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Pay, Allowances, and Leave

Cognitive Lesson Objective:

- Know the significant elements of Air Force pay, allowances, and leave.

Cognitive Samples of Behavior:

- Identify the types of pay
- Recognize the different types of allowances.
- Identify the different types of leave a military member can take.
- State how leave is accrued and used.

Affective Lesson Objective:

- Value the Air Force pay, allowances, and leave system.

Affective Sample of Behavior:

- Follow rules and instructions concerning the Air Force pay, allowances, and leave system in every day life.

PAY, ALLOWANCES, AND LEAVE

During your time in the Air Force, you'll be greatly affected by something called "JUMPS." No, this has nothing to do with physical conditioning or parachutes. It's an acronym for the Joint Uniform Military Pay System. Under JUMPS, your pay, allowances, and leave entitlements are managed and monitored in an accurate, systematic method. It's your responsibility to know these entitlements and how they affect you.

The military pay, allowances, and leave system may seem complicated at first, but once you understand its components, it's really not difficult to figure out. The monthly Leave and Earnings Statement (LES) is available at <https://mypay.dfas.mil>. The LES is a recap of your pay and leave transactions for that month. It should definitely have a permanent place in your personal files. Before filing it away, check your LES carefully to make sure you received the right pay and that the leave reflected is accurate.

Pay

There are three kinds of pay for officers. basic, special, and incentive.

Basic Pay. The largest component of your paycheck is basic pay, which varies according to your grade and years of service. Additionally, Reserve and National Guard time also counts for pay purposes. Basic pay doesn't include ROTC or any military academy service. In addition to annual increases in basic pay authorized by Congress, you'll also receive longevity increases at certain intervals. These will come at the 2-, 3-, and 4-year points in your career and then every 2 years, with a final increase at 26 years. However, the maximum number of increases varies by rank, e.g., captains (O-3) receive their last increase after 14 years of total service (prior service captains receive their last increase at 18 years). While retirement is based on your base pay, remember if you are prior enlisted, unless you receive a waiver, you must complete 10 years of commissioned service to retire. Contrary to popular belief, you may not retire short of the 10 year requirement by reverting to your prior enlisted grade.

Special Pay. Only individuals who use certain specialized skills, or who are assigned in specified locations, receive special pay. For example, many medical, dental, and optometry officers are entitled to various special pay (i.e. Variable Special Pay, Additional Special Pay, Board Certified Pay, Incentive Special Pay, or Multi-year Special Pay).

Personnel on duty in designated areas where they are subject to hostile fire or imminent danger are also entitled to special pay. This pay is commonly known as "combat pay." It's payable to members assigned to or associated with a unit subject to hostile fire or imminent danger in places or situations as may be designated by the Secretary of Defense.

With the exception of special pay for the medical community or a "combat" type situation, other special pays vary widely, based on years of service and (or) other circumstances. For example, certain engineering and scientific officers who sign up for additional years of service or foreign language proficiency pay recipients can receive special pay.

Incentive Pay. Individuals required to perform hazardous duties receive incentive pay. While there are other incentive pays available, the most common types include aviation career incentive pay (ACIP) and hazardous duty incentive pay (HDIP).

ACIP, or simply “flight pay,” is the most common type of incentive pay for Air Force officers. This includes rated officers (pilots and navigators), flight surgeons, and other designated medical officers who perform flying duties. As a rule, rated officers could receive flight pay on a continuous basis, if they meet all flying requirements; non-rated officers receive this pay only if they’re on flying status. Flight pay rates vary according to an individual’s total years of aviation service.

HDIP for flying is given to non-rated officers whose jobs require them to participate in regular and frequent aerial flights. For example, Air Weapons Controllers (AWACS). These members are paid a varying amount each month they qualify for the pay.

Also, members performing other hazardous duties receive a similar, monthly HDIP payment. Some of these duties include parachute jumping, explosives demolition, working with highly toxic fuels or propellants, and participating in experimental stress tests.

Allowances

Allowances are amounts of money you receive for your welfare and the welfare of your dependents. There’s one major difference between pay and allowances. Pay is taxable, while allowances are not. The following are some of the most common allowances you’ll become familiar with while in the Air Force.

