

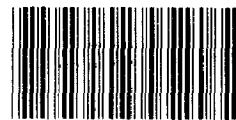
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REPORT BY THE U.S.

General Accounting Office

Preliminary Analysis Of Military Compensation Systems In The United States And Five Other Countries

This study of the military pay systems and practices in the United States and five other countries--Australia, Canada, France, West Germany, and the United Kingdom--indicates that there are major differences among these countries. United States military pay rates, particularly when expressed in terms of purchasing power, are well below those of other volunteer force countries. This study identifies several foreign pay policies and practices which offer promise for use in the United States.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-201617

The Honorable Sam Nunn
Chairman, Subcommittee on Manpower
and Personnel
Committee on Armed Services
United States Senate

Dear Mr. Chairman:

This is a report on the work we have completed for you in which we make a preliminary analysis of the military compensation systems of the United States and five other countries. In accordance with your guidance, the objectives of this review were to determine the contrasts and similarities among the systems and to identify any foreign pay policies or practices which offer the potential for use by the United States in countering All-Volunteer Force manpower problems.

We compared the United States military compensation system with the military compensation systems of Australia, Canada, France, West Germany, and the United Kingdom. In sum, we discovered major differences in pay systems and practices between the United States and the other countries. We also determined that the United States pay rates, particularly when expressed in terms of purchasing power, are well below those of other volunteer force countries. Furthermore, we identified several foreign pay policies and practices which we believe offer potential for use in the United States.

We conducted our study in the Washington, D.C. area, obtained data and interviewed officials from the Bureau of Labor Statistics, the Defense Intelligence Agency, the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), and the Federal Research Division of the Library of Congress.

DIFFERENCES BETWEEN THE SYSTEMS OF
THE UNITED STATES AND OTHER COUNTRIES

The military compensation system of the United States differs from the compensation systems of other countries in the manner in which it undertakes to satisfy personal living requirements with goods, services, and facilities and in the way it compensates according to marital and dependency status.

The following chart shows differences in principal pay elements of the countries included in our pay level comparison.

Summary of Principal Pay System Differences
As of October 1, 1980

<u>Pay System Characteristics</u>	<u>Australia</u>	<u>Canada</u>	<u>United Kingdom</u>	<u>France</u>	<u>West Germany</u>	<u>United States</u>
Salary system	X	X	X			
Linkage of pay to differing civilian skill tracts	X	X	X			
Basic pay and allowances				X	X	X
X-factor payments	X		X			
Tax advantage on quarters and subsistence allowances						X
Medical care dependents and retired		(a)	(b)	X	X	X
Non-contributory retirement			X		X	X

a/Government shares cost with military service.

b/Medical care is provided by Britain's national health insurance program.

Australia, Canada, the United Kingdom, and the United States maintain their armed forces on a volunteer basis. The three foreign countries, however, have discarded pay and allowances structures similar to those of the United States' system in favor of a taxable salary system. These three countries also have subdivided their systems into different pay tracts, each linked to a different part of the civilian

sector. In Australia and the United Kingdom, the taxable salary systems also include an "X factor" paid to compensate for the disadvantages and rigors of military life. While the United States does not tax quarters and subsistence allowances, Australia, Canada, and the United Kingdom tax the equivalent of these allowances as part of a taxable salary.

All the countries studied provide full medical care for active duty military personnel. The United States also provides medical care for dependents and retired military personnel at service facilities when available, or through civilian facilities under the Civilian Health and Medical Program of the Uniformed Services. In general, the other countries are more limited than the United States in providing medical care for dependents and retired personnel. For example, Australia does not provide medical care to dependents or retired service personnel, and Canada and West Germany do not provide medical care for retired personnel.

While Australian, Canadian, and French military personnel contribute to their retirement, United States and United Kingdom military personnel do not. German career and long-term volunteers also have a noncontributory retirement plan.

These and other elements of the compensation systems of the six countries are listed on a country-by-country basis in appendix I. Data is also included in appendix I on the systems of Israel, Switzerland, and the U.S.S.R.

MILITARY PAY COMPARISONS

To observe pay comparisons in the context of the proportion of the military to civilian populations and the proportion of defense expenditures to Gross National Product (GNP), we compared these factors as shown in the following table.

Military Manpower and Defense Expenditures (note a)--United States Proportionate to Five Foreign Countries
1980

Countries	Population				Expenditures			
	Military to Civilian	Proportion		Index (note c)	Defense to GNP	Proportion		Index (note c)
----(millions)----	Ratio				----(billions)----	Ratio		
Australia	.071	14.4	.005	56	4.0	117.7	.034	57
Canada	.079	23.9	.003	33	4.3	224.4	.019	32
United Kingdom	.329	55.9	.006	67	25.4	381.3	.067	112
United States	2.050	221.6	.009	100	142.7	2,368.8	.060	100
France	.495	54.0	.009	100	21.7	566.0	.038	63
West Germany	.495	61.3	.008	89	21.7	761.0	.029	47

a/U.S. dollars.

b/1979.

c/United States=100.

The above table shows that the United States, along with France, has the largest proportion of military to civilian population, and that the United Kingdom has the highest proportion of defense expenditures to GNP, while the United States and France have the second and third highest proportions respectively, of defense expenditures.

We were able to compare the military pay levels of the United States with pay levels in five other countries. Three of these countries--Australia, Canada, and the United Kingdom--have volunteer military services and two--France and West Germany--have conscription. We compared pay at the pay grade E-1 level for the countries with volunteer services and determined that military pay at that level has increased since 1976 at a greater rate than civilian pay but less than the rate of inflation. We also compared pay at the pay grade E-5 and O-4 levels for all six countries and found that, as of October 1, 1980, United States military personnel at these levels generally had lower purchasing power than their counterparts in the other countries.

In comparison, we considered the current economic conditions prevalent within each of the six countries, and we used two basic economic indicators as the basis for our analysis. These indicators were:

1. The relative economic stability and inflationary trends, indicated by variations in the Consumer Price Index (CPI) for each country since 1976.
2. The relative civilian living standard for each country, indicated by the Indexes of Average Wages in Manufacturing for each of these countries.

These economic indicators do not give a precise comparison of the relative value of military compensation. They do, however, provide the basis for broad analytical judgments.

Comparison of pay grades E-1

The following table shows the amount and percentage of the increases in military pay since 1976 for the four countries with volunteer military services. As the data illustrates, the United States paid the highest level of compensation to E-1s in 1976 and the second highest in 1980.

In the United States system, however, of the \$9,302 in 1980 compensation, only the recruit's base pay of \$6,016 per year is visible to him as pay. About \$3,286 which he receives in kind and tax advantage is not visible and as we have previously noted in our report 1/ to the Congress, this lack of visibility may have a significant impact on recruitment.

1/"Military Compensation Should be Changed to a Salary System" (FPCD-77-20, Aug. 1, 1977).

Annual Pay--E-1 (note a)

<u>Countries</u>	<u>1976</u>	<u>1980</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
Australia <u>b/</u>	\$6,298	\$9,872	\$3,574	57
Canada	4,615	6,236	1,621	35
United Kingdom <u>b/</u>	5,024	8,658	3,634	72
United States <u>c/</u>	6,423	9,302	2,879	45

a/ Pay data, expressed in 1980 U.S. dollars, is presented on an annual basis for ease of comparability. Recruits do not stay at the E-1 level for a full year.

b/ An "X factor", an allowance paid for rigors of military life, is not paid at the E-1 level for Australian service members. It is included for United Kingdom service members. Canada and the United States do not pay an "X factor".

c/ Regular military compensation (RMC) includes quarters and subsistence allowances and the tax advantage which occurs because these allowances are not taxable. This amount is comparable to the salary amounts of the other services.

Relationship of civilian to military pay

Another significant factor which merits examination is the relationship of civilian to military pay. As the table below notes, the rates of increases in military pay at the E-1 level were less than the rates of inflation (as indicated by the changes in the CPI) in all the volunteer countries. Increases in military pay at the E-1 level, however, exceeded increases in civilian wages. The increases in civilian wages since 1976 are based on changes in the Indexes of Hourly Wages in Manufacturing.

Percentage Increases--1976-1980

<u>Countries</u>	<u>Pay</u>		<u>CPI change</u>
	<u>Civilian</u>	<u>Military</u>	
Australia	N/A	57	74.9
Canada	31	35	56.7
United Kingdom	48	72	141.9
United States	28	45	62.0

Comparison of pay grades O-4 and E-5

Available data enabled us to compare military pay in the United States, as of October 1, 1980, with the military pay of five other countries at the O-4 and E-5 levels.

Foreign Military Pay in Proportion to United States Military Pay--O-4 Level (note a)

<u>Countries</u>	<u>Annual pay range (note b) as of October 1, 1980</u>	<u>Pay range index United States=100</u>
Australia	\$23,688 - \$26,659	104 - 75
Canada	26,256 - 29,487	115 - 83
United Kingdom	23,604 - 28,288	104 - 80
United States	22,784 - 35,565	100 - 100
France	20,519 - 32,250	90 - 91
West Germany	18,273 - 32,367	80 - 91

a/Amounts are expressed in 1980 U.S. dollars.

b/Ranges include base pay, quarters and subsistence allowances, and tax advantages, if any. Range computations are based on 0 to 6 dependents. Data for Australia and the United Kingdom also includes the "X factor."

The next table shows these same relationships for service members at the pay grade E-5 level.

Foreign Military Pay in Proportion to United States Military Pay--E-5 Level

<u>Countries</u>	<u>Annual pay range (note a) as of October 1, 1980</u>	<u>Pay range index United States=100</u>
Australia	\$12,639 - \$16,426	108 - 103
Canada	14,667 - 17,579	125 - 110
United Kingdom	15,840	135 - 99
United States	11,689 - 16,025	100 - 100
France	10,109 - 19,677	86 - 123
West Germany	9,772 - 17,173	84 - 107

a/Ranges include base pay, quarters and subsistence allowances, and tax advantages, if any, expressed in 1980 U.S. dollars. Range computations are based on 0 to 6 dependents. Data for Australia and the United Kingdom also include the "X factor."

The foregoing compensation tables illustrate that Regular Military Compensation (base pay, quarters and subsistence allowances, and the tax advantages on these allowances) for the United States military is (1) generally lower than compensation rates for all countries except France and West Germany, (2) highest of all countries at the upper end of the 0-4 range, and (3) for maximum rates paid E-5's, lower than similar compensation in all countries except the United Kingdom.

Relative military pay purchasing power

The pay problem of the United States is even more acute when viewed in terms of purchasing power. As the following table illustrates, United States military personnel at the entry level of 0-4 rank receive considerably less in purchasing power than their volunteer counterparts in Australia, Canada, and the United Kingdom.

October 1980 Proportionate Purchasing Power--0-4

<u>Countries</u>	<u>Index of hourly wages manufacturing United States =100</u>	<u>Purchasing power impact of wage index differences with the United States</u>	<u>Total purchasing power range</u>	<u>Purchasing power index (proportions) United States =100</u>
Australia	76	Plus \$5,685 - \$6,398	\$29,373 - \$33,057	129 - 93
Canada	88	Plus 3,151 - 3,538	29,407 - 33,025	129 - 93
United Kingdom	60	Plus 9,442 - 11,315	33,046 - 39,603	145 - 111
United States	100	0	22,784 - 35,565	100 - 100
France	90	Plus 2,052 - 3,225	22,571 - 35,475	99 - 100
West Germany	125	Minus 4,568 - 8,092	13,705 - 24,275	60 - 68

Note: West German figure represents a reduction of purchasing power.

The following table shows the purchasing power relationship as above for the E-5 level. As noted therein, United States military personnel at the E-5 level rank among the lowest in purchasing power of all countries in our comparison.

October 1980 Proportionate Purchasing Power--E-5

<u>Countries</u>	<u>Index of hourly wages manufacturing United States =100</u>	<u>Purchasing power impact of wage index differences with the United States</u>	<u>Total purchasing power range</u>	<u>Purchasing power index (proportions) United States =100</u>
Australia	76	Plus \$3,033 - \$3,942	\$15,672 - \$20,368	134 - 127
Canada	88	Plus 1,760 - 2,109	16,427 - 19,688	140 - 123
United Kingdom	60	Plus 6,336	22,176	190 - 138
United States	100	0	11,689 - 16,026	100 - 100
France	90	Plus 1,010 - 1,967	11,119 - 21,644	95 - 135
West Germany	125	Minus 2,443 - 4,293	7,329 - 12,880	63 - 80

Note: West German figure represents a reduction of purchasing power.

As these tables indicate, at the O-4 and E-5 levels, the proportionate purchasing power for United States military personnel is lower than that in all countries for which we have data, except (1) West Germany, (2) Australia and Canada at the higher end of the O-4 pay range, and (3) France at the lower end of the O-4 and E-5 ranges. The most extreme difference concerns E-5 rates in the United States and the United Kingdom. In the United Kingdom, pay for new E-5's is almost double that of their United States counterparts.

In broad terms, the living standard of the United States personnel at the O-4 and E-5 levels is closest to that of their French counterparts.

CONCEPTS FOR POSSIBLE STUDY

Our analysis of comparative pay identified the following concepts which appear to offer promise for use in United States efforts to overcome current manpower problems.

1. X Factor--The salary systems of Australia and the United Kingdom include an "X factor" paid to compensate military personnel for the disadvantages and rigors of military life (e.g., total commitment to the service and potential exposure to danger). However, the policy of applying this factor to determine the compensation to be paid differs in Australia and the United Kingdom. In Australia, service personnel, regardless of rank, receive the same amount. Conversely, the United Kingdom increases the salary paid to personnel by a constant

percentage; therefore, a proportionately higher dollar amount is paid higher grade personnel. A study of the Australian and United Kingdom "X factor" could identify the methods used to define the elements of the "X factor" and identify methods to measure its effectiveness.

2. Pay System Linked to Civilian Economy--The Canadian Basic Pay System is based on a salary scale linked to that of Canadian Public Service Employees. The public service pay has been matched to different jobs of Canadian private sector employees. Under the United Kingdom and Australian military salary systems, personnel are paid a salary composed of a "rate-for-the-job" and increased by the "X factor" described above. These pay systems differ from the United States system by their use of different pay tracts for different skill groupings and by their linkage to salaries paid in the civilian private sector for work requiring similar levels of skill, experience, and responsibility. The primary thrust of a study concerning the possibility of linking military pay to the civilian sector of the economy would be to determine the procedures used to subdivide ranks into occupational groups and link military salaries to private economy wages, and to determine whether pay groupings and the linkage of military pay to the civilian economy have prevented the loss of skilled technicians.

3. Salary System--In our previously mentioned August 1977 report to the Congress entitled "Military Compensation Should be Changed to Salary System," we stated that United States military compensation would be more visible and equitable under a salary system and would be more effective in attracting, motivating, and retaining qualified service members. The Department of Defense took the position that the advantages of a salary system would be outweighed by the disadvantages. Australia, Canada, and the United Kingdom maintain their armed forces on a volunteer basis, but have discarded pay and allowances structures similar to the United States in favor of a taxable salary system. Their major reasons for converting to a salary system were that their previous pay and allowances systems lacked visibility and were inequitable. Increased stability in the structure of military pay and improved morale were among the benefits sought by this change.

