIC COMPENSATION. Describes the basic elements of compensation paid to all military members. This includes Basic Pay, the value of living in government quarters or receiving Basic Allowance for Housing (BAH), and the value of meals furnished or Basic Allowance for Subsistence (BAS). Your basic compensation is:

	<u>Monthly</u>	<u>Annual</u>
Basic Pay	\$ 5,540.70	\$ 66,488.40
BAH or quarters valued at actual BAH for your location, rank and dependency status (see Note 2)	\$ 1,293.00	\$ 15,516.00
BAS	\$ 253.63	\$ 3,043.56
TOTAL BASIC COMPENSATION.....	\$ 7,087.33	\$ 85,047.96

B. SPECIAL PAY AND BONUSES. Describes pay in addition to Basic Compensation for personnel with certain skills or in specific assignments. As an example, Special Duty Assignment Pay is a monetary allowance to compensate personnel who serve in designated duties involving the performance of extremely difficult duties or duties demanding an unusual degree of responsibility. Another example is Foreign Language Proficiency Bonus (FLPB); it is a monetary incentive paid to eligible and qualified military personnel possessing foreign language proficiency. The objective of FLPB is to encourage the acquisition, maintenance, and enhancement of foreign language skills vital to national defense.

Special and Incentive Pays	\$ 206.00	\$ 2,472.00
Bonuses	\$	\$
TOTAL SPECIAL PAY AND BONUSES.....	\$ 206.00	\$ 2,472.00

C. EXPENSE ALLOWANCE. Some personnel receive allowances to help compensate for additional expenses they incur based on the location of their duty assignment. These include Overseas Housing Allowance (OHA), Cost Of Living Allowance (COLA) (Note 1) only payable in certain areas, Family Separation Allowance (FSA), and Clothing Replacement Allowance (CRA). Your total expense allowances are:

TOTAL EXPENSE ALLOWANCES.....	\$	\$
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Note 1: Pay items on your March 2016 LES; marital status and number of dependents are taken from your personnel records. Annual rates for COLA are for 365 days, not 12 times the March rate.

Note 2: If you were not receiving BAH in March 2016, we assumed you were assigned the equivalent in government housing. If you received partial BAH, we assumed that the partial BAH and value of quarters together roughly equal full BAH.

SERVICE-ESTIMATED INDIRECT COMPENSATION

Other programs supplement your direct compensation. These have value to you in terms of total income. They are an important part of your compensation and should be considered in adding up the real value of your compensation.

A. MEDICAL CARE. As an active duty uniformed member, the military provides you and your eligible family members with comprehensive medical care. TRICARE is the Defense Department’s regional health care program. TRICARE has three health plan options: TRICARE Prime (all active duty are automatically in Prime, but eligible family members may also choose to enroll in this HMO-type plan); TRICARE Standard (an indemnity plan, formerly called CHAMPUS); TRICARE Extra (a Preferred Provider Organization plan). Under TRICARE Prime, you will have an assigned military or civilian primary care manager who will manage all aspects of your care, including referrals to specialists. Prime has no deductibles, cost-shares, or co-payments (unless the Point of Service option is used) except for a nominal co-payment for prescriptions filled at a retail pharmacy or through the National Mail Order Pharmacy program. TRICARE Standard offers more choice of providers, but requires an annual \$150 deductible/person or \$300/family (E-1 to E-4: \$50/person, \$100/family) plus a 20% cost-share for outpatient care and a \$18.00/day (\$25 minimum) charge for inpatient care. TRICARE Extra offers the same benefit as Standard, but when you elect to use a network provider, the outpatient visit cost-share is only 15%. Please contact the Beneficiary Counseling and Assistance Coordinator at the nearest military treatment facility for additional information. The personal costs experienced by you or your eligible family members will vary depending on the TRICARE option you select. For more information, visit www.tricare.mil.

B. FEDERAL TAX ADVANTAGE. This represents the amount of additional Federal tax you would have to pay if your quarters (BAH), and meals (BAS) allowances were taxed. Your tax advantage is based on MARRIED, 1, DEPN(S).

