

U.S. ARMY PAY AND BENEFITS

RANK AND PAY RATES

Military pay rates are based on one's military rank and time in service. New Army Judge Advocates enter service as First Lieutenants (O-2) and are promoted to Captain (O-3) six to nine months later. Officers receive a raise in basic pay upon promotion to Captain and receive automatic pay increases after serving 2, 3 and 4 years. After four years of service, pay increases occur every two years. Congress normally authorizes small annual pay increases. Detailed military pay charts are available [HERE](#).

COMPONENTS OF MILITARY PAY

- 1) BASIC PAY (taxable income). Basic pay is determined by one's rank and time in service.
- 2) BASIC ALLOWANCE FOR HOUSING (BAH) (not taxed). BAH is based on rank, whether one has dependents (family members, normally a spouse and/or child(ren)), and the assigned duty station. Judge Advocates who opt to live in government-supplied housing on an installation do not receive BAH; instead, their housing, including utilities, is provided at no charge to them.
- 3) BASIC ALLOWANCE FOR SUBSISTENCE (BAS) (not taxed). BAS is the same for all officers, regardless of rank.
- 4) COST OF LIVING ALLOWANCE (COLA) (not taxed). Judge Advocates living in some locations outside the continental United States receive a COLA to compensate for a high cost of living and/or to offset fluctuations in foreign currency exchange rates. The amount varies according to location.

2016 MONTHLY PAY FOR NEW JUDGE ADVOCATES

Direct Commission Officers

	1LT (O-2) under 2 years	CPT (O-3) under 2 years	CPT (O-3) over 2 years	CPT (O-3) over 3 years
Monthly Base Pay	\$3,424	\$3,963	\$4,492	\$4,849
Annual Taxable Pay	\$41,088	\$47,556	\$53,904	\$58,188

ROTC Educational Delay Officers

	1LT (O-2) over 3 years	CPT (O-3) over 4 years	CPT (O-3) over 6 years
Monthly Base Pay	\$4,491	\$4,849	\$5,540
Annual Taxable Pay	\$53,892	\$58,188	\$66,480

Additional Monthly Allowances

BAS (not taxed): \$253

BAH (not taxed): Varies based on rank, location, and dependents.

The following figures depict total tax free allowances for different locations as a Captain (O-3).

	Monthly BAH (without dependents)	Total yearly allowance of BAH and BAS	Monthly BAH (with dependents)	Total yearly allowance of BAH and BAS
Fort Hood, TX	\$1,233	\$17,832	\$1,524	\$21,324
Fort Drum, NC	\$1,632	\$22,620	\$2,133	\$28,632
Fort Lewis, WA	\$1,701	\$23,448	\$1,941	\$26,328
Fort Shafter, HI	\$2,820	\$36,876	\$3,375	\$43,536

STUDENT LOAN REPAYMENT PROGRAM (SLRP)

The Army Student Loan Repayment Program (SLRP) is now available for new active-duty Judge Advocates. Officers with qualifying loans may be eligible for loan repayment assistance up to \$65,000.00, divided into three equal annual payments. New Judge Advocates may apply for SLRP upon successfully completing the Judge Advocate Officer Basic Course. SLRP is contingent each year on Congressional funding.

CONTINUATION PAY

Continuation pay is a retention bonus available to Judge Advocates upon completion of the initial four-year active duty service obligation. Continuation pay totals \$60,000.00 and is payable in a lump sum in return for another four-year service obligation. Continuation pay is contingent each year on funding.

DEPLOYMENT BENEFITS

Service members who are sent to combat zones including Iraq and Afghanistan receive several additional financial benefits.

1) **COMBAT ZONE TAX EXCLUSION.** Members of the U.S. Armed Forces serving in combat zones can exclude their pay—including Base Pay, Imminent Danger Pay, and bonuses—earned during any month in which they serve a day or more in the combat zone from their gross income for federal income tax. This federal exclusion may have state tax advantages, that vary from state to state.

2) **IMMINENT DANGER/HOSTILE FIRE PAY.** Service members assigned to or deployed to a combat zone receive Imminent Danger/Hostile Fire Pay at the rate of \$225 per month.

3) **FAMILY SEPARATION ALLOWANCE.** Service members with dependents (spouse and/or child(ren)) who are deployed (or assigned overseas—unaccompanied assignments to Korea, for example, qualify) without those dependents may be entitled to a Family Separation Allowance (FSA) of \$250 per month (not taxed).

INDIRECT COMPENSATION

Military pay and allowances are supplemented with other benefits that have a variable cash value depending on household income, family size, and local and state tax rules.

MEDICAL AND DENTAL CARE: Service members receive free medical and dental care. Family members receive the majority of their medical care free from the Army, and low-cost dental insurance is available.

SERVICEMEMBERS GROUP LIFE INSURANCE (SGLI): Service members may purchase low-cost life insurance. Premiums for \$400K coverage (maximum amount) are currently \$28 per month. Up to \$100K coverage is available to insure dependents for an additional premium.

FEDERAL TAX ADVANTAGE: Savings over what would be paid in income tax if BAS and BAH were taxed. This varies with service member's tax bracket and household income.

STATE TAX ADVANTAGE: States exempt military allowances from income taxation. Some states exempt all military income. This benefit varies with service member's state residency, household income, and tax bracket.

COMMISSARY AND EXCHANGE BENEFIT: Army grocery and department stores do not charge sales tax and offer lower prices than civilian stores. The Defense Commissary Agency estimates commissary savings average 32% when compared to retail grocery stores.

NO-CONTRIBUTION RETIREMENT: After 20 years of active-duty service, military members are eligible for no-contribution retirement equal to a percentage of their average last three years' basic pay rate(s). Retirement pay percentages increase with each year served beyond 20. Optional participation in the Thrift Savings Plan, similar to a civilian 401K tax-deferred retirement savings account, can significantly boost a service member's retirement savings.