A study of these salary systems would determine whether they have had a favorable impact on their recruiting, motivational, and retention goals.

4. Differential Pay Rates for Longer Term Enlistments--
As an inducement, France and the United Kingdom employ differential pay rates for longer term enlistments. In France, personnel who enlist for a period of at least 3 years are paid at a higher rate for base pay. A bonus is paid for a 5-year enlistment contract and an even larger bonus is paid for a 10-year enlistment contract. In an effort to obtain longer periods of enlistment, the United Kingdom varies enlisted salaries according to the length of the enlistment contract. Because the United States military services are encountering problems concerning the need for extended service from high-quality personnel, it is possible that an evaluation of the United Kingdom and French programs would indicate possible corrective measures.
5. Relative Time Personnel Remain at Similar Pay Levels--Our preliminary analysis compared military pay for similar pay grades in the countries under study. The amount of time military personnel remain at pay levels may vary by country. An analysis of this could determine the impact that time in service and grade has on the pay of military personnel.
6. Special and Premium Pays--The countries we studied offer a range of special and premium pay to attract and retain military personnel to specific duties and occupations--aviation career incentive, health profession, submarine, etc. Also, the basis for computing the pay and whether it is taxable varies by country. A study of select occupations which qualify for such pay could determine the relative compensation received in different countries and the impact on meeting desired manning levels.

B-201617

If you desire us to evaluate these or any other foreign pay practices which offer potential for use in the United States, please do not hesitate to call on us.

Sincerely yours,



H. L. Krieger
Director

Military Compensation Systems -- Australia

I. Overview

The Australian Armed Services, a competent but small force of about 70,000, has a realistic military compensation system that is geared to the national economy. The military rank structure is closely tied to an equivalent civilian structure with respect to pay. Although the Defense establishment has not received a military pay raise since 1973, its basic pay has been increased substantially to reflect the countrywide cost-of-living adjustment effected by the National Wage Case Decision of July 1980. The military pay system, along with the civilian wage scales, is now subject to Arbitration Court review every 6 months to readjust to inflationary aspects reflected in the Consumer Price Index.

Allowances, as apart from basic pay, are determined within the Defense Department, and are adjusted separately as problems occur.

II. Chart Details

- A. Military Compensation:
Compensation Base (Basic Pay): Salary plus service allowance (See "x" factor, below)

Table 1

<u>Minimum-maximum basic pay range for officers</u>			A\$
<u>Navy</u>	<u>Army</u>	<u>Air Force</u>	<u>Per year</u>
Acting Sub Lieutenant	2d Lieutenant	Pilot Officer	11,962
_____	General ¹	_____	56,100

¹ Chief of Defense Force Staff, highest ranking officer.

Table 2

<u>Minimum-maximum basic pay range for enlisted men</u>			A\$
<u>Navy</u>	<u>Army</u>	<u>Air Force</u>	<u>Per year</u>
Seaman	Private	Aircraftsman	8,803
Warrant Officer	Warrant Officer 1	Warrant Officer	16,690

Table 3

<u>Basic pay range for O-4 equivalent</u>			
<u>Navy</u>	<u>Army</u>	<u>Air Force</u>	<u>A\$ Per year</u>
Lt Commander	Major	Squadron Leader or Squadron Officer	
Under 1 year	Under 1 year	Under 1 year	19,685
1 year	1 year	1 year	20,569
2 years	2 years	2 years	21,452
3 years	3 years	3 years	22,334

Table 4

<u>Basic pay range for E-5 equivalent</u>			
<u>Navy</u>	<u>Army</u>	<u>Air Force</u>	<u>A\$ Per year</u>
Petty officer - under 1 year	Sergeant - under 1 year	Sergeant - under 1 year	9,832
1 year	1 year	1 year	10,392
2 years	2 years	2 years	10,946
3 years	3 years	3 years	11,508
4 years	4 years	4 years	12,073
5 years	5 years	5 years	12,642
6 years	6 years	6 years	13,209

Basic Quarters Allowance: Included in salary. If government quarters not occupied, entitled to a subsidy when rented quarters exceed an amount specified for individual's rank. Charges for government quarters subsidized. [Quarters allowance and subsistence allowance are grouped as rations and quarters (R & Q) charges.]

Basic Subsistence Allowance: Included in salary. Charges are significantly less than actual cost of providing meals and accommodations.

Tax Advantage: Uniform Maintenance Allowance not taxable.

See Clothing Allowance (below).

Annual Leave: 20 days/year recreation leave, excluding Saturdays, Sundays, and public holidays. Navy: 28 days including week-ends; extra 7 days for seagoing personnel.

Holidays: Varies by state; approximately 11 days per year.

"X" Factor: Taxable service allowance of A\$1,438/yr to all personnel except cadets and apprentices, Brigadiers and General Officers, and Medical and Dental Officers above the rank of Lt Cdr, Maj, and Squadron Leader.

Other: Command Money (Navy) for seagoing ship commanders: Sub Lt, A\$0.40/day; Capt and Cdr, A\$2.00/day.

Reserve Forces: Administrative Duty Pay: Army, Navy, Air Force reservists receive tax-free basic pay for up to 30 days maximum service/yr. If qualified, receive all other allowances.

B. Supplemental Benefits

Medical Care (Active): Only service members are provided full medical and dental care at no cost.

Medical Absence: Allowed 6 months on full pay; next 6 months on half pay. Thereafter, subject to medical discharge.

Medical Care (Dependents): Dependents not provided care at service facilities. May participate in contributory insurance-type program, e.g., Army/Naval Health Benefits Society or the Government's Medical Benefits Schedule.

Medical Care (Retired): Retired not provided care at service facilities. May participate in contributory insurance-type programs, e.g., Army/Naval Health Benefits Society, Pensions Health Benefits, or Government Medical Benefits Schedule. Veterans Affairs Department may provide hospitalization for service-connected disability. (Veteran Affairs Department is not part of Defense Department and is counterpart of Veterans Administration in the US.)

Health Insurance: Contributory plan under Government Medical Benefits Schedule has replaced Medibank Plan which granted free medical treatment to all Australians. (Medibank Plan terminated in 1979)

Life Insurance: Personal matter; however, reimbursed up to A\$300 per year for conditions of service employment.

Extra Risk Allowance payable to reimburse the additional cost to any service member who is required to pay higher than normal life insurance premiums for reasons attributable to more hazardous duties, including flying or submarine categories.

Social Security: Military retired pay is above minimums stipulated in social insurance system. Therefore, do not receive old-age pensions.

Retirement:

Nondisability pay: Contributory system, 5.5 percent of base pay. Minimum 20-year service provides 35 percent of salary. Maximum 40-year service, 76.5 percent of terminal pay. Retired pay adjusted with active pay.

Disability pay: Early retirement with pensions of 38.5 percent to 76.5 percent of base pay is determined by severity of service-connected disability. Within three disability classes (A, B, C) Class A claimant has greatest degree of disability which may enable him to receive 76.5 percent of his pay with less than 40 years of service.

Other: Commutation of retired pay. May elect to receive up to 4 times annual retirement pay in lump sum. Retirement pay correspondingly reduced.

C. Special and Premium Pays

Bonus: None

Enlistment/reenlistment bonus: For enlisted men, A\$1,000 (tax free) for 3-year extension upon completion of initial 6-year term.

Proficiency: None, except for foreign language proficiency: A\$270 to A\$1,132 per year.

Aviation Career Incentive Pay: None.

Nuclear Navy: None.

Health Professions: Separate pay scales. Special allowance of A\$3,910 per year to Medical and Dental Officers with rank of Commodore, Brigadier and Air Commodore; A\$1,898 per year for Rear Admiral, Maj.Gen., and Air Vice Marshal.

Submarine Duty Pay: Single officers and enlisted men A\$2,250 (per year); Married officers A\$2,464 (per year).

Flight Pay:

Crew Member: Flying allowance paid to officer and enlisted aircrew; varies with rank and service function. Pilot officer-A\$1,779 per year; Enlisted aircrew-A\$1,500 per year.

Non-crew member: Flight duties allowance if performing in-flight duties other than parachuting. Payable at a rate of A\$1.10 per hour up to maximum of A\$2.60 per day.

Parachute Jumping: Rates for: Trainees - A\$6.45 per jump; Qualified - A\$354 per year; Personnel Instructors - A\$809 per year.

Demolition Duty Pay: No special allowance for engineer corpsmen handling regular explosive ordnance. Specialists handling "unpredictable" explosive ordnance paid A\$15 for each occurrence with maximum payment of A\$90 per month.

High or Low Pressure, Leper Care, Thermal Tests, etc.: None.

Diving Duty Pay: Ship's diver receives A\$11.25 per day with A\$450 maximum per year. Continuous rate for clearance diver is A\$767 per year, with on-occurrence rate of A\$2.10 per day. [Diving allowance is not payable to a Search and Rescue Diver (Navy) who is recipient of Flying Allowance.]

Other:

Field Allowance: For field training exercises - A\$2.70 per day/ A\$270 per year.

Hard Lying Allowance: To members below Commodore (and equivalent) aboard Defense Force vessel for at least 72 hours. Rate - A\$2.05 for each 24-hour period.

Hot Conditions Allowance: A\$1.10 per 24-hour period for working in exceptionally hot conditions in enclosed area that is artificially heated.

Confined Spaces Allowance: Rate - A\$1.70 per day for working in cramped position in wet, cold, offensive compartment.

D. Other Related Items

Certain Places Duty Pay: District Allowance for isolated districts in Australia/Antarctica varies by severity of climate, isolation, and cost of living. Daily rates for single/married, with/without provision of quarters, range from A\$0.34 to A\$6.14.

Sea Duty: Seagoing Allowance (per year) Single - A\$750, Married - A\$944.

Hostile Fire Pay: None.

Family Separation Allowance: Separation Allowance - A\$1.90 per

day after 14 days. Not paid to personnel receiving seagoing allowance or anyone in receipt of travelling allowance.

Commissary and Exchange: None.

Survivor Benefits: Widow receives 5/8 member's retirement pension and minor children each receive A\$312 per year, plus 1/6 of widow's entitlement.

Burial Costs (death gratuity): Active duty member - full costs at public expense.

Dislocation Allowance: Varies with number of moves, from A\$260 to A\$420 per move.

Disturbance Allowance: 1st or 2d moves - A\$260 each; 3d and 4th moves - A\$340 each; 5th and subsequent moves - A\$420 each.

Overseas Station Allowance: Difficult post allowance is paid in attempt to maintain the member's same financial position as in Australia.

Separation Allowance (severance pay):

Nondisability/readjustment pay: Furlough entitlement for each year of service - 3/10 month's salary plus service allowance. 10-year service, 3 months' salary plus service allowance. Members with over 10 years service but less than 20 years entitled to full refund of retirement contribution.

Disability Pay: See Retirement/Disability pay (above).

Clothing Allowance: Free issue upon entry. Thereafter, per year: Officers - A\$210 non-taxable; Senior NCOs - A\$155 non-taxable; Others - A\$130 non-taxable.

Educational Assistance: Full pay and reimbursement of 100% of tuition fees of member engaged full- or part-time in course(s) deemed beneficial to service.

Unemployment Compensation: None.

Trailer: See dislocation allowance (above).

Miscellaneous:

Mortgage Insurance Premiums: None.

Self-propelled Submersible Duty Pay: See Diving (above).

Carrier Flight Deck Duty Pay: None.

Glider Duty Pay: None.

Experimental Stress Duty Pay: None.

Special Continuation Pay for Nuclear Qualified Officers: None.

Special Pay for Officers Holding Positions of Unusual Responsibility: None.

Military Compensation Systems -- Canada

I. Overview

The Canadian Basic Pay System is based on a salary scale linked to that of the Canadian Public Service Employees and organized around an incentive schedule. Each year of service in grade brings an increase to the basic pay level. This is true for officers up to the rank of colonel. General officers have a minimum and maximum annual range, rather than within grade incentive steps.

The Basic Pay of the Canadian Armed Forces was increased by 6.4 percent for the period October 1979 to April 1980 and by 5.4 percent from April 1980 to March 1981. Another increase is expected on 1 April 1981.

The volunteer forces have a contributory retirement system; personnel contribute 7.5 percent of basic pay. All branches of service are on the same benefit and allowance schedule. Additional pay is provided for the performance of exceptional or special duties; allowances include paratroop allowance, aircrew allowance, air duty allowance, diving allowance, submarine allowance, exceptional hazard allowance, and isolation allowance.

Reserve officers and enlisted men are reimbursed according to three classes: Class A, a special service group, used for ceremonial duties and paid per occasion; Class B, temporary, continuous service reserves, paid on a per diem basis; and Class C, continuous reserve service, following the same pay schedule as the regular armed forces.

All pay is taxable income, with the exception of travel, separation, and movement grants.

II. Chart Details

A. Military Compensation

Compensation base: Basic pay (see below) + allowances

Officers (2d Lt - General): C\$12,840 - C\$72,400

Enlisted men (Private to Chief Warrant Officer): C\$7,296 - C\$27,444

O-4: C\$30,720 - C\$34,500

E-5: C\$17,160 - C\$20,568

Quarters allowance: included in salary

Subsistence allowance: included in salary

Tax advantage: none, except travel, separation, and movement grants are not taxable

Annual leave: up to 4 years of service: 20 days/year; 4 years of service and more: 25 days/year (not including week-ends and holidays)

Holidays: Regular statutory government and provincial holidays, ca. 12/year

"X" Factor: None

Other: Travel, separation, and movement grants, which are not taxable

Reserve forces: Three classes of reserves: Class A, special service group, ceremonial duties, paid per occasion; Class B, temporary, continuous service, paid per diem; Class C, continuous reserve service, same pay schedule as active-duty personnel

Class A and B Schedule:

For less than 6 hours of service - Officers, C\$13.50/hr - C\$52.50/hr
 Enlisted men, C\$10.50/hr - C\$23.25/hr
 O-4, C\$30.25/hr
 E-5, C\$14.50/hr

For more than 6 hours of service - Officers, C\$30/hr - C\$121.50/hr
 Enlisted men, C\$22/hr - C\$49.75/hr
 O-4, C\$68.25/hr
 E-5, C\$33.50/hr

See note at end of report for additional information on reserves.