	Monthly Rate \$ 272.93	Annual Rate \$ 3,275.21
SERVICE-ESTIMATED INDIRECT COMPENSATION (A + B)	Monthly Rate \$ 272.93	Annual Rate \$ 3,275.21

ADDITIONAL CONSIDERATIONS (AS YOU ESTIMATE)

When adding up the total value of your compensation package, you should also consider the value to you of many other programs and privileges. Their value will be different for each individual depending on use. This page is presented for you to determine the yearly value/savings you estimate each of these programs has been worth to you.

A. YOUR RETIREMENT BENEFIT is a combination of your military pension and the Thrift Savings Plan (TSP).

1) MILITARY PENSION: One of the most attractive incentives of a military career is the retirement system that provides a monthly retirement income for those who serve a minimum of twenty years. There are currently three retirement plans in effect -- Final Basic Pay, High-3, and Choice of High-3 or Redux with \$30K Career Status Bonus (CSB). A description of each follows. Information on all three plans is available at: <http://militarypay.defense.gov/Pay/Retirement.aspx>.

Plan	Eligible (as determined by DIEUS) (Note 1)	Retired Pay Formula (Notes 2, 3 & 4)	Cost-of-Living Adjustment (COLA) (Note 5)
Final Basic Pay	Entered service prior to 8 Sep 80	2.5% times the years of service times basic pay (see Note 5)	Full inflation protection; COLA based on Consumer Price Index (CPI)
High-3	Entered service between 8 Sep 80 and 31 Jul 86	2.5% times the years of service times the <i>average</i> of the highest 36 months of base pay (see Notes 6, 7 and 8)	Full inflation protection; COLA based on Consumer Price Index (CPI)
High-3 or \$30K Career Status Bonus (CSB)/ REDUX*	Entered service after 31 Jul 86	High-3: 2.5% times the years of service times the <i>average</i> of the highest 36 months of base pay CSB/REDUX option: Each of the first 20 years of service is worth 2% toward the retirement multiplier. Each year after the 20th is worth 3.5%. A 30-year career is computed by 2% times 20 years and add 3.5% times the years beyond 20, resulting in a maximum of 75%. The multiplier is applied to the average of the member's highest 36 months of basic pay (see Notes 6, 7 and 8)	High-3: Full inflation protection based on CPI. CSB/REDUX option: Annual COLAs of CPI minus 1% are given based upon the CPI of the High-3. Retired pay is recomputed at age 62 so that REDUX and High-3 retirement salaries are equal but REDUX COLAs for later years will continue to be CPI minus 1%

Source: AFI 36-3203, Service Retirements, 18 Sep 15

- Note 1: "Date entered service" means the date the person is enlisted, inducted, or appointed with the Armed Forces. This includes persons in the Delayed Entry Program (DEP), cadets at Service Academies, officer candidates in Officer Training School (OTS), students enrolled in a Reserve component in senior Reserve Officer Training Corps (ROTC) programs or other financial assistance programs, students in the Uniformed Services University of the Health Sciences, and persons in the Armed Forces Health Professions Scholarship program. By using "date entered service," active component members have been "grandfathered" under the plan in effect at the time when they initially entered the service.
- Note 2: The maximum multiplier for 30 years Total Active Federal Military Service is 75% times the retired base pay; however, members who serve beyond 30 years earn an additional 2.5% each additional year and can max out at 100%.
- Note 3: The Uniformed Services Former Spouses Protection Act allows state courts to consider retired pay as divisible property in divorce settlements. The law does not direct state courts to divide retired pay; it simply permits them to do so.
- Note 4: Retired pay stops upon the death of the retiree.
- Note 5: Officers who retire and do not meet the requirements to retire in their highest grade (10 USC §1370) will be paid based on the retired grade (10 USC 1407f). Officers retiring in an enlisted grade will have their pay calculated as determined by DFAS.
- Note 6: Officers who retire and do not meet the requirements to retire in their highest grade (10 USC §1370) will be paid based on the last 36-month average of the time served in the higher grade and the time served in the lower grade. **EXCEPTION:** Does not apply to officers who did not serve satisfactorily in the highest grade and such determination is the result of conduct occurring after October 30, 2000 (See Note 5).
- Note 7: Enlisted members demoted to a lower grade within 3 years and retired in that grade will not be paid based on high 36-month average in the higher grades. Their retired pay will be based on "final basic pay" instead of either the high 36-month average or REDUX formulas. When an enlisted member's active service added to retired list service totals 30 years, the member may be advanced (on the retired list) and receive retired pay in the highest grade satisfactorily held on active duty, as determined by the Secretaries of the Air Force or Army or designee (10 USC §8964) and (10 USC §3964).
- Note 8: Officers who resigned their commissions and retire in enlisted status will have their retired pay calculated IAW 10 USC §1407e. DFAS will calculate the High-36 month average as if the member held the retired grade the last 36 months of active service.