Basic Allowance for Housing (BAH). The Air Force provides you with living quarters, or a basic allowance to find off base housing. If you live in government quarters (family housing), you don’t receive BAH because your base housing replaces the amount needed to maintain off-base quarters. The intent of this allowance is to provide uniformed service members with housing compensation based on comparable civilian costs of housing. The amount of BAH is based on your grade, dependency status (with or without dependent), and your base’s or units geographic location. If you have dependents and are not assigned government housing, you’re entitled to BAH at the “with-dependent” rate. Officers without dependents are entitled to BAH at the “without-dependent” rate if they elect not to stay in government quarters suitable for their grade (i.e. if you rent an apartment). Examples will be given during the lecture.

Reservists also receive BAH, but it’s called BAH II. Dependency status (with or without dependents) has the same emphasis in the reserves as it does on active duty. Reservists can receive regular BAH consistent with active duty requirements when they’re on active duty for 30 days or more, or when activated for a contingency of any duration.

BAH must be recertified upon PCS arrival, separation, or retirement. Failure to recertify could result in the BAH being stopped. Additionally, you’d have to pay back those

entitlements received (retroactive to the date of the last certification). See <http://www.dfas.mil/militarymembers/payentitlements/militarypaytables.html> for the most current pay scale.

Remember that you must report any changes in dependents to the base finance office and the Military Personnel section (MPS).

If you don't live in government quarters Basic Officer Quarters (BOQ), you can start receiving your BAH simply by completing an application form at the finance office of your permanent duty station. You won't receive this allowance until you do so.

Basic Allowance for Subsistence (BAS). This allowance is a fixed monthly rate and is the same for all officers. Enlisted members are authorized BAS when government dining facilities aren't available or when authorized by competent orders to purchase meals outside government facilities. BAS is paid on a monthly basis.

Uniform and Equipment Allowance. All officers commissioned in the regular or reserve components are authorized an initial clothing allowance upon initial entry on active duty for a period of more than 90 days. You're also entitled to a civilian clothing allowance if you're required by competent authority to wear civilian clothing while performing official duties. (Only certain officers assigned to a permanent duty station outside the United States may receive a civilian clothing monetary allowance if required to wear civilian clothing for safety or security reasons.)

NOTE. The following allowances are specifically designed to compensate you for your Travel Expenses. You will not see most of these listed on a Leave and Earning Statement (LES). However, you will see them listed on a Travel Voucher Summary Sheet.

Permanent Change of Station (PCS) Allowance. When a military member permanently moves from one duty location to the next, temporarily moves to participate in an instruction course for more than 20 weeks, or temporarily moves for temporary duty (TDY) for more than 179 days, the Air Force characterizes that individual's move as a PCS and funds his or her move with specific compensation. Funding is based on two means of travel, flying and driving.

If a member travels by air, the Air Force will pay for his or her airline ticket and the tickets of any dependents (family members). It will also reimburse that individual for any ground transportation to and from the civilian airport and his or her next duty station or home. If a member travels by automobile, he or she will receive a daily flat per diem rate to handle incidental costs. In addition, if a member with dependents travels by automobile, he or she receives a daily flat per diem rate at a reduced rate for each dependent age 12 and above and a further reduced rate for each dependent under age 12.

All members also receive payment for mileage driven. A member with dependents receives additional allowances per mile to offset family travel. Ultimately, PCS automobile travel is calculated as 350 miles per day. At no time will reimbursement exceed authorized number

of miles or number of days from one duty location to the next. For example, if member takes five days to travel and authorized only three, then the member is paid for three travel days. Same rules apply to mileage reimbursement.

Temporary Duty (TDY) Allowance. When a military member's duty requires him or her to be away from his or her permanent duty station from 1 to 179 days, the Air Force characterizes that move as a TDY and funds only his or her (without dependents) move with specific compensation. The Air Force does not fund dependent travel because in some cases, accommodations are unavailable or not authorized. The Air Force realizes the hardship of family separation and accommodates the member by monetarily reimbursing the individual with Family Separation Allowance (FSA), in certain circumstances.