B. Supplemental Benefits

Medical care (active): full medical and dental care provided free of charge

Medical absence: authorized as needed

Medical care (dependents): covered by Provincial Health Insurance Plans; government shares the cost with the military service

Medical care (retired): regular retirees receive no medical care, must switch to regular health plans at own cost; disabled retirees receive a medical annuity on a rate dependent on the circumstances of the disability

Health insurance: Optional Group Surgical Medical Insurance Plan or Provisional Government Insurance Plan; contributory

Life Insurance: SISIP (Serviceman's Income Security Insurance Plan), SDB (Supplemental Death Benefits), both run by private firms; contributory*

Social Security: CPP (Canadian Pension Plan); contributory - 1.8 percent of base pay

Retirement: Contributory - 7.5 percent of base pay; SRBA (Supplementary Retirement Benefits Act); PA (Pension Act), both run by private firms

C. Special and Premium Pays

Bonus: none

Enlistment bonus: none

Re-enlistment bonus: none

Proficiency: none

Aviation Career Incentive: Pilots have a separate pay schedule - Officers, C\$13,800 (2d Lt)/yr - C\$38,520 (Lt Col)/yr; O-4, C\$33,300/yr - C\$36,120/yr. Navigators also have a separate rate: Captain, C\$28,980/yr - C\$31,200/yr

Nuclear (Navy): none

Health Professions: Medical and dental officers have separate pay schedules. Medical (2d Lt - Maj Gen): C\$8,940/yr - C\$58,500/yr; O-4, C\$40,860/yr - C\$46,680/yr. Dental (2d Lt - Brig Gen): C\$8,940/yr - C\$51,300/yr; O-4, C\$37,200/yr - C\$41,100/yr

Submarine duty pay: (Effective October 1976) For ranks below Sergeant - operational rate C\$250/month or C\$300/month depending on length of service; training rate C\$165/month or C\$215/month depending on length of service. For Sergeant and above - operational rate C\$320/month or C\$370/month depending on length of service; training rate C\$165/month or C\$215/month depending on length of service. Casual submarine duty pay provided for occasional service at the rate of C\$7.50/day up to a maximum of the monthly amount that would be paid for continuous submarine duty.

*SDB premiums are deducted at the rate of C\$0.05/C\$250 of benefits.

[DOI: 1978]

Flying:

Aircrew allowance: (Effective December 1974) C\$100/month; not paid if the individual is entitled to paratroop, rescue specialist, casual aircrew, air duty, or casual air duty allowances. Casual aircrew allowance (effective October 1976) - C\$9/day up to C\$100 max.; not paid if individual entitled to other allowances such as rescue specialist, aircrew, air duty, casual air duty

Air duty allowance: (Effective October 1974) C\$65/month; not paid if individual entitled to other related allowances. Casual air duty allowance (effective October 1976) - C\$6/day up to C\$65/month max.; not paid if individual entitled to other related allowances

Parachute jumping (paratroop) allowance: (Effective October 1976) C\$75/month; not paid if also receiving rescue specialist, aircrew, or air duty allowance. Casual paratroop allowance (effective October 1976) C\$20/jump up to C\$75/month maximum.

Demolition: exceptional hazard allowance of C\$100 for the disposal of an explosive device; C\$50 for the disposal of chemicals (effective October 1976)

Hypobaric Chamber allowance (effective October 1978): C\$5/day

Diving allowance (effective October 1978): C\$200/month for a clearance diving officer; C\$55/month - C\$75/month for a ship's diver, depending on the number of years of service; C\$55/month - C\$75/month for a shallow water diver, depending on the number of years of service. In addition, C\$12/day for dives below 200 feet in submersible, up to a maximum of C\$60/month; experimental saturation dive, increments of C\$15/day - C\$35/day, depending on the depth of the dives. Casual diving allowance of C\$12/day for clearance diving, C\$8/day for ship's or shallow water diving, up to maximum amount of regular diving allowance (effective October 1978)

Other:

Rescue Specialist Allowance (effective October 1976): C\$150/month, unless receiving paratroop, casual paratroop, aircrew, casual aircrew, air duty, or casual air duty allowance

Field Operations Allowance (effective October 1978): C\$6/day, if not receiving foreign duty allowance

Survey Allowance (effective June 1977): C\$6/day, unless getting isolation allowance

Isolation Allowance (effective August 1974):

For unaccompanied personnel: Environment allowance, varying by class of post, C\$49/month - C\$175/month; in addition, living cost differential of C\$43/month - C\$246/month if government food not available or C\$25/month - C\$144/month if government food provided, plus C\$6/month - C\$156/month if government fuel and utilities not available.

For accompanied personnel: Environment allowance, varying by class of post, C\$81/month - C\$292/month; in addition, living cost differential of C\$72/month - C\$411/month if government food not available and C\$10/month - C\$260/month if government fuel and utilities not available

Legal Officers: special pay schedule (Capt - Brig Gen) - C\$16,500/yr - C\$59,100/yr; O-4 - C\$28,000/yr - C\$37,500/yr

D. Other Related Items

Certain Places Pay: see Foreign duty allowance (below)

Sea Duty (effective October 1976, applies to ships other than submarines):
C\$120/month or C\$170/month if over 10 years of sea duty. Casual sea duty allowance of C\$6/day up to maximum monthly rate

Hostile Fire Pay: none

Family separation allowance: varies as to whether government quarters and subsistence provided; see Survey and Isolation Allowances (above)

Commissary and Exchange: Canex; self-supporting, no local taxes

Survivor Benefits: Supplementary Death Benefit Plan provides to designated beneficiary a tax-free lump sum payment based on annual pensionable pay*

Burial Costs: Lump sum ca. C\$1,000

Dislocation Allowance: variable

Overseas Station Allowance (foreign duty allowance): effective June 1978, varies by foreign duty rating level and length of service: C\$50/month - C\$150/month for first 6 months of foreign duty; C\$100/month - C\$200/month for next 6 months of foreign duty; C\$150/month - C\$250/month after 12 months of foreign duty

Separation (severance) pay: at departure, the individual has the option of taking "rehabilitation pay" at a rate of 7 days of pay for each year of service or a cash payment allocated on a daily scale, depending on salary rate

Clothing Allowance: minimal necessity, adjusted for inflation

Educational Assistance: some limited tuition support while in the service

Unemployment Compensation: UIP (Unemployment Insurance Plan), privately run, contributory, with some government contribution

Trailer: all moving expenses paid in full

Miscellaneous:

Mortgage Insurance Premiums: na

Self-propelled submersible duty pay: na, see diving allowances (above)

Carrier flight deck duty pay: na

Glider duty pay: na

Experimental stress duty pay: up to C\$25/day if subject to tests, experimental or stress conditions; C\$5/day + up to C\$20/test for extreme stress conditions

Special continuation pay for nuclear qualified officers: na

Special pay for officers holding positions of unusual responsibility: na

A Note On Canadian Reserve Forces

The Class A Reserve Service rate of pay for periods of duty of less than 6 hours is essentially compensation for unit drill nights; the rate for periods of duty of 6 hours or more is essentially a daily rate of pay for unit week-end training. This same daily rate is provided for the period the reservist serves on Class B Reserve Service. Pay for Class A and B Reserve Service is less than Regular Force pay compared on a daily basis (1/30th of the monthly pay), except for the rank of private, where reserve pay is somewhat higher. This higher rate of pay for privates has been widely recognized as a contributing factor in the stabilization of Reserve Force strengths at desired levels.

Class A reserve pay is similar to drill pay in the US, but differs in several respects: there are no longevity increments, although one increment is provided at 1 year in rank for privates and corporals; it is not linked to active force pay; a one-time bonus (C\$300 lump sum payment) is provided on achieving the qualifications required for the rank of sergeant or captain and completion of 3 years of service in the Reserves; and the officer pay tables differ according to general service or specialist officer pay categories.

*and allowances; similar provisions under other plans to which servicemen may contribute; benefits vary with pay grade and years of service.

Members of the Canadian Reserve are entitled to the various daily environmental allowances authorized for the active forces at the daily rate. Canadian Reserve pilots and navigators are treated somewhat differently. In addition to the General Service Officer Rates of Pay, they receive the Casual Air Crew Allowance and C\$175 (pilot) and C\$50 (navigator) in proficiency bonuses at the end of each quarter in which they maintain proficiency.

When a member of the Canadian Reserve suffers an injury, disease, or illness attributable to Reserve Force duty, he is covered by a disability compensation package providing for medical expenses and continuation of military pay until he is capable of resuming duty in the Reserves or resuming or obtaining civilian occupation, or is released on medical grounds, whichever occurs earlier. If disability continues following release from the reserves, he may receive a tax-free disability pension under the provisions of the Pension Act if his disability is attributable to military service.

There is no special Canadian Reserve Forces pension plan. A military pension plan exists only for the Regular Force. Members of the reserves who were formerly members of the Regular Force may receive a pension by virtue of their Regular Force service. Members of the Canadian Reserves who later join the Regular Force may elect to have their Reserve Service count toward their Regular Force pension. [DOI: 1978]

Military Compensation Systems -- France

I. Overview

Regular active-duty French military personnel are paid a salary (base pay) on a monthly basis. The salary depends on rank, years in grade, and years in service. Within-in grade steps established for each rank bring pay increments; the number of steps within a grade varies. Base pay is automatically adjusted for inflation (generally on a quarterly basis).

The military salary is supplemented by a family pay supplement, which varies according to the number of children, and by an allowance for military charges (expenses), which is provided to bachelors and heads of family with a varied rate depending on the number of children. A residence allowance is also extended to all personnel residing in France, the Federal Republic of Germany, the French sector of Berlin and overseas departments. Those stationed overseas receive a foreign station allowance instead of or in addition to the residence allowance. Special additional allowances are also provided to those serving in West Germany or Berlin.

Special allowances are designed to reimburse an individual for certain expenses, to compensate him for the performance of special functions or skills, or to provide an incentive for enlistment/reenlistment.

There is a special class of French military personnel falling into the E-1 to E-5 range which is paid at a special progressive rate or in a lump sum. No information is available concerning who falls into this special category. They receive a special base pay enhanced by the family pay supplement and residence or foreign station allowances as appropriate. They do not receive an allowance for military charges because they receive the full support of the state with food and lodging allowances in cash or kind. All of their allowances are prorated in accordance with the special salary rate. This special salary scale is not automatically adjusted for inflation, but only by special governmental decree. Its rates appear to be lower.

French military pay is taxable, and military personnel contribute 6 percent of base pay to the retirement system. They also contribute to the French social security system, which provides health, old-age, and death benefits.

II. Chart Details

A. Military Compensation

Compensation base (basic pay): yearly rates effective 1 March 1980

- Officers: ff52,224 (2d Lt and equivalent) - ff127,413 (Col and equivalent; general officer pay rates not published by tradition). O-4: ff81,953 - ff93,751 (3 steps based on time in grade).
- Enlisted men: ff28,629(E-1) - ff67,954 (E-9, maximum step) or ff72,830 (W-1, maximum step). E-5: ff39,482 - ff46,718 (8 steps based on time in grade).
- E-1 to E-3 personnel paid at special progressive salary rate: rate varies according to number of years of service, with increases after 3, 5, 7, and 10 years of service; range from ff14,072 - ff 35,611.
- E-1 to E-5 personnel paid at lump sum salary rate: rate varies only by rank from ff10,789 to ff 25,434.

Basic quarters allowance/basic subsistence allowance:

Family pay supplement: This is a basic pay component added on to base pay for heads of family. It varies by grade and within-grade step and by the number of children. Monthly rates effective 1 March 1980: ff15 (all ranks, 1 child) - ff711 (top grades, 3 children), increments ranging from ff319 to ff509 for each child after the third. O-4: ff15 - ff606, with increments ranging from ff319 to ff430 for each child after the third. E-5: ff15 - ff459, with an increment of ff319 for each child after the third.

Family pay supplement for those paid at special progressive rate: varies with grade, years of service (base, 3 yrs, 5 yrs, 7 yrs, and 10 yrs), and number of children (as above); range of ff15 to ff458 for 1 to 3 children, increment of ff319 for each child after the third.

Allowance for military charges: This is a basic pay component added on to base pay for bachelors and heads of family alike. It is set to vary on the one hand according to rank and on the other according to marital status and number of children. Monthly rates effective 1 January 1980:

- Bachelors not in free housing: ff195 - ff588
- Bachelors in free housing: ff129 - ff415
- Heads of family with less than 3 children in free housing: ff218 - ff632
- Heads of family with less than 3 children not in free housing: ff374 - ff1003
- Heads of family with 3 or more children in free housing: ff309 - ff814
- Heads of family with 3 or more children not in free housing: ff544 - ff1388

Deductions for the military provident fund are made from the above payments except for personnel receiving flight pay.

Monthly rates of the allowance for military charges for those receiving flight pay:

- Bachelors in free housing: ff135 - ff433
- Bachelors not in free housing: ff201 - ff606
- Heads of family with less than 3 children in free housing: ff230 - ff663
- Heads of family with less than 3 children not in free housing: ff385 - ff1034
- Heads of family with 3 or more children in free housing: ff326 - ff857
- Heads of family with 3 or more children not in free housing: ff560 - ff1431.

Special Allowance for military charges: paid to heads of family in certain units stationed in places where living conditions are deemed exceptionally difficult (list established by law); monthly rates effective 1 January 1980:

- Childless or up to 3 children, no free housing: ff605 - ff1622
- Childless or up to 3 children, free housing: ff312 - ff1029
- 3 or more children, no free housing: ff881 - ff2252
- 3 or more children, free housing: ff439 - ff1331

Deductions for the military provident fund are made from the above payments except for personnel receiving flight pay.

Monthly rates of the special allowance for military charges for those receiving flight pay:

- Childless or up to 3 children, no free housing: ff617 - ff1653
- Childless or up to 3 children, free housing: ff324 - ff1060
- 3 or more children, no free housing: ff897 - ff2295
- 3 or more children, free housing: ff456 - ff1374

Increase in allowance for military charges designed to serve as housing assistance for heads of family:

Monthly rates effective 1 January 1980:

- Those receiving standard allowance for military charges:
 - no children: ff154 - ff413
 - 1-2 children: ff231 - ff413
 - 3 or more children: ff336 - ff572
- Those receiving the special allowance for military charges:
 - no children: ff215 - ff661
 - 1-2 children: ff323 - ff661
 - 3 or more children: ff472 - ff918

Residence Allowance: paid to all serving in France, the FRG, French sector of Berlin and overseas departments; rates vary according to rank and pre-established zones. Monthly rates effective 1 March 1980: ff147 - ff743; O-4: ff147 - ff478; E-5: ff147 - ff269.

Those paid at the special progressive rate and residing in the above areas receive a separate residence allowance, which varies by zone and number of years of service (base, 3, 5, 7, or 10 yrs): bachelors: ff47 - ff208/month; heads of family: ff147 - ff260/month.

Tax Advantage: none; military base pay and special pay (e.g., submarine, flight, sea duty pay) are fully taxable; some allowances may be tax-free.

Annual leave: Conscripts: 16 days/year (not including Sundays and holidays);

Regular personnel: 45 days/year (including week-ends, but not holidays)

Holidays: official government holidays: approx. 12/year

"X-Factor": none

Other: Conscripts get 1 free trip home by rail per month and a 75 percent rebate on other railway fares. Regular non-officer personnel may also benefit from the rebate.

Reserve Forces: paid on pro-rated basis at established rates for base pay and appropriate allowances

B. Supplemental Benefits

Medical care (active): Full medical care provided free of charge.

Medical absence: authorized as needed. Those placed on long-term disability or illness leave and those above the rank of 1st lieutenant placed on leave for reasons of health receive half-pay. First and second lieutenants and NCOs placed on leave for reasons of health receive 60 percent of regular pay. All personnel also receive prorated allowances to which they are entitled (e.g., family pay supplement, residence allowance).