For Retirement-Eligible Personnel: If you were to retire in your present grade, your initial gross monthly retired pay would be \$ increased annually for inflation. For each year you continue to stay on active duty, you will receive an additional 2.5% of 10 USC §1405 creditable service. Your retirement represents a considerable value over your life expectancy. While retired pay stops upon death, you can ensure your survivors receive a portion of it by enrolling in the Survivor Benefit Plan when you retire (see below). Retired pay calculation is for illustration only. It does not consider any active duty service commitment or time-in-grade requirement, which may preclude your retiring immediately in your present grade. Further, the date used to determine years of service for your multiplier in your actual retired pay computation (the 10 USC §1405 date) will be determined by OMPF (Army), or AFPC Service Verification Branch (Air Force), from your military records.

2) UNIFORMED SERVICES THRIFT SAVINGS PLAN (TSP): You can gain additional tax deferred advantages through participation in the TSP. You are authorized to contribute up to 100% of your base pay, special and incentive pays, and bonuses, up to the annual contribution limits identified below. Due to mandatory FICA & Medicare deductions, Base Pay is limited to 92% for 2016. The combination of your tax-exempt and tax-deferred contributions is limited by the Internal Revenue Service to \$53,000 for 2016. Aged 50 and over may participate in the TSP Catch-Up program for an additional \$6,000 for 2016. More information can be found at: www.tsp.gov/index.html. You can also start Roth TSP contributions by using myPay or completing TSP U-1 form and submitting it to your local finance office. Additional information for Roth TSP can be found on www.dfas.mil/.

B. DEATH AND SURVIVOR PROGRAMS. If you die on active duty, your survivors are eligible for life insurance and other payments.

1) SERVICEMEMBERS' GROUP LIFE INSURANCE: You may buy life insurance in \$50,000 increments up to \$400,000 at a very low cost. You are currently paying premiums for SGLI coverage of \$100,000 on yourself and \$100,000 on your spouse.

2) DEATH GRATUITY, VA DEPENDENCY AND INDEMNITY COMPENSATION (DIC), HOUSING: In the event of your death, your family members (or designated beneficiary) would receive a death gratuity payment of \$100,000. Additionally, monthly non-taxable Dependency and Indemnity Compensation (DIC) payments of at least \$1,254.19 for the surviving spouse and an additional \$310.71 for each surviving child are payable. DIC is generally adjusted annually for inflation. More information can be found at www.vba.va.gov/. Also, a Basic Allowance for Housing (at the rate that is payable for members of the same grade and dependency status as the deceased member for the area where the family members are residing) may be paid to family members of a member of the uniformed services who dies while on active duty and shall terminate 365 days after the date of the member's death.