Similar to a PCS, the Air Force also reimburses TDY members by two means of travel, flying and driving. If the member travels by air, the Air Force will pay for his or her airline ticket or military flight, (reimbursement will only occur if Scheduled Airline Ticket Office (SATO) or Commercial Travel Office (CTO) is utilized) and it will reimburse the member for any commercial ground transportation to and from the civilian (not military) airport and his or her TDY location. If the member travels by automobile, the Air Force will pay the member a current mileage rate for the miles driven up to the maximum allowable miles. There are set mileages from Permanent Duty Station to TDY location and if the member exceeds the maximum they will be responsible for those costs themselves.

Whether you travel by air or by automobile, the Air Force will provide you proportional per diem (up to a certain limit) to pay the cost of lodging, meals (if your TDY doesn't authorize you full or partial government messing), and certain incidental expenses required by either flying or driving mode of travel.

Family Separation Allowance (FSA). This type of allowance is paid to officers and enlisted members for added housing expenses caused by involuntary separation from your dependents. FSA does show up on your LES. There are two types of FSA and you may qualify for both.

Family Separation Allowance I. FSA I compensates you for the extra cost of maintaining quarters in two places and is payable at the single BAH rate for your grade. It's paid to the military member when stationed outside the Continental United States (CONUS), serving an unaccompanied overseas tour, and the member is living off base. Military members married to military members without dependents are also entitled to FSA I under the same condition. However, you're not entitled to this allowance if stationed in Hawaii, or if on permissive TDY.

Family Separation Allowance II. This allowance helps meet expenses such as increased childcare during the military member's absence. You'll receive this allowance if you have eligible dependents and are forcibly separated from your family because of a PCS or TDY (of more than 30 consecutive days). It's payable if transportation of your dependents is not authorized at government expense and your dependents aren't living at or near your PCS or TDY duty station. Most importantly, you must submit your request/claim to the finance office to receive this allowance.

Dislocation Allowance (DLA). A dislocation allowance is also provided to partially reimburse a member for expenses associated with relocating their household, including movement or shipment of a mobile home. Any relocation of a household caused by a permanent change of station (PCS) will generally be the basis for payment. If a member doesn't move dependents, or if the member is single, this allowance is paid if the member isn't assigned single type government quarters (i.e. dorms or BOQ) at the new permanent station. DLA is also payable if your family makes the move to your new station after you receive your orders.

Single members draw DLA at the "without dependents" BAH rate. However, if they occupy single type government quarters at their next duty station, they're ineligible for DLA. Ordinarily, DLA is paid only once each fiscal year (PCS for school is the exception to the rule).

Station Allowances. Finally, there are four allowances collectively known as station allowances, designed to defray the higher expenses of living overseas. There are far too many variables in the amounts of station allowances payable to list specific figures here. Check with the Finance Office to determine what you should be receiving.

Temporary Lodging Allowance (TLA) and Expense (TLE). A member departing PCS from or arriving PCS at an overseas location may receive a TLA or at a CONUS location may receive a TLE to help defray the cost of temporary lodging required as part of a move between CONUS and OCONUS. The amount will be computed for you at the finance office. TLE is limited to 10 days reimbursement on CONUS to CONUS move and five days CONUS to overseas move. TLA is paid on 30-day increments.

Overseas Housing Allowance (OHA). A member on duty outside the United States may receive a housing allowance consisting of the difference between BAH and the applicable housing cost (including utilities and occupancy expenses) in that area. To apply for OHA, bring a copy of your lease to the local housing office. They'll assist you in completing the necessary paperwork. OHA is added to your normal BAH (OHA is the difference between a member's BAH II and the total housing cost, not to exceed the rental ceiling of the area) to help meet the higher cost of off base housing overseas. Rent-Plus is a method of paying housing allowance based on actual rent. It pertains to overseas areas and will replace overseas housing allowance.

Cost-of-Living Allowance (COLA). This allowance is authorized to defray the average excess costs experienced by members in certain high-cost areas (including CONUS and OCONUS), where the average costs of living exceed a certain level above the national average. The amount of the COLA is determined by reviewing the results of two surveys conducted annually, a living-pattern survey and a market basket survey. Foreign exchange rates also affect the amount of the COLA received. Current rates are available via the internet at <http://www.defensetravel.dod.mil>.