Medical care (dependents): Medical care is provided free of charge to the families of regular non-conscript personnel except for general officers, reserve officers, and retired personnel.

Medical care (retired): Retirees are covered, but their families are not.

Health insurance: Military personnel contribute to the social security system, which provides coverage for illness, long-term term illness or disability, maternity, and death. The system also offers coverage for illness to retirees and widows of servicemen.

Life Insurance: Military personnel not receiving flight pay contribute to a military provident (insurance) fund, which makes a payment to the survivors of a serviceman who dies in the line of duty. Deductions are made from the allowance for military charges (approx. 3%). Those on flight pay contribute to a separate military insurance fund (approx. 4%); it makes a payment to survivors if the individual dies in the line of duty. The social security system to which all servicemen (including retirees) contribute also pays death benefits.

Social security: Military personnel contribute a percentage of base pay to the social security system. Monthly withholding based on pay scale ranges from ff113 to ff504; O-4: ff157 - ff324; E-5: ff155 - ff185.

The above rates apply to those serving in France, North Africa, the Federal Republic of Germany, the French sector of Berlin, and overseas departments. A separate withholding table applies to those serving in overseas territories and states; their monthly payments range from ff24 to ff50; O-4: ff33 - ff50; E-5: ff33 - ff39. According to a 1968 army manual, social security withholdings amount to about 2.5 percent of base pay, not including family pay supplement, allowance for military charges, or residence allowance, up to a ceiling set by law. The government also contributes on behalf of servicemen.

The social security system provides coverage for illness, long-term illness or disability, maternity, and death for active-duty personnel. Illness is covered for retirees and widows of servicemen.

Retirement: French military personnel contribute 6 percent of base pay (not including allowances) to their retirement system. Retirement pay is based on the level, length, and nature of service performed. In general, servicemen accrue so-called "liquid annuities" for years of service and other factors. These are reimbursed at the rate of 2 percent of base pay up to a maximum of 37 1/2 annuities (which would entitle the individual to 75 percent of base pay). The base pay rate used is the highest pay held by the individual for at least 6 months at the time of retirement. Pensions are higher for those who have raised at least 3 children.

The French Code of Civil and Military Retirement Pensions stipulates that the right to a retirement pension is earned by all military personnel who have completed at least 15 years of service (a part of which may be in the civil service). Nonofficers have the right to immediate receipt of benefits. Benefits for officers, however, are deferred until they attain the mandatory retirement age or complete 25 years of service or unless they are retired on disability.

Disability retirement pay amounts to 80 percent of base pay if the disability is duty-related.

Surviving spouses receive the pension payment of retired servicemen.

Other: opportunities for public service employment after completion of military service, particularly for officers.

C. Special and Premium Pays

Bonus: See enlistment and reenlistment bonuses

Enlistment/reenlistment bonuses:

- To encourage enlistment and reenlistment, those enlisting for a period of at least 3 yrs are paid at a higher rate for base pay;
- 5-yr contract bonus: lump sum of ff6,000, to be paid in 13th month of service in three installments or at end of contract;

- 10-yr contract bonus: lump sum of ff15,000;
- Continuation bonus for NCOs with 10 years of service: payments equal to 5 percent of base pay; actual monthly payments range from ff128 to ff313.
- Continuation bonus for certain technicians specified by the Ministry of Defense with 15 years of service: payments equal to 10 percent of base pay for continuation in service; this 10 percent bonus is paid in addition to other bonuses, such as the 5 percent continuation bonus for NCOs after 10 years in service.
- Qualification premium for NCOs with at least 15 yrs of service and holding certain diplomas or skills; monthly bonus payments ranging from ff345 - ff540

Proficiency:

- Qualification premium for NCOs with at least 15 yrs of service who hold certain diplomas or skills: monthly bonus of ff345 - ff540.
- Qualification premium for officers and non-officers holding certain diplomas or combat status defined by law: monthly payments ranging from ff459 to ff733; O-4: ff683.
- Qualification premium fixed as a percentage of base pay for certain officer categories (mostly higher-ranking): monthly payments of ff1161 to ff2124
- Qualification premium fixed as a percentage of base pay for certain officer categories (lower-ranking): monthly payments of ff459 to ff733.

Aviation Career Incentive Pay: See Flight pay (below)

Nuclear (navy-submarine): 50% basic pay increase (monthly) *

Health Professions: Special premiums and qualification premiums for medical professions (doctors, pharmacists, veterinarians); yearly rates effective 1 January 1980: Special premium, ff9796 to ff16,322; 1st level qualification premium: ff21,319; 2d level qualification premium: ff32,666. [Monthly rates: special premium, ff816 - ff1360; 1st level qualification, ff1,777; 2d level qualification, ff2722]

Submarine duty pay: 50 percent basic pay increase (monthly)

Flight pay: Monthly net (after deduction for insurance) rates effective 1 March 1980. Officers: ff 1032 - ff 2787 (varies according to pay grade. O-4: ff2787. Enlisted personnel: ff771 - ff2114 (varies by pay grade and years of service). E-5: ff771 - ff2114. Servicemen paid at the special progressive rates (E-1 to E-3) and conscripts receive ff324 - ff1354, depending on the pay grade and length of service. Flight pay roughly equivalent to 50% basic pay bonus.

Parachute Jumping: There is an Aeronautical Service Allowance (Paratroop) [nfi]

Demolition: Not known

High or Low Pressure, Leper Care, Thermal Tests, Certain Other Duties:
Not known

Diving Duty: additional pay per dive, approx. ff25/dive

Other: Allowance for special police officials: monthly rates effective 1 March 1980: Officers - ff1054 - ff1593; Enlisted - ff737 - ff1379.

D. Other Related Items

Certain Places Duty: See Special Allowance for Military Charges (above), Residence Allowance (above), and Overseas Station Allowance (below).

Also:

Foreign Station Allowance for those serving in the Federal Republic of Germany except Berlin: 10 to 18% increase, with monthly payments ranging from ff284 to ff1911. O-4: ff330 - ff1229. E-5: ff329 - ff701.

* + additional pay for each day of patrol.

APPENDIX I

Expatriation Allowance for those serving in the French sector of Berlin:

20% increase, with monthly payments ranging from ff477 to ff2124.

O-4: ff661 - ff1366. E-5: ff653 - ff768.

Sea Duty: approx. 20 percent monthly increase in base pay

Hostile Fire Pay: Not known

Family Separation Allowance: All of the services have an allowance which compensates a servicemen for time spent away from his post or residence. The French Army was the last service to establish such an allowance; in June 1975 its Field Duty Allowance went into effect. It applies to all absences of more than 36 hrs on a unit mission; it is only paid to those in units on a list established by the Ministry of Defense or deployed with such units. It is not paid in addition to Flight pay, mission pay, or temporary duty allowances, and it is fully taxable. The rates of the allowance depend on the level of responsibility and family situation of the individual and express a percentage of base pay. Daily rates effective in June 1975: For a head of family: ff24 - ff60; for a single serviceman: ff12 - ff30. See also Sea Duty (above).

Commissary and Exchange: Yes, limited facilities, savings not substantial.

Survivor Benefits: Death gratuity paid by social security, illness coverage by social security, military insurance fund payment in the case of a service-related death, entitlement to spouse's retirement payment.

Burial Costs (death gratuity): social security payment

Dislocation Allowance: Heads of family are entitled to allowances paid on top of Allowance for Military Charges in order to compensate them for moves when reassigned.

Lump Sum Complement to Allowance for Military Charges: Rates effective 1 January 1980; vary according to pay grade, number of children, whether free housing is provided, and length of time since last move.

- If housing is not provided:

- 0 - 3 children: ff3082 - ff5169 (less than 14 months since last move); ff2696 - ff4135 (14 to 26 months since last move); ff2311 - ff3101 (26 to 36 months since last move).

- 3 or more children: ff4483 - ff7157 (less than 14 months since last move); ff3923 - ff5725 (14 to 26 months since last move); ff3362 - ff4294 (26 to 36 months since last move).

- If housing is provided:

- 0 - 3 children: ff1838 - ff3315 (less than 14 months since last move); ff1609 - ff2652 (14 to 26 months since last move); ff1379 - ff1989 (26 to 36 months since last move).

- 3 or more children: ff2604 - ff4286 (less than 14 months since last move); ff2279 - ff3428 (14 to 26 months since last move); ff1953 - ff2571 (26 to 36 months since last move).

The above rates apply to those receiving the normal Allowance for Military Charges. Those receiving the Special Allowance for Military Charges are entitled to the following payments:

- If housing is not provided:

- 0 - 3 children: ff4308 - ff8264 (less than 14 months since last move); ff3770 - ff6611 (14 to 26 months since last move); ff3231 - ff4958 (26 to 36 months since last move).

- 3 or more children: ff6295 - ff11,474 (less than 14 months since last move); ff5508 - ff9179 (14 to 26 months since last move); ff4721 - ff6884 (26 to 36 months since last move).

- If housing is provided:
 - 0 - 3 children: ff2592 - ff5298 (less than 14 months); ff2268 - ff4238 (14-26 months); ff1944 - ff3179 (26-36 months).
 - 3 or more children: ff3648 - ff6005 (less than 14 months); ff3192 - ff4804 (14-26 months); ff2736 - ff3603 (26-36 months).

Lump Sum Supplement to Allowance for Military Charges: Rates effective 1 January 1980. This is the standard payment to heads of household to compensate them for moving on assignment. It is not paid on top of the lump sum complement for moves more frequent than 36 months. This allowance varies by pay grade, number of children, and whether free housing is provided.

- If housing is not provided:
 - 0 - 3 children: ff2311 - ff3101
 - 3 or more children: ff3362 - ff4294
- If housing is provided:
 - 0 - 3 children: ff1379 - ff1989
 - 3 or more children: ff1953 - ff2571

Those entitled to the Special Allowance for Military Charges receive the following Lump Sum Supplement Payments:

- If housing is not provided:
 - 0 - 3 children: ff3231 - ff4958
 - 3 or more children: ff4721 - ff6884
- If housing is provided:
 - 0 - 3 children: ff1944 - ff3179
 - 3 or more children: ff2736 - ff4122.

Overseas Station Allowance: See Special Allowance for Military Charges (above), Residence Allowance (above). Also:

Special Allowance for Service in North Africa: 33% to 33% + 17% increase, effective 1 March 1980: monthly payments ranging from ff787 to ff5309, depending on pay grade. O-4: ff1090 - ff3415; E-5: ff1078 - ff1920. [Those paid at special progressive rate receive a monthly special allowance for service in North Africa of ff387 - ff1484, depending on pay grade.]

Residential Cost of Living Allowance for Service in North Africa: increase of 3%, monthly rates effective 1 March 1980: ff72 - ff319; O-4: ff99 - ff205; E-5: ff98 - ff115. [Those paid at the special progressive salary rate receive a residential cost of living allowance for service in North Africa of ff 35 - ff89 for bachelors and ff84 to ff111 for heads of household.]

Allowance for those serving in Overseas Departments: 25% increase effective 1 March 1980; monthly payments from ff596 to ff2654; O-4: ff926 - ff1707; E-5: ff823 - ff973. [Those paid at the special progressive salary rate receive an allowance for serving in overseas departments that amounts to a 15% increase, with monthly payments ranging from ff176 to ff445.]

Risk Allowance for Gendarmerie Personnel Serving in Algeria: monthly rates effective 1 March 1980: ff334 - ff956; O-4: ff877; E-5: ff461.

Severance Pay: Not known

Clothing Allowance: Servicemen receive a stipend for initial outfitting (ff290 in 1968) and an allowance for change of uniform if they change service.

Educational Assistance: At least 4 years of service entitles a serviceman to professional training at the end of his contract, including refresher courses, continuation of studies interrupted by military service, and programs designed to convert skills learned in the service

to assets in civilian life. All servicemen also have the right to transfer certificates for service-learned skills to civilian equivalents.

Unemployment Compensation: Not known

Trailer: Moving expenses paid in full. See also Dislocation Allowance.

Miscellaneous:

Mortgage Insurance Premiums: Not known

Self-propelled Submersible Duty Pay: Not known. See Diving Duty (above)

Carrier Flight Deck Duty Pay: None

Glider Duty Pay: Not known

Experimental Stress Duty Pay: Not known

Special Continuation Pay for Nuclear Qualified Officers: Not known

Special Pay for Officers Holding Positions of Unusual Responsibility:

There is an allowance based on the idea of responsibility(nfi)

Military Compensation Systems -- Federal Republic of Germany (FRG)

I. Overview

The West German Armed Forces are made up of four kinds of personnel: career, long-term volunteers, draftees and reservists. Career soldiers serve until they reach the age of 52 or 53 in the case of NCOs and until 60 in the case of officers. Long-term volunteers can serve to the age of 40. These two groups have the same pay scale as that of Civil Service employees. This pay consists of a basic pay and duty station allowance, both of which are taxable, as well as a tax-free children's allowance. This is paid to all heads of household by the government, so it is not a unique Civil Service or military feature. Draftees and reservists on active duty receive a lower draftee/reserve pay at daily rates. This payment is tax free. Rations and quarters are provided, and a dependents' support allowance is paid (a percentage of the draftee's or reservist's average net civilian pay for the last 12 months before being called to active duty, adjusted based on the number of dependents).

For career, long-term personnel, the duty station allowance varies by pay class or pay group (grade) and marital status and number of dependents. Those career and long-term volunteers who live in barracks (generally all up to O-3 or age 25 when space is available) receive a lower duty station allowance.

In addition, there are extra performance allowances to compensate those who must perform arduous duties. These allowances are analogous to US forces special and incentive pay. They are either tax exempt or taxable depending on their type.

There are also family separation allowances, paid when a serviceman is on field duty, shipboard duty, or temporary duty; dislocation allowances, to compensate for moving; foreign country station allowances comprising a cost-of-living differential and a foreign country housing allowance; and clothing allowances.

Career and long-term volunteers have a noncontributory retirement plan. Long-term volunteers are given preferential treatment for Civil Service positions after their discharge from active duty.

The German military makes an effort to maintain a prescribed balance among the various types of soldiers. According to information published by the Ministry of Defense in 1976, the armed forces were composed of 51.5 percent conscripts, 38.1 percent long-term volunteers, and 10.4 percent regulars (career). In 1978, the armed forces were composed of approximately 48 percent conscripts, 39 percent long-term volunteers, and 12 percent career personnel.

II. Chart Details

A. Military Compensation

Compensation Base: Basic pay + allowances.

Rates effective 1 March 1980: Officers, DM1452 - DM5332 (Col) or approx. DM9400 (full General); Enlisted men, DM889 - DM2529; O-4, DM2285 - DM3628; E-5: DM1084 - DM1453.

Monthly pay for conscripts (drafted for 15 months): basic pay of

approx. DM150/month and some allowances (such as support for dependents) if needed. Conscripts are provided with equipment and uniforms, housing and meals, and free medical services. Long-term volunteers are paid as draftees for the first 6 months of their service and upon completion of this time begin to receive pay according to their rank. Volunteers who enter the service at E-2 rank or higher are paid at that rank upon entry into the service.