3) SURVIVOR BENEFIT PLAN (SBP): All pay stops when a member dies. However, if you die on active duty, in the line of duty, your surviving spouse and children are automatically protected by the SBP--at no cost to you. The surviving spouse receives an annuity equal to the difference between the dependency and indemnity compensation DIC payment, paid by the Department of Veterans Affairs, and the SBP payment that would be paid if you had been retired on the date of your death. In some cases, if it would be beneficial to the family, the Secretary of the Service concerned may authorize payment of the SBP to the children instead of the surviving spouse. To determine the amount of the SBP, the maximum applicable rate of retired pay that would be due you will be used. The only way retirees can guarantee their survivors receive a share of their retired pay is to enroll in SBP before they retire. The maximum annuity is equal to 55% of retired pay. The SBP annuity for your survivor is adjusted each year by the same percentage increase given to military retired pay. Additional information can be found at www.soldierforlife.army.mil/retirement/sbp (Army) or www.retirees.af.mil/sbp (Air Force).

\$ _____

C. PAY GROWTH: Pay raises each year, longevity increases, and competitive promotion opportunities.

\$ _____

D. STATE/LOCAL TAX ADVANTAGE: Besides being exempt from Federal taxes, your BAH, BAS, and overseas allowances and in-kind housing may be exempt from State and Local taxes, depending upon the state you claim as a legal residence. Relative to the tax laws of your legal residence, this advantage can save you hundreds of dollars each year.

\$ _____

E. DISCOUNTED SERVICES AND BENEFITS:

1) COMMISSARY: Studies have found that commissary shoppers save an average of 30% or more on their grocery purchases, amounting to about \$4,430 annually for a family of four. If you spend the following, your savings will be approximately:

Monthly Grocery Purchases

\$ _____

Savings Percent	Supermarket	Commissary	\$ Savings
30%	\$ 200.00	\$ 140.00	\$ 60.00
30%	\$ 300.00	\$ 210.00	\$ 90.00
30%	\$ 400.00	\$ 280.00	\$ 120.00

Discover your benefit. Find your nearest commissary through the locations link at www.commissaries.com.

2) THE ALL SERVICES EXCHANGE (aka ARMY AND AIR FORCE EXCHANGE SERVICE): Now in our second century of service, the Exchange remains committed to serving you, the "best customer in the world." Your exchange provides products and services to authorized customers worldwide and generates reasonable earnings to supplement appropriated funds for Army and Air Force morale, welfare, and recreation (MWR) programs. Earnings fund new and improved stores with most of the profits going to MWR programs – about \$224 million in 2014 and \$2.4 billion over the past 10 years. The Exchange's shelf prices provide you an average of 20 percent overall savings compared to off post/base retail operations. While you and your family members can enjoy your exchange benefit at your home station, in many ways the Exchange's greatest value is our pledge to "Go Where You Go." Your Exchange currently operates 180 stores and over 2,000 fast food outlets, including locations in Iraq, Afghanistan and other contingency locations, all run by Exchange Associate volunteers. And remember, the Exchange offers 24/7 convenience through its website www.shopmyexchange.com.

3) FEDERAL LONG-TERM CARE INSURANCE PROGRAM (FLTCIP): The FLTCIP is the only long term care insurance program sponsored by the Federal Government. It is managed by the Office of Personnel Management and offered by the John Hancock Life and Health Insurance Company. It provides comprehensive benefits to include home care, informal care, and inflation options at competitive group premiums. The FLTCIP helps preserve your retirement savings should a long-term care need arise. Those eligible for the FLTCIP include all Federal Employees (Uniformed Service members), their spouses, adult children (including natural, adopted & step), parents, parents-in-law, and stepparents. Call 1-800-LTC-FEDS (1-800-582-3337) or visit the web site at: www.LTCFEDS.COM.