DEDUCTIONS

We've covered the pluses of your pay; now we'll get into the minuses. Deductions are amounts of money authorized by you or by law to be withheld from your earnings.

Federal Income Tax Withholding (FITW)

The biggest deduction that effects everyone is Federal Income Tax Withholding (FITW). Your basic pay, incentive pay, and special pay are subject to taxation and withholding, but the allowances that are part of your paycheck are not. The amount of money withheld monthly varies with the number of exemptions you claim on Treasury Department Form W-4, Employee's Withholding Allowance Certificate (the more exemptions claimed the less taken out).

State Income Tax Withholding (SITW)

If your official home of record is in a state that has an income tax and has negotiated with the Treasury Department to withhold state income taxes, then you'll have another deduction known as State Income Tax Withholding (SITW). SITW is based on the number of exemptions listed on your W-4, and on the same income subject to Federal taxes. Contact the finance office to find out if you must pay SITW.

Federal Insurance Contributions Act (FICA)

The next deduction affects everyone in uniform and is made under the Federal Insurance Contributions Act (FICA). FICA is just the bureaucratic way of saying Social Security and Medicare. Only your basic pay is subject to FICA taxes.

Servicemen's Group Life Insurance (SGLI)

SGLI is a group term life insurance for military members and their dependents, purchased by the government from private insurers, and partially subsidized by the government. Active duty members are automatically insured for \$400,000, unless they opt out in writing. For military members, SGLI is a better choice than an alternative insurance plan because it does not contain certain clauses that are routinely found in other insurance plans. These types of clauses include a pre-existing conditions clause, a suicide clause and a war cause, all of which could be used to prevent a military member's family from receiving benefits under certain circumstances. Additionally, SGLI not only provides you protection while you're on active duty, but it also covers the first 120 days following separation. Unless you voluntarily elect to cancel or reduce your SGLI, the monthly costs for the full \$400,000 coverage will automatically be taken from your pay. You can reduce or raise the amount in \$10,000 increments. Family members are automatically covered

for a low monthly cost as well. If you wish to change the amount of your coverage, change the beneficiaries, or have a question concerning your SGLI, contact your local Military Personnel section (MPS).

Thrift Savings Plan

The Thrift Savings Plan (TSP) is a retirement savings and investment plan established for federal civilian employees and military members. The plan offers tax deferral advantages similar to those in an individual retirement account (IRA) or 401(K) plan and also offers a Roth option.

Officer Training School and Reserve Officer Training Corps graduates will be able to enroll within 60 days upon entering active duty.

Beginning in 2018, service members can get automatic and matching TSP contributions as well as mid-career compensation incentives in addition to monthly annuities for life. Anyone who joins after Dec 31, 2017 will be automatically enrolled in the Blended Retirement System. For more information see information at the end of the student reader regarding the new system.

Advance Pay

You can request up to three months' advance basic pay minus deductions when you PCS. One month of basic pay is the standard entitlement; more than that requires justification and your commander's approval. Generally, you must repay this advance within 12 months, however, with proper justification and your commander's approval, this period can be extended to 24 months.

Casual and Partial Payments

Casual and partial payments are also advance payments deducted from your next available paycheck. They're quite similar, except casual payments are made away from your home station while partial payments are made at your home station. Both of these are only authorized in extreme times of need, not for occasional loans. An individual who wishes to apply for one of these must have his/her squadron commander's approval.

Other Deductions

In most cases, military members opt not to have one end of month payment; they receive a mid-month and end of month (EOM) payment. Therefore, the mid month payment is listed as a deduction from their EOM payment. Other possible deductions could be to pay courts-martial and non-judicial punishment fines and forfeitures; to pay for lost or damaged government property; to repay the excess cost in shipment of household goods when you shipped more weight than you were authorized; to repay all pay and allowances for any

leave you take over what you can earn before you separate or retire from the service; to pay a levy for delinquent federal income taxes; or to pay child support and alimony obligations resulting from a court-ordered garnishment decree.