Quarters Allowance: Payments depend on soldier's rank and family status. Payments range from DM509 to DM1340. O-4: DM608 - DM1227; E-5: DM509 - DM1123. The payments at the upper end of the scale are based on the assumption that the soldier has six children living with him. If there are more children living with him, he is paid DM103 for each additional child.

Subsistence Allowance: None. All military personnel up to the age of 25 and the rank of captain are obliged to live in barracks, if available. Those career soldiers and long-term volunteers who live in barracks receive a lower rate of Quarters Allowance (about 75 percent of the amount usually due them). Career soldiers and long-term volunteers are not provided meals but must pay for them at the rate of DM4.50/day, or DM1.30 for breakfast, DM1.30 for lunch, and DM1.40 for dinner.

Tax Advantage: None, except that extra performance compensation is tax exempt.

Annual Leave: Varies according to age and rank with a range of between 21 and 26 days. Saturdays are regarded as work days. A sergeant could receive between 21 and 26 days; a major, between 26 and 31 days. At Easter and Christmas five and six calendar days of leave are granted respectively.

Holidays: 12 or 13 days depending on section of West Germany.

"X" Factor: None.

Other:

Family Allowance: For each dependent child the soldier receives a child support payment. This payment is granted not only to military personnel but to all West German citizens regardless of their income. The payment is not taxable. DM50 paid for the first child, DM70 for the second, and DM120 for each subsequent child.

Special Christmas pay of one month's full pay and a summer vacation payment of DM150 to be paid in July (+ a small payment for each child). Conscripts receive a payment of DM215 in December.

Reserve Forces: Paid on a per diem basis according to rank, with a daily rate ranging from DM5.50 to DM19 (1977 figures). This pay is not taxable. Any income loss that the reservist incurs while on reserve duty is to be compensated for by the government at a rate of 90 percent for married men and 70 percent for single men. If the reservist has a business, the government will pay for personnel or expenses needed to keep it in operation.

B. Supplemental Benefits

Medical Care (Active): Full medical and dental care provided free of charge.

Medical Absence: Authorized as needed.

Medical Care (Dependents): Member reimbursed 55 percent + 5 percent

for each child up to a maximum of 75 percent. An additional 15 percent is paid when family member is hospitalized, but in this case the maximum amount payable cannot exceed 85 percent. Soldiers can use either government health insurance or private insurance to cover their dependents. The dependents of draftees are covered during their term of service. The government is also obliged to pay the premiums on private health insurance policies the draftee may have during his service time.

Medical Care (Retired): Retirees are not entitled to military medical care. They may choose to use either the state health insurance, to which all German citizens are entitled, or a private health insurance plan.

Health Insurance: Provided to soldier at no cost. Dependents are treated as ordinary German citizens, except that their medical care can be reimbursed up to 85 percent by the government.

Life Insurance: Military and civilian government employees, including retirees, are eligible for a private life insurance plan at group rates. The member pays the full cost; e.g., a coverage of DM10,000 costs approximately DM50/month, but varies with the age of the member at the time he applies for insurance.

Social Security: All German civilian workers and most of the federal Civil Service employees are protected by social security, retirement and disability coverages. Social security is not applicable to active duty military personnel; however, all personnel released from military service receive social security credit for their military service. The government pays for this coverage for the member. Active duty military members are protected by survivor benefits, retirement, and disability programs.

Retirement: Non-contributory system. Only career personnel retire. Long-term volunteers who have not acquired career status must leave the service by age 40. They are given compensation consisting of a tax-free separation bonus, educational advantages, and civil service job preference. Career personnel have a lifetime contract which includes full pension eligibility in the non-contributory retirement system. Entitlement to retirement with pension is based on length of service, age, and grade. The minimum length of service is 10 years; the minimum age is 53 for NCOs and captains, 55 for majors, 57 for lt cols, and 59 for cols. No early voluntary retirement is permitted. After meeting the minimum length of service and age requirements, an individual may voluntarily retire at any time. He is also subject to imposed retirement with one year of notice from authorities. Mandatory retirement occurs at the maximum age of 60 (may vary somewhat by rank). In addition, a career soldier may be retired with pension benefits if he is no longer capable of performing his duties; such disability retirement benefits are taxable.

Retirement pay is computed as a percentage of final basic pay and duty station allowance. Duty station allowance depends on the soldier's rank and number of dependents. The retirement multiplier after 10 yrs of service is .35 percent; this percentage increases by 2 percent for each year up through 25 and then by 1 percent for each year thereafter, up to a maximum of 75 percent of the retirement base. Retirement pay is increased by specific percentages for those who are placed in retirement after having passed the minimum eligibility age for their rank. The supplement is 5 percent in the first year of minimum eligibility; it decreases by 1 percent for each year thereafter. The chart below illustrates retirement computation rates.

Years of service	Normal Percentage	Increased Percentages at Age:				
		53	54	55	56	57
10	35	40	39	38	37	36
15	45	50	49	48	47	46
20	55	60	59	58	57	56
25	65	70	69	68	67	66
30	70	75	74	73	72	71
33	73	75	75	75	75	74
35	75	75	75	75	75	75

When active duty basic pay and duty station allowance are adjusted annually, the pension base computed from the active duty scales is adjusted by the same percentage. If a soldier is given a disability retirement, his disability pay is a straight 75 percent of basic pay of the last grade held, at the highest longevity step, and of the duty station allowance in effect at the time of retirement. Survivors of both active and retired military personnel receive a pension that varies with the length of service, grade and number of minor children. The widow receives a pension equal to 60 percent of her husband's retirement pay, with an additional 12 percent for each child.

C. Special and Premium Pays

Bonus: Christmas and summer vacation payments. See Military Compensation - Other (above).

Enlistment/Reenlistment Bonus: None.

Proficiency: None.

Aviation Career Incentive: A tax-free Flying Pay Supplement for pilots of jets, helicopters, propeller planes and air operations officers of DM360/month. Permanent air crew members receive DM288/month and air transport escort personnel, DM100/month (1976 figure). In addition, a taxable flight pay is paid to air personnel (See Flight Pay - below).

Nuclear (Navy): None

Health Professions: Doctors are paid the pay of one rank higher than their actual rank.

Special pay is received by soldiers working in the following areas:

- DM30/month for those working in psychiatric hospitals, in clinics where there are mentally ill patients, and for those who perform work therapy with mentally ill patients.
- DM67/month for those who are in contact with tubercular patients, those who work in geriatric wards, those who work in wards where patients are treated exclusively with radioactive materials, and those who work in wards where patients have multiple sclerosis and paralytic conditions.
- DM97/month for those who work in secured or semi-secured psychiatric hospitals, for those of the penal service who work in psychiatric hospitals or clinics, for those who permanently work in wards where "asocial" tubercular patients have been forcibly confined, and

for those of the penal service who work with tubercular patients or patients being treated with radioactive materials, and in wards where there are patients with multiple sclerosis and paralytic conditions.

Submarine Duty Pay: A monthly tax-exempt payment of DM240.

Flight Pay: Monthly payments of between DM100 and DM250, depending upon function. A pilot of a jet plane would receive DM250/month, while the pilot of a helicopter or turbo propeller plane would receive DM200/month. A permanent crew member could receive DM100/month. If the officer flies for 5 yrs or more, this flight pay continues for 5 additional yrs at the full rate after he stops flying and thus loses his aviation career incentive allowance (See above). After 5 non-flying years, the flight pay supplement drops to DM125 and continues at that rate for the remainder of the officer's career. It is also included in the pension base for the calculation of retired pay. This allowance is fully taxable.

Parachute Jumping: Tax-exempt allowance. All personnel who are in parachute training or who are permanently assigned to parachute duty are paid DM150/month. Qualified personnel not assigned to such duty still receive DM45/month.

Demolition: A taxable payment of DM30/day for the detection of explosive materials, and DM50/day for the defusing of explosive devices. A special payment of up to DM500 can be paid for defusing an explosive device if the circumstances of the operation were especially difficult. These payments can be made even if there was only the strong likelihood that an explosive device was in existence. Total payments of this nature may not exceed DM16,000/month. Those who are charged with testing, constructing, dismantling, or destroying ammunition receive a payment of DM5 for every operation lasting more than 6 hrs, and for each additional hour DM1, the total not to exceed DM10. Those who remove explosive devices from the two world wars can receive payments of up to DM780 for the actual defusing of the devices and DM550 for assisting in this defusing. Payments of this amount can only be given to those who are active in this work for at least 135 hrs in a calendar month. For every hour under this figure the payment is reduced by 1/135th.

High or Low Pressure, Leper Care, Thermal Tests, etc.: Tax-exempt payments of DM45/month for those involved in high altitude flight tests, and DM150/month for those involved in flight physiological training programs. No information about leper care duty or thermal tests.

Diving Duty: Taxable payments for general diving are paid by the hour and depend on the diving depth: up to 5 meters, DM14; more than 5 meters, DM18; more than 10 meters, DM22; and more than 15 meters, DM28. For depths greater than 20 meters, the pay is increased DM6 for every 5 meters. These payments can also be increased if the diving is done in waters with a current, in the open sea, or in waters with a temperature of less than 3° C. These increases range from 15 percent to 30 percent. Tax-exempt payments are made to combat divers. These payments amount to DM180/month during training and for those who are permanently assigned as combat divers. Qualified personnel not so assigned receive DM60/month.

Other:

- Tax-exempt payments for soldiers either being trained or assigned as alpine troop leaders. These payments amount to DM75/month. Qualified personnel not so assigned receive DM30/month.
- Tax-exempt payments of DM30/month for those working in the engine rooms of ships.
- Tax-exempt payments for soldiers assigned to integrated NATO staffs in West Germany. These payments depend on the soldier's rank and range from DM40 for sergeants and lower ranks to DM100 for general officers (monthly).
- Taxable payments from DM0.75 to DM1.25/hour for duty at odd hours. Watch duty and duty during exercises and some other duties are not regarded as overtime.
- Tax-exempt payments of DM54/month for draftees with more than 6 months service who have duty requiring them to work more than 56 hrs/wk.
- Taxable payments of DM90/month to career and long-term volunteers with more than 6 months service who have duty requiring them to work more than 56 hrs/wk.
- Taxable payments to soldiers who work on antennas. The payments depend on the height at which the work is done and range from DM3 to DM18/day.
- Taxable payments of DM120/month for instructors in close combat training.
- Taxable payments to test pilots, from DM200 to DM300/month.
- Taxable payments for soldiers working with electronic reconnaissance equipment, from DM110 to DM220/month.
- Taxable payments of DM200/month for military police who are assigned special police duties with the Border Police or the State Police.
- Taxable payments ranging from DM200 to DM320/month for soldiers assigned to flight control and radar control duties.
- Taxable payments ranging from DM30 to DM160/month for language skills. Payments vary according to skill level, language, and location. No payments for knowledge of English or French.
- Taxable payment of DM80/month for first sergeants.
- Payment of DM120/month for testers of equipment for airplanes.
- Taxable payment for those personnel assigned to the Ministry of Defense. This payment is equal to about 12 percent of the basic pay for the assigned individual's rank.

D. Other Related Items:

Certain Places Duty Pay: See Overseas Station Allowance (below).

Sea Duty: Tax-exempt payment of DM120/month.

Hostile Fire Pay: None. See Diving Duty (combat divers), above.

Family Separation Allowance: Soldiers who are separated from their place of residence by their duties and who could not be expected to return to their residence each day receive for the first 14 days of their separation amounts ranging from DM43 to DM64/day (1977 figures). This amount is determined by their rank. If the soldier receives lodging and meals at no cost for any reason, the payments are reduced. If the soldier is away from his place of residence for more two weeks, he can receive separation pay dependent on his family circumstances. A married soldier receives the travel expenses needed to visit his family for each month that he is separated from them.

Commissary and Exchange: None.

Survivor Benefits: Survivors of both active and retired military personnel receive a pension that varies with the length of service, grade, and number of minor children. The widow receives a pension equal to 60 percent of her husband's retirement pay, with an additional 12 percent for each child. The survivors of retired career soldiers receive a one-time payment equal to the last 2 months of military pay of the deceased. The heirs of either a long-term volunteer or a draftee who dies while on active duty receive the soldier's pay for the last month he was on duty. They also receive a payment for his death. The parents of a draftee, with whom he lived before his induction, receive a payment of DM3,000. If a long-term volunteer dies while receiving separation (transition pay), his heirs receive the remaining amount.

Burial Costs (Death Gratuity): Payments of up to DM1,200 for the funerals of adults and DM800 for the funeral of a child may be awarded.

Dislocation Allowance: The dislocation allowance is intended to reimburse a portion of the member's moving expenses not otherwise reimbursed. A member is entitled to dislocation allowances for himself, his wife, and his children. The rate depends on grade and family size. Should he have a required second move within a 5-year period, an extra 40 percent is added to the allowance. If the new duty station is in a foreign country, the member is entitled to a special dislocation allowance to cover the costs of additional furniture, appliances, etc. Dislocation allowance rates, varying by pay grade, range from DM550 to DM1,000 for the serviceman, from DM450 to DM700 for his spouse, with an allocation of DM200 for each child. [1976 figures]

Overseas Station Allowance: A foreign country cost of living differential is paid to enable the soldier to enjoy the same standard of living abroad as he would in West Germany, as well as to compensate him for the hardships incurred in living abroad. The current cost of living allowance for German servicemen stationed in the US varies by location. The formula is based on 60 percent of total "military equivalent salary" times the index for the particular location, e.g., Washington, D.C., 5 percent; New York, 10 percent; El Paso, none. A lieutenant colonel stationed in Washington, D.C., would receive DM208 monthly, but DM416 monthly if assigned to New York City, and nothing if assigned to El Paso, Texas. A service member is entitled to have two private vehicles shipped to his overseas station and returned. In addition, household effects within prescribed weight allowances by grade are authorized to be shipped to the overseas station and back to Germany. A foreign country housing allowance may also be paid. The government will subsidize the member by paying a portion of his rental costs. Eighteen percent of "military equivalent salary" is considered to be the minimum rent that the member should pay. The government will pay the difference between the member's 18 percent of "military equivalent salary" and 90 percent of the actual rental cost. However, if the landlord pays the utility costs, the government will reduce the allowance so calculated by 15 percent.

Separation Allowance (Severance Pay): Soldiers leaving the service after having served at least 1 month and up to 15 months receive separation pay of DM60 for every month served. This is given both to soldiers who have completed their military obligation and to those found unfit for military service but who are not guilty of any gross misconduct. Long-term volunteers who have served for more than 15 months are eligible for the following payments:

<u>Upon separation from military service with active duty time of:</u>	<u>Length of payments while in civilian schools after discharge (amounting to 75% of last monthly pay (less child support))</u>	<u>Amount of separation pay (tax free) (less child support)</u>
less than 4 years		6 weeks
4 years		
5 years	6 months	4 months
6 years		
7 years	1 year	4 months
8 years		
9 years	18 months	6 months
10 years		
11 years	18 months	6 months
12 years and more	3 years	6 months
	taxable	tax exempt

Career soldiers who are rendered unfit for military service from a service-related injury can be pensioned. They are to receive at least two-thirds of their salary or 75 percent of the top pay of a private first class. If the soldier has served long enough to have pension rights to 47 percent of his pensionable salary, then the pension is increased by 20 percent, but only up to a maximum of 75 percent of the salary.