\$ _____

4) EDUCATION PROGRAMS: Members in accredited schools pursuing degree programs receive up to 100 percent of tuition costs, up to a maximum of \$250 per semester hour, \$4,500 per fiscal year, paid by the Government through the Military Tuition Assistance Program. Search tools to find military-friendly colleges are on the Air Force Virtual Education Center (AFVEC) through the AF Portal (Air Force) or at www.GoArmyED.com (Army). Members who had established an account in the Veterans Educational Assistance Program (VEAP) by contributing \$25-\$100 each month or by lump sum payment (up to \$2,700), have a Government \$2 for \$1 matching contribution for a total of up to \$8,100. Members must serve on active duty for at least 181 continuous days, and enlisted for the first time between 1 Jan 1977 and 30 Jun 1985 inclusive, and signed up prior to 1 Apr 1987 to make contributions. Members who

elected to participate in the Montgomery GI Bill upon entering active duty (after 30 Jun 1985), and agreed to payroll reduction of \$100 per month for a total of 12 months, can receive a benefit of \$51,336 with yearly increases as determined by the consumer price index. Personnel with at least 90 days of aggregate active duty service and honorable separation on or after September 11, 2001 qualify for the Post-9/11 GI Bill that became effective 1 Aug 09. The Post-9/11 GI Bill pays tuition based upon the highest in-state tuition charged by an educational institution in the state where the educational institution is located. The opportunity to transfer Post-9/11 benefits to a family member is also an option provided an individual meets service requirement. For additional information, go to: <http://www.gibill.va.gov>.

\$ _____

5) SERVICES ACTIVITIES: Provide conveniently located, low-cost, professionally managed activities and entertainment. You and your family members receive significant savings when you participate in Services programs such as fitness, libraries, child development and youth programs, arts and crafts, auto skills, outdoor recreation activities, golf, bowling, clubs, equipment checkout, aero clubs, etc.

\$ _____

6) COUNSELING AND ASSISTANCE PROGRAMS: Military members and their eligible family members can receive free personal financial management counseling, relocation services assistance, transition counseling, spouse employment consultation, and assistance from a wide range of services available from their services' community centers. Below are some estimated costs if the government provided services were procured in the civilian sector:

Personal Financial Counseling/Education	\$ 250.00-375.00
Spouse Employment Counseling	\$ 585.00-990.00
Transition Assistance Services	\$ 5096.00
Non-Medical Counseling	\$ 30.00-100.00

\$ _____

7) LEGAL COUNSELING: Military members and family members can get free legal assistance in a wide range of areas, including consumer law, landlord-tenant law, family law, estate planning, and tax assistance services. Below are some estimated costs if services were procured in the civilian sector:

Consultations with an Attorney	\$ 150.00 -175.00
Wills	\$ 250.00-3,000.00
Notary	\$ 10.00-20.00
Advance Medical Directives	\$ 100.00-250.00
Client Correspondence	\$ 125.00
Powers of Attorney	\$ 60.00-250.00
Tax Return Preparation	\$ 143.00-246.00

\$ _____

8) SPACE AVAILABLE TRAVEL: Space available travel for Uniformed Services members can provide substantial savings over commercial airline fares. Space available travel is defined by DoD policy as a privilege (not an entitlement), which accrues to Uniformed Services members as an avenue of respite from the rigors of Uniformed Services duty. Under one of the categories of space available travel, members on leave can travel with one eligible family member on permissive TDY house hunting trips. For additional information on this special privilege, consult the AMC Space Available web page at www.amc.af.mil/amctravel/index.asp.

\$ _____

9) TRICARE DENTAL PROGRAM (TDP): The TDP is available to eligible family members of all active duty service members and to National Guard or Reserve members and/or their families. Enrollees may be treated in both CONUS and OCONUS locations. TDP monthly premiums and costs for services rendered for Selected Reserve members and eligible family members of active duty are cost-shared by the Department of Defense (DoD). The sponsor's monthly premium payment is \$11.68 for a single enrolled family member and \$34.68 for eligible families with two or more members enrolled. Basic preventive, diagnostic and emergency services are covered at 100%; the plan pays 20%-50% of the cost for certain specialized services such as restorations, orthodontics, and prosthodontics. Moreover, DoD cost-shares other specialty care (periodontics, endodontic, and oral surgery) at a higher percentage for E-1s to E-4s. For additional information, go to www.metlife.com/tricare.

\$ _____

(Add this amount to Summary Total on page 1)

TOTAL \$ _____