Allotments

The allotment system is an excellent tool to help manage your finances. Allotments are simply amounts of money you authorize the Defense Finance and Accounting Service (DFAS) to deduct from your monthly pay and send to persons or organizations you designate as payees. DFAS deducts this money from your pay and sends it to the organization/person designated at the end of the month. This is a free service provided by the government, and you can rest assured your payments will arrive on time. All you have to do to start, stop, or change an allotment is to ask the military pay specialist at the finance office to fill out the proper form for your signature. You can allot amounts up to your full pay and allowances minus deductions. If you allot the maximum amount, you obviously would get a “zero” paycheck each payday.

Active duty members can use two classes (discretionary and non-discretionary) of Air Force allotments, each of which takes care of a different need. Discretionary allotments are those allotments the member wishes to establish for their own benefit. You can use them for practically anything (i.e. IRAs, mutual funds, or mortgages). On the other hand, non-discretionary allotments are allotments that the government and the Air Force establish for a member's charitable contributions and specific governmental savings plans. For example, if you would like to give to the American Cancer Association during the next Combined Federal Campaign (CFC), you can, and it will be noted as CFC in the allotment block of your LES. The same thing holds true if you want to initiate a savings bond program.

All contributions will be automatically deducted from your pay and show as an allotment on your LES. For more information contact your local finance office.

LEAVE

What do you have in common with an Airman basic and a four-star general? The three of you, as well as everyone else on active duty, earn leave at the rate of 2 1/2 days for each month of active service, or 30 days per fiscal year. While on leave, the individual is entitled to receive pay as if he/she were actually on duty. The individual is not, however, entitled any travel allowance while on leave.

Your leave balance (days you have accrued or owe) is recorded and managed along with your pay and allowances. Your current leave balance will appear on your Leave and Earnings Statement (LES).

There's a provision whereby one may draw leave time in advance, provided it doesn't exceed the balance to their Expiration Term of Service (ETS). Leave used may not ordinarily exceed 60 consecutive days at a time, but many commanders limit leave to a maximum of 30 days at a time. Often, your duties won't permit you to take 30 days at a time.

Leave may not ordinarily accumulate to exceed 60 days as of the last day of September of each year. If you were to have a balance of 64 1/2 days at the beginning of September, you would have to take 7 days in September or lose those days. (The excess 4 1/2 days plus the 2 1/2 earned days in September equals 7 days over the 60 day limit).

Obviously, the purpose of this is to give you a break from your job so you can return a more productive member. The Air Force encourages the use of leave, so plan ahead and don't lose it.

Leave may be granted on a PCS move providing the granting of such leave doesn't permit the individual to arrive at the next station after the time specified in the travel orders.

Your officer grade or position doesn't entitle you to take the day off or to fail to report for duty. If you're unable to report for duty, contact your immediate supervisor for permission to be absent from duty.

Four types of leave include ordinary, or annual leave, convalescent, or sick leave, emergency leave, and delay en route.

Ordinary Leave

The most common form of leave is a leave of absence granted on the request of a service member for a number of days not to exceed the leave the member has accrued or will accrue during the current fiscal year. Accrued leave includes that which the individual was permitted to carry over from the previous year of active service.

When using ordinary leave, there are specific guidelines to follow such as, leave starts and ends in the local area and weekends inclusive in the leave period are charged as leave.

Convalescent Leave

Also known as sick leave, this is non-chargeable leave used for the purpose of medical care when your absence is part of a treatment prescribed by a physician or dentist for recuperation and convalescence and when approved by your commander.

Emergency Leave

Emergency leave may be granted when an individual can give evidence that an emergency exists and that granting leave may contribute to alleviation of the emergency. It won't be

prejudicial to granting of future leave, but it's charged against present or future accrued leave. Emergency leave differs from ordinary leave in that no preplanning is required, and you can be on your way within hours of applying for it.

Delay En Route

Delay En Route is leave granted in excess of authorized travel time during movements under orders. A delay en route, which must be stated on official orders, may be accrued leave or advance leave. The best way to understand delay en route is as follows. The military authorizes you a number of travel days from one station to another station. Any days taken in excess of those days will be subtracted from your leave balance.