Clothing Allowance: Career officers receive a one-time lump sum ranging from DM1,120 to DM1,370 (1977 figures). Thereafter they receive monthly payments of about DM30 to replace their uniforms as needed.

Career NCOs and NCOs who are long-term volunteers receive a payment of DM600 for uniforms providing they have a commitment to serve at least 8 years. After 5 years of service, this payment may be made again.

Conscripts and reservists are paid no clothing allowance but are given their uniforms at no cost.

Educational Assistance: Long-term volunteers receive specialty training, the length of which depends on the amount of time they will serve on active duty. A volunteer for 12 years can receive up to 33 months of specialized training, as well as a later 18-month course to prepare him further in his specialty, and to furnish him with training which will be valuable to him in civilian life. After his discharge he is guaranteed 3 further years of training at civilian schools. His tuition is fully paid and he receives 75 percent of his military pay during his time in school or at the university. A volunteer for 8 years is offered 24 months of specialized training and 1 year of training while still on active duty to prepare him for his civilian occupation as well as 18 months of civilian education after discharge. He also receives paid tuition and 75 percent of his military pay during this period. (See also Separation Allowance, above)

Unemployment Compensation: Government pays for soldier's coverage.

Trailer: Moving expenses reimbursed. See also Dislocation Allowance and Overseas Station Allowance (above).

Miscellaneous:

Mortgage Insurance Premiums: Not known.

Self-propelled Submersible Duty Pay: See Diving (above).

Carrier Flight Deck Duty Pay: None.

Glider Duty Pay: Not known.

Experimental Stress Duty Pay: Not known.

Special Continuation Pay for Nuclear Qualified Officers: None.

Special Pay for Officers Holding Positions of Unusual Responsibility: None.

Military Compensation Systems--Israel

I. Overview

The Israel Defense Forces (IDF) is composed of permanent, conscript and reserve personnel. Basic pay is quite low. During the 1970s, supplemental pay and benefits for career personnel increased greatly. There are now over one hundred supplements (20 to 25 supplements to an average officer's base pay) which substantially increase the benefits of service. Because of the extremely high inflation rate, the most important of these supplements is the cost-of-living which is adjusted at six-month intervals and in mid-1978 amounted to twice the base pay for a middle-ranking officer. The proportion of cost of living supplement to basic pay is much greater today. Some of the other supplements include those for family dependents, rent, transportation, telephone expenses, etc.

Salaries (including supplements) for career soldiers in general are comparable to those in the civilian sector for jobs with equivalent demands in terms of education, skills, and responsibilities. Numerous benefits also make the IDF service attractive from a material standpoint.

Conscript soldiers are paid at a considerably lower rate and are not eligible for most of the supplemental benefits.

Reservists on active duty are compensated at a similarly low rate, but they do receive additional pay from their civilian employers while on active duty.

II. Chart Details

(Information is applicable to career soldiers only unless otherwise indicated.)

A. Military Compensation

Compensation base: Basic pay plus allowances. Basic pay is low; exact figures unavailable.

Quarters allowance: Free if living on base; subsidized if living within 25 miles of base.

Subsistence allowance: No information

Tax advantage: Pay is taxable. Property and income taxes reduced.

Annual leave: 16 to 30 days per year dependent upon rank and years of service. Per diem expense account during annual leave. Several oceanside resorts operated by IDF.

X Factor: No information

Other: Cost-of-living adjustment every six months

Reserve forces: Pay is less than career soldiers; pay supplemented by employer who draws from national security fund.

B. Supplemental Benefits

Medical care: Full medical and dental care provided free of charge

Medical absence: No information

Medical care (dependents): Free medical care on base; partial dental care

Medical care (retired): Some medical expenses are covered; dental care is free.

Health insurance: Covered under national health plan

Life insurance: Free for soldier and spouse

Social security: Benefits paid out of the national security fund

Retirement: Pension is 2-4% of final pay for each year of service up to a maximum of 70% of last year's pay. There are additional benefits for disability.

Other: Monthly savings accounts accumulated under special conditions. Children can participate in summer camp.

C. Special and Premium Pays

Bonus: No information

Enlistment/Reenlistment bonus: Reenlistment bonus was recently cancelled

Proficiency: No information

Aviation career incentive pay: In general, pilots are paid more throughout their careers

Nuclear (navy): No information

Health professions: Pay depends upon education and experience

Submarine duty pay: Supplemental pay

Flight pay: Supplemental pay for flight duty

Parachute jumping: Supplemental pay for service in a parachute unit

Demolition duty pay: No information

High or low pressure, leper care, thermal tests, etc.: No information

Diving duty: No information

Other: Readiness supplement if on 24-hour call

Supplement for service in a forward area

Supplement for service in a combat unit

D. Other Related Items

Certain places duty pay: No information

Sea duty: Supplemental pay received

Hostile fire pay: No information

Family separation allowance: No information

Commissary and exchange: There are on- and off-base exchanges (sheken); career soldiers are offered interest-free credit.

Survivor benefits: No information

Burial costs: No information

Dislocation allowance: No information

Overseas station allowance: No information

Separation allowance: No information

Clothing allowance: A soldier is given money to buy his uniforms at the commissary

Education assistance: Can pursue a high school or college degree at IDF expense; must complete two years of service for each year of full-time study. Educational expenses for children reduced.

Unemployment compensation: No information

Trailer: Moving expenses subsidized for soldier and his family if they are moved to a new base

Mortgage insurance premiums: Low interest mortgages are available to those with five years or more service.

Self-propelled submersible duty pay: No information
Carrier flight deck duty pay: NA
Experimental stress duty pay: No information
Special continuation pay for nuclear qualified officers: No information
Special pay for officers holding positions of unusual responsibility:
No information

Miscellaneous:

Rent supplement: Private housing partially paid for
Transportation: Military vehicle available to officers; public
transportation free to female soldiers; reimbursement for use of
private vehicle to and from work
Legal assistance: Free assistance available
Telephone expenses: Subsidized
Entertainment expenses: Some entertainment expenses are subsidized

Military Compensation Systems -- Switzerland

I. Overview

The Swiss Army is a militia manned through universal conscription. All fit Swiss males perform periods of active military service from age 20 to age 50 (55 for officers). Those who are unable to effect service for reasons of health must pay an exemption tax. Fit males who refuse to serve are generally dealt with harshly (i.e., jail).

At the age of 19 young men are registered, subjected to medical and psychological-physical tests, and assigned to one of the branches of the army. About 90 percent of those tested are deemed fit for military training; one-half of the remainder are assigned for 100 days of auxiliary service; the others are considered unfit for any compulsory service.

Those classified as fit for service are called up at age 20 for 17 weeks of basic training. Following this, the recruits (except those in essential civilian occupations who have no further obligation) are incorporated into units within the field force (Elite) until age 32. During this 12-year period they undergo eight 3-week unit training sessions. The next phase of the individual's service, from age 33 to age 42, involves service with the Landwehr brigades (static combat units in the mountains and on frontiers); three to five 2-week training sessions are completed. The final segment of the individual's military obligation, from age 43 to age 50, comprises service with the Landsturm (territorial defense force); two or three 1-week training sessions take place. The total amount of active duty served throughout an individual's military career is a bit less than 1 year. NCOs and officers serve longer -- 1 1/2 years for an NCO; 2 1/2 years for a lieutenant, 3 years for a captain, and 3 1/2 to 4 years for a colonel -- because of their increased responsibilities and as a result of the training and active duty periods attached to each promotion.

Militia forces are supplemented by a small -- 1,900-man -- professional military cadre spread throughout the country in key units. For example, professional personnel serve as pilots, perform air defense functions, and maintain fortifications. Senior officers are also professionals. Generally, a militiaman may rise through the ranks as high as brigadier general; when given a divisional command and nominated for promotion above the rank of brigadier general, however, an individual must become a full-time officer.

The Swiss Army also has an Instructors Corps which comprises 1,500 full-time instructors (650 officers and 850 NCOs). The instructors are not considered professional soldiers because they have no command duties. They function, rather, more like civil servants. In addition to their institutional duties, the instructors must hold positions in militia units and serve their periods of active duty like any other militiamen. In fact, an instructor's professional progress depends solely upon his performance in the militia, not upon his on-the-job competence.

Candidates for positions in the Instructors Corps are militia NCOs -- usually master sergeants in the 22 to 25 age bracket -- and officers, usually lieutenants and captains in the 25 to 29 age bracket. Entrance requirements are stringent. Officers must be university graduates or be doing well in civilian professions. Candidates accepted for consideration must undergo basic and specialized training and successfully complete a probationary period. Instructors generally serve until age 58 (up to the rank of colonel), but may be permitted to serve until age 62 (general officers). Tangible incentives for service are offered to instructors: good pay, free health insurance, access to cheap mortgages, a retirement pension only slightly lower than the salary earned during service; free private use of an army automobile (type of car geared to rank of individual) and numerous opportunities for further education. Instructors may leave the corps at any time with 3 months' notice.

II. Chart Details

A. Military Compensation

Compensation base: Basic pay + allowances

Militia: Militiamen receive a basic pay which in 1974 ranged from Sf3/day for a basic recruit to Sf14/day for a captain. E-4: Sf5.5/day.

In addition to basic pay, it is a principle of Swiss law that those performing military service be compensated suitably for any loss of wages incurred. The purpose of this compensation is to ensure that the soldier and his family have economic protection during the time of military service. The payments are made by the state out of funds collected from employers and employees for the social security system. Loss of wages compensation is composed of:

- a household allowance paid to single or married personnel; varies according to the individual's income and kind of service performed. Daily rates in 1974: Sf12 - Sf35 for a bachelor; Sf24 - Sf75 for a head of household.
- a farm supplement of Sf27/day (1974) for those running a farm; under some circumstances this payment may be made to family members who work with the soldier on a farm.
- a children's allowance of Sf9/day for each child until his eighteenth birthday, or, if he is in school and unmarried, until his 25th birthday (1974).
- supplementary support payments for soldiers who have an obligation to support relatives: Sf18/day for the first dependent and Sf9/day for all subsequent dependent relatives (1974).

Salary and payments for the loss of wages can amount to considerable monthly sums. A single recruit might receive from Sf450/month to Sf1140/month; a married recruit, from Sf840/month to Sf2340/month. A single corporal performing his duties as a teacher might receive from Sf1110 to Sf1260/month; a married corporal, Sf1710 - Sf2460/month (1974).

Swiss industry and businesses often continue the pay of their employees performing military service or make up the salary difference otherwise lost. The companies would then be reimbursed by the state for these loss of income payments.

Whether a militiaman receives loss of income payments as a supplement to his military basic pay directly from the state or via continued salary paid by his company, he can, as a general rule, expect to receive 80 percent of his normal income during the period of military service.

Instructors Corps: Instructors are paid as civil servants.

Annual rates effective in 1980: Sf28,270 for a corporal to Sf78,233 for a brigadier general; O-4: Sf50,198 - Sf63,844; E-5: approx. Sf30,000 - Sf42,000.

Quarters Allowance/Subsistence Allowance:

Militia: All recruits receive lodging and food free of charge during periods of military service. Soldiers of all ranks who cannot be provided with food are given a subsistence allowance.

Instructors Corps: In addition to basic pay, instructors receive:

- a Housing Allowance, ranging from Sf608 to Sf2858/year in 1980; varies according to rank, number of dependents, and possibly also location.

-Child Payments, in 1980 amounting to Sf1080/year for each child under the age of 12; Sf1250/year for each child over the age of 12. These payments are not taxable.

-Yearly Bonus; amount equal to one month's salary paid once a year in December. It is taxable.

Tax Advantage: Pay presumed taxable as regular income. Child Payments for Instructors not taxable. Military insurance payments not taxable

Annual Leave: Not known.

Holidays: approx. 12/year.

"X" Factor: None.

Other:

Militia:

- Supplementary payments for services necessary for promotion.
- Supplementary payments for special technical or special education (e.g., 1974: a corporal might receive Sf2/day).
- Free mailing privileges. Unregistered letters and packages weighing up to 2.5 kg may be sent or received by the soldier free of charge while he is on military duty. Those not on active duty may send things directly connected with military service free of charge. Requests for dispensation from duty, vacation, alteration of duty times, etcetera, and the sending of pieces of military equipment that are either completely or partially the responsibility of the soldier may not be sent postage free.
- Travel assistance. Every recruit, NCO and officer during the attendance at Basic Training School has the right to two coupons giving him the right to travel either to his place of residence or the residence of his parents for leave time. Soldiers in uniform or in civilian dress with a furlough pass have the right to travel at half the usual rate.
- Job protection. According to federal law, an employer may not fire an employee on account of the employee's military service or for any reason during his military service or up to 14 days after he has completed his military service. Any firings carried out at these times are invalid.
- Legal protection. All legal proceedings against the soldier or his representative are to be stopped while he is on active duty.

Instructors Corps:

- Free private use of an army automobile (type of car geared to rank).
- Right to leave the corps at any time with 3 months' notice.

Reserve Forces: Not applicable. See militia system (above).

Supplemental Benefits:

Medical Care (active): Full medical care and medical insurance provided to both recruits and instructors free of charge.

Medical Absence: Not known. See Health Insurance (below).

Medical Care (dependents): Not known.

Medical Care (Retired): Not known.

Health Insurance: Switzerland has developed a comprehensive military insurance program to provide coverage for medical problems that arise because of service in the army and to compensate an individual and/or his family for material damages suffered as a result of such medical problems. The insurance is provided free of charge. In addition to covering actual duty, it might cover participation in shooting exercises or military sports exercises outside of duty time. Damage to the soldier's health is covered, as is loss of income, but material damages such as damaged eyeglasses or cars would not be covered.

An insuree has the right to unlimited medical care. He can freely choose his doctor.

Military insurance payments are tax-exempt and are adjusted for cost-of-living increases.

The following benefits are provided for illnesses or injuries suffered by individuals on active duty:

- compensation for loss of income, amounting to payments of 80 percent, 85 percent, or 90 percent of previous income (according to circumstances);
- payment of a disability pension when it is evident that no improvement can be brought about by further medical care and that the individual's ability to work is hampered; payments vary according to the degree of invalidism;
- payments of up to 30 percent of income for self-employed individuals if the more usual insurance sources are not available, if the individual and his family have made all reasonable efforts to support the business, and if it is to be expected that the individual can resume work after a convalescent period;
- up to 4 years of retraining (and support) to prepare the individual for a new profession if he is no longer able to practice his previous profession;
- payment of survivor and death benefits if an individual dies during or as a consequence of military service.

Life Insurance: The comprehensive military insurance system provides for the payment of funeral expenses and payments to surviving dependents of various percentages of the deceased's income. See Survivor Benefits and Burial Costs (below).

Social Security: The comprehensive military insurance system provides for health, accident, and death coverage. Social security benefits are available in the civilian sector, presumably on the basis of contributions from salary. Instructors pay 7 to 10 percent of their basic pay toward their retirement fund and old-age and dependent funds.