LEAVE AND EARNINGS STATEMENT (LES)

DFAS Form 702, the monthly LES, is used to inform service members of their pay and leave. The form is divided into the following sections

Identification (ID)

The ID section identifies the service member by name, social security number, grade, pay date, years of service, ETS, branch of service, accounting disbursing station number, and the pay period covered.

Entitlements

The entitlements section identifies the types of pays and allowances and the amounts the service member is receiving.

Deductions

The deductions section identifies the amount of income taxes (federal and state), and FICA (Social Security and Medicare) deductions from the service member's monthly pay. Additionally, other deductions like SGLI and dental insurance can be shown along with the mid-month pay amount.

Allotments

This section will show deductions for allotments that the service member has coming out of his or her pay. The allotment system helps service members administer their personal finances. Allotments can cover a wide variety of financial obligations, such as repayment of home or auto loans, purchase of US savings bonds, personal savings programs, support of family members, and payment of insurance premiums.

Summary

This section calculates the totals from the entitlement, deductions, and allotments sections and shows your net pay amount and end of month (EOM) pay. It also accounts for any amounts forwarded from a past pay period or any credited amounts owed to the government.

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																	
ID	NAME (LAST, FIRST MI)		SOC. SEC. NO.		GRADE	PAY DATE		YRS SVC	ETS	BRANCH	ADSN / DSSN		PERIOD COVERED				
	Smith, John M.		123456789		01E	980121		5	888888	AF	1234		1 - 30 APR				
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY					
TYPE		AMOUNT		TYPE		AMOUNT		TYPE		AMOUNT		+ AMT FWD		.00			
A B C D E F G H I J K L M N O	BASE PAY		2746.80		FED TAXES		394.22		DISCRETIONARY ALT		150.00		+ TOT ENT		3,764.00		
	BAS		167.20		FICA-SOC SECURITY		156.68		INSURANCE ALLOT		141.33		- TOT DED		2,133.80		
	BAH		850.00		FICA-MEDICARE		36.64		AF ASSISTANCE FUND		12.00		- TOT ALMT		323.68		
					SGLI FOR \$250,000		20.00		TRICARE DENTAL		20.35		= NET AMT		1,306.52		
					TSP		219.74						- CR FWD		.00		
					MID-MONTH-PAY		1306.52						= EOM PAY		1,306.52		
TOTAL		3764.00				2133.80				323.68		DIEMS 971118		RET PLAN CHOICE			
LEAVE		BF BAL 35.0	ERND 17.5	USED 4.0	CR BAL 48.5	ETS BAL .0	LV LOST .0	LV PAID .0	USE / LOSE 1.0	FED TAXES	WAGE PERIOD 2527.06	WAGE YTD 10108.24	M / S M	EX 01	ADD'L TAX 00	TAX YTD 1576.88	
FICA TAXES		WAGE PERIOD 2746.80	SOC WAGE YTD 10987.20	SOC TAX YTD 626.72	MED WAGE YTD 10987.20	MED TAX YTD 146.56	STATE TAXES	ST FL	WAGE PERIOD .00	WAGE YTD .00	M / S M	EX 00	TAX YTD .00				
PAY DATA		BAH TYPE W / DEP	BAH DEPN SPOUSE	BAH ZIP 36112	RENT AMT .00	SHARE 1	STAT R	JFTR	DEPN 0	2D JFTR	BAS TYPE OFFICER	CHARITY YTD 48.00	TPC	PACIDN			
Thrift Savings Plan (TSP)		BASE PAY RATE	BASE PAY CURRENT	SPEC PAY RATE 0%	BASE PAY CURRENT	INC PAY RATE 0%	INC PAY CURRENT	BONUS PAY RATE 0%	BONUS PAY CURRENT								
		TSP YTD DEDUCTIONS 878.96				DEFERRED 878.96	EXEMPT .00										
REMARKS		YTD ENTITLE 13631.48		YTD DEDUCT 2350.16													
TAKE STOCK IN AMERICA, BUY U.S. SAVINGS BONDS. SEE YOUR LOCAL SAVINGS BOND REPRESENTATIVE FOR FURTHER INFORMATION. CHARGE LEAVE BAH BASED ON W/DEP, ZIP 36112 BANK PODUNK FCU ACCT # 12345678																	

Leave

The leave section informs the service member of the number of leave days forwarded from the previous fiscal year, the number of days earned and used in the current fiscal year, the current leave balance, number of leave days the member will earn prior to their ETS, leave lost during the previous fiscal year, leave sold since July 14, 1976, (max 60 days), and the number of days' leave the member is subject to lose if not used by 30 September.

Taxes

These three sections (federal, state, and FICA) identify the taxable wages for the pay period and year to date (YTD) and the total taxes deducted year to date. The amount deducted for taxes during the pay period are located in the deductions section.

Pay Data

This section identifies the information used to calculate the service member's BAH, BAS, and other overseas allowances. Additionally, the total charity deductions YTD are shown.

Remarks

This section shows total YTD entitlements and deductions, and other pay-affecting remarks, such as longevity and promotion pay raise effective dates. It will also list leave taken during the previous month.

SERVICEMEMBERS CIVIL RELIEF ACT NOTIFICATION

The Servicemembers Civil Relief Act (SCRA) provides a wide range of protection for individuals in the military service. The SCRA is intended to postpone or suspend certain civil obligations to enable service members to devote full attention to duty. The SCRA was enacted in 2003 and completely replaced the Soldiers' and Sailors' Civil Relief Act. Since then, the SCRA has been updated several times, to include major revisions in 2010. Additional information regarding the SCRA can be found on the Air Force Legal Assistance Website, <https://aflegalassistance.law.af.mil>. The Act applies to active duty members in civil matters, not criminal matters. Certain provisions of the SCA are more relevant to new accessions into the military, Reservists, and members of the National Guard, because they apply to pre-service obligations. Other provisions are more generally applicable to servicemembers. The protections generally begin on the date of entering active duty and generally terminate on the date of the person's release from active duty. However, exceptions may apply, depending on which provision of the Act is sought. Members who face problems in the areas listed below should be referred to the base legal office.

Most Common And Relevant Provisions

Eviction. The SCRA prohibits eviction, without a court order, of a service member and dependents from rented housing where the rent does not exceed \$2,958.53 per month, as of 2010. This amount is adjusted upward yearly using a cost-of-living formula found

in the Act. Unless, in the opinion of the court, the ability of the tenant to pay the agreed rent is not materially affected by the tenant's military service, the court may delay eviction proceedings for up to three months.

Lease Termination. A military member may unilaterally cancel a lease of premises if they receive orders (PCS or deployment for more than 90 days). In addition, a military member may cancel a pre-service lease for a motor vehicle if they receive orders bringing them onto active duty. A military member may cancel any motor vehicle lease (pre-service or signed during service) for deployment orders for more than 180 days, or PCS orders to a location outside of CONUS, or PCS orders from Alaska or Hawaii to any location outside of those states. Qualifying members may not be charged early termination fees for either type of lease.

Installment Contracts. A servicemember who enters into an installment contract before entering active duty is protected if his or her ability to make payments is materially affected by military service. Here, the courts will compare the servicemember's pre service income and military income to determine his or her financial condition. The creditor cannot exercise rights of rescission, termination, or repossession without a court order.

Cellular Phones. A servicemember may terminate any cellular phone service contract if they receive orders for PCS, or deployment for more than 90 days, and the PCS or deployment will materially affect their ability to utilize the services. The notice of termination may be made in writing or by electronic notice, but must also include a copy of the servicemember's orders. The protection also applies to family plans.

Maximum Rates of Interest. The interest rate on a member's pre-service obligation must be capped at 6% unless the creditor shows that the ability of the servicemember to pay interest above 6% is not materially affected by reason of their military service. This relief applies during the entire period of active duty service and must be applied retroactively if the member does not request the cap at the outset of military service.

Stay of Proceedings. Courts have the discretion to delay a civil court proceeding when the requirements of military service prevent the member from either asserting or protecting a legal right. The courts will look to whether military service materially affected the servicemember's ability to take or defend an action in court.