Retirement: Instructors pay 7 to 10 percent of their basic pay toward their retirement fund. Their retirement pay is quite high, only slightly less than active duty service pay.

The militia, because of its nature, has no retirement program.

For disability pension, see Health Insurance (above).

C. Special and Premium Pays

Bonus: Instructors' yearly bonus equal to one month's salary, paid in December.

Enlistment/Reenlistment Bonus: none.

Proficiency: None. Militiamen are reimbursed for expenses incurred in taking courses or training needed for promotion.

Aviation Career Incentive: Pilots are full-time servicemen. They may receive higher pay or other benefits.

Nuclear (Navy): None.

Health Professions: Not known.

Submarine Duty Pay: None.

Flight Pay: Probably.

Parachute Jumping: Not known.

Demolition: Not known.

High or Low Pressure, etc.: Not known

Diving Allowance: Not known.

D. Other Related Items

Certain Places Pay: Not known.

Sea Duty: None.

Hostile Fire Pay: Not known.

Family Separation Allowance: Not known.

Commissary and Exchange: None.

Survivor Benefits: If an individual dies during or as a consequence of military service, the military insurance program makes the following payments to survivors:

- Payment of up to \$2000 for funeral expenses.
- Payment to surviving dependents of various percentages of the deceased's income:
 - wife - 40 to 50 percent of the deceased's salary for life; if she remarries, payments are stopped, but she has the right to collect the pension later on if need be; she may also, in the case of remarriage, elect to receive payment for 3 years and renounce all rights of later payment.
 - children - payments until age 18 (or until age 25 if schooling is continued); with the loss of one parent, payments are 20 percent (1 child), 30 percent (2), and 35 percent (3 and more) of deceased's previous income; with the loss of both parents, payments are 25 percent (1), 50 percent (2), and 75 percent (3 or more).
 - parents - payments of 40 percent of the deceased's salary if both parents are survivors; 25 percent for one parent; up to 40 percent of the one remaining parent has a dependent child, until the child attains age 18 (or age 25 if schooling continued); if the parents had considerable expense for the education of the deceased, and the education was either not yet completed or the deceased died within 3 years of its completion, a suitable cash award may be made.
 - brothers and sisters - in cases of need, payments of 15 percent of the deceased's income for a single brother or sister; up to 25 percent for several brothers and sisters; all payments last only until the survivors attain age 18 (or age 25 if they continue schooling).
 - grandparents - in cases of need, payments of 15 percent of the deceased's income for a single grandparent; 25 percent for each pair.
- Cash settlements may be made for the death or injury of an individual according to the circumstances of each case.

Burial Costs: Payment of up to \$2000 for funeral expenses by military insurance program.

Dislocation Allowance: Not known.

Overseas Station Allowance: Not known.

Separation (severance) Pay: See disability pension under Health Insurance (above).

Clothing Allowance: Recruits are provided with all necessary clothing free of charge. Officers of all grades in the militia are provided with a clothing allowance.

Educational Assistance: Up to 4 years of retraining (and support) are provided to any serviceman who, because of service-related injury, is no longer able to practice his previous profession. Instructors, as an incentive for service, are offered many opportunities to attend courses, often during work time. Courses are given which enable an instructor to obtain needed academic credits so that he can study at a university. Those who wish to study at a

university or a cantonal technical school may be given payment to help them to do so.

Unemployment Compensation: See Job Protection under Military Compensation-Other (above). Also see Health Insurance (above).

Trailer: Not known.

Miscellaneous:

Mortgage Insurance Premiums: Instructors have access to cheap mortgages.

Self-Propelled Submersible Duty Pay: Not known.

Carrier Flight Deck Duty Pay: None.

Glider Duty Pay: Not known.

Experimental Stress Duty Pay: Not known.

Special Continuation Pay for Nuclear Qualified Officers: None.

Special Pay for Officers Holding Positions of Unusual Responsibility:
Not known.

Military Compensation Systems -- USSR

A. Military Compensation

Compensation Base: EM pay according to position, career EM paid on a higher scale than conscripts. Officers and Warrant Officers pay for rank and position

Quarters Allowance: Minimal, paid only to officers and career NCOs living off base. Military personnel authorized reduced rent in state-operated housing

Subsistence Allowance: Minimal, and paid only to personnel who for approved reasons cannot eat in a messhall.

Tax Advantage: Servicemen with four or more dependents get a 30 percent income tax deduction.

Annual Leave: Officers and career NCOs with less than 25 years service: 30 days/year; with more than 25 years service or on flying duty: 45 days/year.

Holidays: Regular statutory government holidays, 8/year.

"X" Factor: None.

Other: Separation pay for career personnel being discharged short of retirement, severance pay for conscripts, free travel, per diem for married career personnel on PCS.

Reserve Forces: Reserves on active duty paid at same rate as regulars.

B. Supplemental Benefits

Medical Care: Full medical and dental care provided free of charge

Medical Absence: authorized as needed.

Medical Care (dependents): Provided by state medical facilities.

Medical Care (retired): Provided by state medical facilities.

Health Insurance: None.

Life Insurance: None.

Social Security: None.

Retirement: Fifty percent of base pay after 25 years of service, plus three percent for each additional year over 25, to a maximum of 75 percent of base pay.

C. Special and Premium Pays

Bonus:

Reenlistment Bonus:

Proficiency:

Aviation Career Incentives:

Nuclear (Navy):

Health Professions:

Submarine Duty Pay:

Flying:

Aircrew allowance:

Air Duty allowance:

Parachute jumping (paratroop) allowance:

Demolition:

Hypobaric Chamber allowance:

Diving Allowance:

Other:

Rescue Specialist Allowance:

Field Operations Allowance:

Survey Allowance:

Isolation Allowance: One and one-half monthly salary paid for service in Sakhalin Island, Murmansk oblast, and equivalent regions; Twice monthly

USSR, cont'd

salary paid for service in Chukchi National District, in Kamchatka oblast, in Kurile Islands, on islands in the Bering Sea, and equivalent regions.

Legal Officers:

D. Other Related Items:

Certain Places Pay: See Isolation Allowances above.

Sea Duty:

Hostile Fire Pay:

Family Separation Allowance:

Clothing Allowance: None.

Educational Allowance : None, liberal leave policy in effect for personnel in evening or correspondence study.

Unemployment Compensation: None.

Trailer: None

Miscellaneous:

Note: Unclassified information on Soviet pay and allowances is limited. Additional information obtained is classified.

Military Compensation Systems -- United Kingdom

I. Overview

The UK implemented its current Military Salary system in April 1970. Under this latest arrangement, uniformed personnel are paid a salary composed of a "rate-for-the-job" based on rank and length of service and increased by an "x-factor" designed to compensate servicemen and women for the disadvantages and rigors of military life (10 percent for men, 5 percent for women). A continuing review of the Military Salary is made by the Armed Forces Pay Review Body (AFPRB) in April of each year to ensure that military pay retains comparability with that of the civilian sector. Military pay is fully taxable and service personnel are charged (in theory at civilian rates) for food and accommodations. There is no differentiation in salary between married and single personnel.

Since taking office in 1979, the Conservative Government of Prime Minister Margaret Thatcher has made a concerted effort to achieve and maintain pay comparability. In 1979, two pay increases were authorized -- the first 24.2 percent, the second 9.0 percent, effective 1 April 1979. In April 1980, the AFPRB awarded military personnel pay boosts ranging from 14.5 percent to 20 percent.

In addition to salary, service personnel are reimbursed for special duties, qualifications, and for certain incurred expenses and hardships by a variety of allowances or special pays which are closely governed under finance regulations issued by the three armed services. As in the case of pay, the amounts of each allowance are influenced to a great extent by the AFPRB recommendations contained in its annual report.

II. Chart Details

A. Military Compensation
Compensation base:

Regular officers: O-1 - O-11, £5,201 - £33,500/yr.
O-4, on promotion £10,008/yr; up to £11,994 after
8 yrs in grade

Royal Army 2d lieutenants who receive short service limited commissions (SSLC), with a military obligation of 4-18 months, are paid £3,916 upon commissioning. Royal Navy midshipmen (not yet commissioned officers) and 2d lieutenants in the Royal Marines begin at £4,552/yr

Enlisted personnel: E-1 - E-8, £3,670.90 - £9,298.50/yr
E-5, £6,716/yr

Enlisted pay for the same rank in each service varies slightly according to the length of the enlistment contract.

Quarters allowance: Quarters charges are deducted from the military salary each month. Charges are based on rank and quality of quarters available: Standard married quarters charges, £332.15 - £1,197.20/yr; substandard married quarters charges, £222.65 - £627.80/yr; single quarters, £116.80 - £365.00/yr.

A Family Maintenance Grant to help defray the rising costs of married quarters is currently £147.60/month for all ranks.

When government quarters are not available, personnel are given a rent allowance: Standard rooms, £4.49 - £9.53/day according to rank; substandard rooms, £2.29 - £6.35/day according to rank.

No charges are made for quarters aboard ship or in the field.

Subsistence Allowance: Subsistence payments are figured into the monthly salary. Food charges are currently £1.33/day for all ranks. Meal allowances are paid when no government mess is available (a "meals out allowance"): 35 pence for breakfast, 50 pence for lunch and dinner. All ranks are reimbursed for missed meals up to £1.48/day if all three are missed. In addition, there is no charge for meals while on leave for 48 hours or more or when serving at sea or in the field for at least two nights or when personnel are living off post.

Tax Advantage: The military salary is fully taxable. Officers are given a uniform maintenance relief of £100/yr that is not taxable.

Annual Leave: Officers - 42 calendar days/yr; E-8, E-9 -42 calendar days/yr; E-1 through E-7 - 30 calendar days/yr.

Holidays: All personnel have seven paid holidays per year.

"X-Factor": The "x-factor" is currently 10 percent for men and 5 percent for women. All base pay figures include it.

Reserve Forces: In the event of mobilization, reserve forces would be paid compensation rates equivalent to the active component. In peacetime, the military salary differs from that of the active forces. See note at end of report

B. Supplemental Benefits

Medical Care (active): Free medical care from both civilian and military sources is provided under Britain's national health insurance program.

Medical Absence: Granted as necessary. The military salary continues during the entire period.

Medical Care (dependents): Medical care is provided by Britain's national health insurance program. Charges are made for certain dental services, drugs and eye glasses when obtained at civilian facilities.

Medical Care (retired): Medical and dental care for military retirees is provided under Britain's national health insurance program. Dependents of retirees are also eligible for health care benefits.

Health Insurance: Deductions from the military salary are made to support the national health insurance program and old age pensions.

Life Insurance: There are no governmental or military insurance programs currently available. However, military personnel can join group insurance programs tailored to their needs sponsored by private insurance companies.

Social Security: Deductions are made from the military salary to support the British social security program. Old age benefits are available to both military personnel and their dependents.

Retirement: Retirement pay is completely funded by an annual appropriation. Retired enlisted personnel receive "pensions;" retired officers, "retired pay." The distinction implies that officers still have an obligation (at least a moral one) to return to the colors in the event of war. To recall retired enlisted men would require prior approval of Parliament. Pensions are protected from inflation by annual cost of living adjustments. To be eligible for full retirement, personnel must have served for 22 years from age 18 (enlisted) or for 16 years from age 21 (officers).

Rates for officers:

- retiring as an O-3 with 16 yrs of service: £2,604/yr;
- retiring as an O-7 with 34 yrs of service: £8,851/yr;
- no information currently available on O-8 through O-11 retirement pay;
- retiring as an O-4 with 16 yrs of service: £3,135/yr;
- retiring as an O-4 with 34 yrs of service: £5,817.

Rates for enlisted men:

- retiring as an E-1 with 22 yrs of service: £1,700/yr;
- retiring as an E-9 with 37 yrs of service: £4,427/yr;
- retiring as an E-5 with 22 yrs of service: £2,318/yr;
- retiring as an E-5 with 37 yrs of service: £3,532/yr.

Servicemen disabled in the line of duty receive disability gratuities for life according to the degree of injury.

Disability rates for officers: £963/yr (20 percent disability) for an O-3 up to £8,851 (100 percent disability) for an O-7. No information currently available on disability payments for O-8 through O-11.
O-4: £1,111/yr (20 percent disability) - £5,555/yr (100 percent disability).

Disability rates for enlisted men: £518/yr (20 percent disability) for an E-1 up to £4,427/yr (100 percent disability) for an E-9.

E-5: £706/yr (20 percent disability) - £3,532/yr (100 percent disability).

Other: Military personnel stationed in the Federal Republic of Germany are eligible for three return leave journeys/yr at public expense.

C. Special and Premium Pays

Bonuses: none as such in the British Armed Forces

Enlistment Bonus: Enlisted salaries vary by several pence per day according to the length of the enlistment contract. Pay differences based on length of enlistment are classified as "committal pay." A thorough review of this concept will be included in the 1981 AFPRB report.

Re-enlistment Bonus: Re-enlistment bonuses do not exist as such. Again, pay will vary by several pence per day based on the length of the re-enlistment contract.

Proficiency Pay: none as such in the British Armed Forces

Aviation Career Incentive Pay: none noted in the pay regulations issued 1 April 1980

Nuclear Pay (Navy): None noted in the pay regulations issued 1 April 1980

Health Professions: Pay rates for doctors and dentists were not issued on 1 April 1980 since they were still under review by the AFPRB.

Army veterinary officers (O-1 - O-7): £8,497/yr - £18,250/yr; O-4: £12,238/yr (after 13 yrs of service) - £15,067/yr (after 27 yrs of service).

Nursing officers (O-2 - O-7): £6,026/yr - £18,049/yr; O-4: £8,720/yr (on promotion) - £11,450/yr (after 8 yrs in grade).

Medical service officers (O-1 - O-5): £4,964/yr - £13,812/yr (with 25 yrs of service or after 8 yrs in grade); O-4: £8,720/yr - £11,450/yr (after 8 yrs in grade).

Submarine Pay: Pay varies according to rank. E-4: £85.50/month;

E-5: £94.20/month; E-6 through O-2: £95.40/month; O-3 through

O-6: £122.40/month

Flight Pay: Flight pay is no longer rank-related up through the grade of O-5; rather, it is based on the number of years of flying experience. Officer aircrew (O-1 through O-5): £113.40/month, with four yrs or less of flying time; £174.60/month, with over 4 yrs of flying experience; O-6: £130.80/month regardless of experience; O-7: £87.30/month regardless of experience.

NCO aircrew: £73.80/month with 1-4 yrs of experience; £113.40/month with over 4 yrs of experience.

Flight training pay: £36/month, all ranks.

Parachute Jumping Pay: £39/month, all ranks; parachute instructors pay: £44.40/month.

Demolition Pay: none noted in the pay regulations issued 1 April 1980

"Dip Money" (Hazardous Diving Pay): varies according to depth in meters of dive and length of dive (in minutes); 251-350 m: 8.7 pence/minute; 351-400 m: 10.6 pence/minute; 401-450 m: 11.3 pence/minute

Diving Pay (normal): Rates vary according to diving speciality, £30/month to £196.10/month. Rates for experimental diving carried out in shore establishments vary according to depth: from 3.0 pence per minute (77-106 m) to 5.1 pence per minute (below 183 m). Diving and submarine escape instructors receive special pay: Officers - 3.6 pence per minute of dive; ratings - 2.0 pence per minute of dive.