Default Judgments. Before a court can enter a default judgment (for failure to respond to a lawsuit or failure to appear at trial) against a military member, the person suing the member must provide the court with an affidavit stating the defendant is not in the military. If the defendant is in the military, the court will appoint an attorney to represent the defendant's interests (usually by seeking a delay of proceedings). If a default judgment is entered against a servicemember, the judgment may be reopened if the member makes an application within 90 days after leaving active duty, shows he/she was prejudiced, and shows he/she had a legal defense.

Insurance. A servicemember's private life insurance policy is protected against lapse, termination, or forfeiture for nonpayment of premiums for a period of military service plus two years. The insured or beneficiary must apply to the Veterans' Administration for

protection. In addition, professional liability (malpractice) insurance must “freeze” when the member enters military service and then resume (exactly where it left off) after release from military service.

Taxation. A servicemember’s state of legal residence may tax military income. A member does not lose legal residence solely because of a transfer pursuant to military orders. For example, if a member is a Virginia resident and is moved to a base in California, the member does not lose Virginia residency nor will he or she be subject to pay California state income tax on his or her military pay. Also, a non-resident service member’s pay may not be used to “lift” a spouse’s pay into a higher tax bracket (the so-called “Kansas rule”).

Military Spouse’s Residency Relief Act. In 2009, Congress substantially changed the legal framework regarding spouse residency for tax purposes. The MSRRA revised the SCRA to provide that military spouses do not lose nor acquire a residence for tax purposes solely because of a military move. Furthermore, while only military income is protected from non-resident income tax for the servicemember, the MSRRA exempts all income for the non-resident spouse. In order to receive this protection, the statute’s language requires that the spouse’s residence be the same as the servicemember, although some states do not appear to be enforcing this requirement.

Adverse Actions. Creditors and insurers may not use a servicemember’s exercise of rights under the SCRA as the sole basis for taking an adverse action (e.g., denial of credit, refusal of insurance) against the servicemember.

Enforcement. The Department of Justice may take civil action against those who violate the SCRA, and in those cases the court can assess a civil penalty not to exceed \$55,000 for a first violation, and \$110,000 for any subsequent violation. Individuals may also personally sue in response to SCRA violations, and may recover damages and attorney’s fees.



The U.S. Uniformed Services Blended Retirement System

At a Glance

Saving with the New Blended Retirement System

The Fiscal Year 2016 National Defense Authorization Act provides our military force with a modernized retirement plan built for retirement savings. Beginning in 2018, our service members can get **automatic and matching Thrift Savings Plan contributions** as well as mid-career **compensation incentives** in addition to monthly **annuities for life**. All service members under the current system are grandfathered into today's retirement system.

Today's Retirement System:



2.5% x Years Served x Retired Pay Base
after completing 20 years of service

1 Automatic and Matching Contributions

Automatic contributions are seen immediately



You Contribute	DoD Auto Contribution	DoD Matches	Total
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%

The DoD automatically contributes **1%** of your basic pay to your **Thrift Savings Plan** after **60 days of service**.

You'll see matching contributions at the start of 3 through the completion of 26 years of service, and...

You're fully vested—it's yours to keep—as of the beginning of 3 years of service and goes with you when you leave.

2 Continuation Pay

Received at the mid-career point



You may receive a **cash payment** in exchange for additional service.

3 Full Retired Pay Annuity

Received after completing 20 years of service

2% x x
Years Served **Retired Pay Base**

Calculate your **retired pay base** by **averaging the highest 36 months of basic pay**. You'll gain this monthly annuity for life after completing 20 years of service.

Options for Collecting Your Retired Pay

Active Component

Full retired pay annuity

Reserve Component

Full retired pay annuity beginning at age 60*



Lump sum with reduced retired pay

50% or 25% of monthly retired pay annuity bumps back up to 100% at full retirement age (67 in most cases).

*Could be earlier based on credited active service



Effective Date of the New System

Your Retirement System

If you joined the service...

► After December 31, 2017

You'll be automatically enrolled in the Blended Retirement System.

► After December 31, 2005 but before January 1, 2018

You'll have the choice to enroll in the Blended Retirement System or remain in today's current retirement system.

► Before January 1, 2006

You'll be grandfathered and remain in today's current retirement system.

Additional information coming soon.

Sources: Sections 631, 632, 633, 634, and 635 of the Fiscal Year 2016 National Defense Authorization Act.

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