Other:

Hydrographic Pay: from £13.20/month for a junior seaman through £82.20/month for an O-5/O-6; E-5: £20.40/month; O-4: £67.50/month.

Hard Lying Money: pay for service on ships in unusually poor conditions; £15/month, all ranks

Northern Ireland Pay: £39/month, all ranks and services

Gurkha Language Pay (army): £6.60/month (oral proficiency only, all ranks); £9.90/month (full proficiency, all ranks).

Aeromedical Pay: £68.50/month, all ranks

Sonar Operators Pay: £154.20/month for an E-5 and below; up to £179.10/month for an E-9

Search and Rescue Duty (Royal Navy): £108.30/month for an E-5 and below; £113.40/month for an E-9.

D. Other Related Items

Certain Places Pay: See Northern Ireland Pay (above) and Family Separation (below)

Sea Duty: See Hard Lying Money (above) and Family Separation Allowance (below)

Hostile Fire Pay: none authorized in regulations issued 1 April 1980; see Northern Ireland Pay (above)

Family Separation Allowance: Separation allowances are paid to all personnel when they are forced to live apart from their families for a period of 30 days (either consecutive or aggregate) in any 12 months and to a distance of separation of at least 200 miles by road. The allowance is currently £1.05/day within the UK and northwestern Europe and £1.40/day outside northwestern Europe and at sea.

Commissary and Exchange: No PX/commissary system as such exists

Survivor Benefits: Service-connected death entitles survivors to up to 90 percent of maximum pension according to the rank of the deceased, regardless of length of service. Survivors of other active or retired personnel receive 50 percent of the pension.

Burial Costs: paid by the armed forces, plus a supplementary grant

Dislocation Allowance: No information currently available. According to a 1976 study, "disturbance allowances" were paid to help meet the incidental expenses of a move. The amount varied according to rank and number of dependents and was nontaxable.

Overseas Station Allowance: See Northern Ireland Pay and Family Separation Allowance (above). In addition, the armed forces will pay an education allowance per child which will permit children to attend boarding school in Great Britain while the parents are overseas. The allowance will, in large measure, defray the cost of tuition. Exact amounts of per child grants not known.

Separation (Severance) Pay: See Retirement for disability (above). Enlisted men receive service gratuities upon separation if they have served at least 12 years. Rates vary but are not less than £350. Officers with at least 10 years of service receive £4564.

Clothing Allowance: Enlisted personnel receive free clothing and replacement clothing. Officers are given a nontaxable uniform allowance of £200 upon entry and £100/yr thereafter as a maintenance allowance, which is also nontaxable.

Educational Assistance: At the end of service all personnel are eligible for special vocational or training instruction. Amounts of these educational grants vary with length of service: 1 year of education for service between 8 and 12 yrs; 1 and 1/2 yrs of education for service of over 12 yrs.

Unemployment Compensation: Yes, but no further details.

Trailer: No current information available.

Miscellaneous:

Mortgage Insurance Premiums: No information currently available.

Self-propelled Submersible Duty Pay: See "Dip Money" and Diving Pay (above).

Carrier Flight Deck Pay: None noted in the 1 April 1980 pay regulations.

Glider Duty Pay: None noted in the 1 April 1980 pay regulations.

Experimental Stress Pay: See "Dip Money" and Diving Pay (above).

Special Continuation Pay for Nuclear Qualified Officers: None noted in the 1 April 1980 pay regulations.

Special Pay for Officers Holding Positions of Unusual Responsibility:

Command Pay (Army) for E-8 and E-9 grades: £30/month.

Sea Command Money (Navy): £30/month "to those in a Sea Command appointment."

A Note on British Reserve Forces

Since British reserve personnel are subjected to less of the disadvantages and hardships of military life than their active counterparts, their "X-factor" was established at only 5% and 1% for men and women respectively for each 8-hour training day. Thus, there is no direct correspondence between daily rates of pay for regular and reserve personnel. Also unlike in the US, British reservists are not eligible for military pensions unless they have served at least five years in the active service.

As a whole, British direct cash compensation is highly variable, selective, and complex. It varies considerably, both between services and components and within categories of reserve personnel. The extensive use of differential pays, bounties, multiple pay scales, and pay "bands" provide selectivity while adding a degree of administrative complexity unknown in the US system.

For non-continuous or daily drill training of between 2 and 8 hours, a training expenses allowance is paid. Training, liability, and supplementary bounties and a daily overseas allowance are also used. The training bounty is tax-free. All other forms of direct cash compensation count as part of a reservist's income for tax purposes.

A reservist injured in the line of duty receives pay (less any payments made by the Department of Health and Social Security) for up to 26 weeks. If still incapacitated at that point and discharged after a medical examination, a disability pension is awarded by the Department of Health and Social Security. An additional award may be made by the Ministry of Defense under the Attributable Benefits to Reservists Act. There is also a service benefit pension for the dependents of reservists killed during training.

MILITARY COMPENSATION -- UNITED STATES

I. Overview

U.S. military personnel currently are paid with a pay and allowances system. Four elements of this system -- basic pay, quarters allowance, subsistence allowance, and the tax advantage which accrues because the allowances are not taxable - are totaled to form an approximation of the military equivalent the salary of civilian employees which provides an annual pay increase based on the increase in civilian pay. The total amount of these four elements is termed Regular Military Compensation.

On October 1, 1980, basic pay and allowances were increased by 11.7 percent. In addition to the above tax advantage, certain other allowances, such as the personal money allowance and the clothing allowance, are not taxable.

Service personnel are also paid for special qualifications and duties and certain incurred expenses and hardships by a variety of allowances and special pays. Also, the U.S. military retirement system is non-contributory.

Reservists on active duty are paid at the same rate as active duty personnel. Reservists of the Selected Reserves are paid on the basis of monthly drills attended.

II. Chart DetailsA. Military CompensationCompensation Base:

Pay and Allowances System

Base Pay Range (Monthly) -

Officers: O-1, \$924.30 - O-10, \$5,541.60
 Warrant Off: W-1, \$825.30 - W-4, \$2,124.90
 Enlisted: E-1, \$501.30 - E-9, \$1,820.40

Quarters Allowance: When Government quarters are not provided, the monthly allowance is:

Single -

Officers: O-1, \$187.80 - O-10, \$427.80
 Warrant Off: W-1, \$212.70 - W-4, \$303.60
 Enlisted: E-1, \$103.20 - E-9, \$229.20

Married -

Officers: O-1, \$244.50 - O-10, \$535.20
 Warrant Off: W-1, \$275.40 - W-4, \$366.60
 Enlisted: E-1, \$179.70 - E-9, \$332.50

Subsistence Allowance

Officers: \$82.58 /mo.
 Warrant Off: \$82.58 /mo.
 Enlisted: \$3.94/Day

Separate and Leave Ration In-Kind
 Not Available \$4.45/Day
 Emergency \$5.89/Day

Federal Income Tax Advantage

Quarters and Subsistence Allowances Are Not Taxable -

Value (Minimum - Maximum):

Officers:	$\frac{0-1}{1,035.36}$	$\frac{0-1}{6,924.05}$
Warrant Off:	$\frac{W-1}{1,060.07}$	$\frac{W-4}{2,195.23}$
Enlisted:	$\frac{E-1}{609.49}$	$\frac{E-9}{1,815.84}$

Amount is based upon pay grade, years of service
 and family size.

Annual Leave: Annual leave is earned at the rate of 2 1/2 days/mos.
 or 30 calendar days/year. Maximum is 60 days accumulation unless
 service person is in foreign area where there is hostile activity.

Holidays: 9 holidays with pay per year.

Other: None

- B. ~~Supplemental Benefits~~
~~Reserve Forces Drill~~ pay awarded on basis of one days basic pay
 for each drill period. Retirement is available after age 60.
 Reserves on active duty receive the same pay and allowances
 and special incentive pays as active duty personnel.

Medical Care (Active): Provided full medical and dental care
 for active duty members.

Medical Absence: Granted as necessary. Pay and allowances continue.

Medical Care (Dependents): Provided at service facilities where
 available, through civilian providers. Costs range from no
 costs at service facilities to 20 percent above \$100 maximum
 per family under CHAMPUS.

Medical Care (Retired): Provided at service facilities where
 available and, if not available, under CHAMPUS through civilian
 providers. Costs range from no cost to 25 percent of costs
 for CHAMPUS inpatient care.

Health Insurance: Personal matter for additional coverage.

Life Insurance: SGLI Maximum coverage of \$20,000 convertible to Veterans Group Life Insurance upon separation or retirement. Only extra cost attributable to extra hazards of service paid by Government.

Social Security: 1981 deduction of 6.65 percent of monthly basic pay up to maximum annual contribution of \$1,975.05. (Effective date January 1, 1981).

Retirement: Non-contributory funded by annual appropriation. Minimum 20 years, service and 50 percent of base pay. Maximum 30 years and service and 75 percent of base pay. CPI adjusted.

Other: Navy, eligible for round-trip transportation from overhaul location after 31st, 91st, and 151st day of overhaul of ships home port where dependents reside when overhaul is away from home port.

C. Special and Premium Pays

Bonus: See enlistment and reenlistment bonuses.

Enlistment Bonus (E.B.): Authorized up to \$5,000 for critical skills enlistment or 4 years extension.

Reenlistment Bonus (R.B.): Selective R.B. paid for any manning problem point up to 15 years service restricted to a maximum of \$20,000 paid by lump sum or installment. Bonus is subject to recoupment for any unserved portion of the reenlistment.

Proficiency Pay (Monthly): Enlisted only. Maximum p-1, \$50; p-2, \$100; p-3, \$150 for designated critical military specialties and special duty assignments. Officers may receive responsibility pay. Range O-3, O-4-\$50; O-5-\$100; O-6-\$150 (permissive, not mandatory).

Aviation Career Officer: \$125 - \$306/mo Incentive (Monthly): Special pay based on aviation service and officer service. Maximum 6 years, aviation service and 18 years officer service. Reduced amount O-7 through O-10. Must meet performance requirements.

Nuclear (Navy): Enlisted, SRB maximum of \$20,000. Officers accession \$3,000. Officers are also eligible for continuation bonus of \$20,000 to nuclear qualified for 4 year agreement to remain on duty beyond their initial service obligation or \$4000 per year for an annual incentive bonus for each year's service beyond their initial service and \$2,400 per year for limited duty officers and warrant officers who received nuclear training as enlisted personnel.

Health Professions (Monthly): Variable incentive pay for medical officers based on years of service \$416.66 - \$833.33. Officers above grade O-6 limited to \$83.33. If officer is board certified, he qualifies for additional pay \$166.66 - \$416.66 based on years of service. An annual additional special pay lump sum of \$9,000 or \$10,000 is paid when physician signs an annual contract.

Submarine Duty (Monthly):

Officers:	$\frac{O-1}{\$115}$	$\frac{O-6}{\$245}$
Warrant Officer:	$\frac{W-1}{\$105}$	$\frac{W-4}{\$165}$
Enlisted:	$\frac{E-1}{\$50}$	$\frac{E-9}{\$105}$

(Same scale for self-propelled submersible duty)

Flying (Monthly): Enlisted crew member: \$63 - \$131/mo. non crew member -

Officer: \$110

Enlisted: \$55

Crew member rates depend upon years of aviation service.

Parachute Jumping (Monthly):

Officers: \$110

Enlisted: \$55

Demolition (Monthly):

Officers: \$110

Enlisted: \$55

High or low pressure, leper care, thermal tests, and certain other duties: Carrier flight deck duty, high or low pressure thermal stress, acceleration and deceleration, and leprosy. All at the following rate:

Officer: \$110/mo.

Enlisted: \$55/mo.

Diving Duty Pay (Monthly):

Officers: \$110

Enlisted: \$65 - \$110 based on level of qualification.

Other: Personal money allowance/position pay \$400 - \$5,200 yr. non taxable.

D. Other Related Items

Certain Placed Pay: Enlisted only monthly rates:

E-1 & 2, \$8.00; E-3, \$9.00;

E-4, \$13.00; E-5, \$16.00

E-6, \$20.00; E-7 & 9, \$22.50.

Sea Duty (Monthly): Enlisted only: \$29 - \$115/mo. Rated depend upon years of sea duty.

Hostile Fire Pay: Officers and enlisted \$65/mo. for both. Includes members continued in a missing status.

Family Separation Allowance (FSA): FSA-I, Paid when Government quarters are not available, and dependents are not authorized to accompany. Rate paid is BAQ without dependents for his pay grade.
FSA-II paid at rate of \$30/mo. when assigned duty away from permanent duty station or home port for at least 30 or more days.

Commissary and Exchange: Provides items at costs less than at civilian stores. Savings average about 20 percent.

Survivor Benefits (Monthly): Service person's death on active duty:
Officer: O-1, \$413 - O-10, \$835
Warrent Off: W-1, \$413 - W-4, \$468
Enlisted: E-1, \$326 - E-9, \$446
Service person's death after retirement:
Widow and children are entitled to 55 percent of the retired pay.

Burial Costs: Funeral expenses \$75 - \$500 in addition to death gratuity minimum \$800, maximum \$3000 non taxable.

Dislocation Allowance: One month's BAQ to partially reimburse member for incidental expenses on PCS orders.

Overseas Station Allowance: Temporary lodging allowance, per diem, housing allowance, average excess costs, cost of living allowance, average relative difference.

Separation (severance) Pays: Paid to regular officers and all reservists with over 5 years continuous active service, not retiremen eligible, who are involuntarily released, not to exceed \$15,000.

Clothing Allowance (Monthly): Initial free issue enlisted uniform

	Men	Women
Basic	\$5.40-\$7.80/mo.	\$5.10-\$8.70
Standard	\$7.50-\$11.10/mo.	\$7.20-\$12.60

Regular officers none except ROTC allowances are not taxable. Basic allowance is paid for the 7th through 36th month of continuous service, standard rate thereafter. Rates depend upon branch of service.

Educational Assistance: Veterans Readjustment Benefits paid by the Veterans Administration. Eligible after 18 mos. service for 36 mos. plus, veteran may receive up to 9 additional months to pursue Bachelor's or first professional degree. Full time \$311/mo. No dependents. With one dependent \$370 monthly - two dependents \$422 monthly. Additional amount for each dependent over two \$26/mo.

Unemployment Compensation: Rates vary by state. Service person must have continuously for at least 90 days and was discharged under conditions other than dishonorable.

Trailer: Dislocation pay may be elected in lieu of trailer pay. Self haul 20¢/mile. No limit on miles.

Notes: 1/ Basic pay is limited to \$4,176.00 by Level V of the Executive Schedule.

APPENDIX II

APPENDIX II

FOREIGN CURRENCY
CONVERSION TABLE
JUNE 1980

	ONE UNITED STATES DOLLAR EQUALS
Australia	Dollar .8917
Canada	Dollar 1.17
France	Franc 4.08
West Germany	Mark 1.80
Switzerland	Franc 1.63
United Kindgom	Pound 0.424

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