



VALUATION OF THE MILITARY RETIREMENT SYSTEM

SEPTEMBER 30, 2009

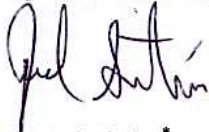
**DoD Office of the Actuary
December 2010**

ACTUARIAL CERTIFICATION

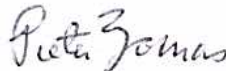
This report on the military retirement system as of September 30, 2009, has been prepared in accordance with generally accepted actuarial principles, standards, and practices. In preparing the report, we have relied upon information maintained by the Office of the Secretary of Defense regarding plan provisions, finances, and participants. The purpose of the actuarial valuation documented in this report is to develop actuarial liability and funding amounts to support the Secretary of Defense and the DoD Board of Actuaries (Board) in meeting the requirements of Chapter 74, Title 10, United States Code. Use of these results for other purposes may not be appropriate. Any rates or parameters included in this report should not be used for other purposes without complete comprehension of the underlying derivation. Please contact the DoD Office of the Actuary for further information.

We have performed the valuation using methods and assumptions approved by the Board. In general, the decrement rates used in the valuation are based on actual experience under the military retirement system. The annual economic assumptions include a 3% rate of inflation, a 3.75% across-the-board salary increase, and a 5.75% interest rate.

In our opinion, the actuarial methods and assumptions used in the preparation of this report are reasonable, and the valuation results present a fair picture of the financial condition of the military retirement system for purposes of meeting the requirements of Chapter 74, Title 10, United States Code.



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* Meets the qualification standards of the American Academy of Actuaries to render the actuarial opinion referenced above.

ABBREVIATIONS AND TERMS

AEAN	Aggregate Entry-Age Normal
Board	DoD Board of Actuaries
COLA	Cost-of-Living Adjustment
CPI	Consumer Price Index
CR	Concurrent Receipt
CRDP	Concurrent Retirement and Disability Pay
CRSC	Combat Related Special Compensation
CSB	Career Status Bonus
CSRS	Civil Service Retirement System
DFAS	Defense Finance and Accounting Service
DIC	Dependency and Indemnity Compensation
DMDC	Defense Manpower Data Center
DoD	Department of Defense
ECI	Employment Cost Index
FTS/AGR	Full-Time Support/Active Guard Reserves
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GORGO	Actuarial Projection Model used by DoD OACT
IDT	Inactive Duty Training
IRR	Individual Ready Reserve
MRF	Military Retirement Fund
MRS	Military Retirement System
NCP	Normal Cost Percentage
P.L.	Public Law
PAMS	Promotion and Merit Increase Scales
RCCPDS	Reserve Component Common Personnel Data System
RCSBP	Reserve Component Survivor Benefit Plan
Redux	Reduced Benefit Formula
RMC	Regular Military Compensation
RSFPP	Retired Serviceman's Family Protection Plan
OACT	DoD Office of the Actuary
OASDI	Old Age, Survivors, and Disability Insurance
OMB	Office of Management and Budget
SBP	Survivor Benefit Plan
Services	Army, Navy, Air Force, Marines
SOA	Society of Actuaries
SSA	Social Security Administration
SSIA	Special Survivor Indemnity Allowance
TERA	Temporary Early Retirement Authority
TIPS	Treasury Inflation-Protected Securities
UFL	Unfunded Liability
U.S.C.	United States Code
VA	Department of Veterans Affairs

GENERAL INFORMATION AND KEY RESULTS
Military Retirement System – For Fiscal Year ending September 30, 2009

1. Name of Plan:

Military Retirement System

2. Name and Address of Plan Sponsor:

Department of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

3. Type of Plan Entity:

Single-employer

4. Type of Plan:

Defined Benefit

5. Establishment of Funding Arrangement:

Public Law 98-94 (currently Chapter 74 of Title 10, U.S.C.)

6. Administrative Costs:

Not borne by the Plan

7. Funding Arrangement:

Trust Fund

8. Actuarial Normal Cost Method:

Aggregate Entry-Age Normal (AEAN) funding method

9. Oversight:

DoD Board of Actuaries. The Board approves methods and assumptions used in the valuation. The current members of the Board are:

James F. Verlautz, Chairman
Marcia A. Dush
Ronald Gebhardtsbauer

10. Plan Participant Information at End of Plan Year:

	<u>Members</u> (in 000s)	<u>Monthly Pay</u> (\$ in billions)
Active Duty and Full-time Reservists:	1,480	\$4.56
Selected Drilling Reservists:	771	\$0.47
Non-Selected Reservists – w/ 20 years:	224	(Not Paid)
Nondisability Retirees:	1,813	\$3.76
Disability Retirees:	92	\$0.12
Surviving Families:	291	\$0.30

GENERAL INFORMATION AND KEY RESULTS (Continued)
Military Retirement System – For Fiscal Year ending September 30, 2009

11. Valuation Input Data:

Extracts from files maintained by DMDC

12. Retirement Criteria:

- A. Nondisabled Retirement from Active Duty - Immediate after 20 years of service
- B. Disabled Retirement – Immediate, generally with no year of service requirement
- C. Nondisabled Retirement from Reserve Duty - Deferred to age 60 (or earlier in some cases) after 20 years of service

13. Actuarial Assumptions:

A. Economic:

(Annual Rates)

- 1) Inflation – 3.0%
- 2) Salary – 3.75%
- 3) Interest – 5.75%

B. Demographic:

- 1) Mortality and other assumptions: Based on Plan experience.
- 2) Mortality Improvement: Assumed to improve based on factors from the Society of Actuaries' (SOA) Scale AA trend.

14. Accounting Results During Fiscal Year:

(\$ in billions)

- A. Benefits paid to participants: \$ 50.0
- B. Contributions from services: \$ 17.5
- C. Contributions from Treasury: \$ 54.9
- D. Investment Income: \$ 2.9

15. Actuarial Results at End of Fiscal Year:

(\$ in billions)

- A. Present Value of Future Benefits: \$1,399.2
- B. Actuarial Accrued Liability: \$1,186.9
- C. Actuarial Value of Assets: \$ 278.4
- D. Unfunded Accrued Liability: \$ 908.5
- E. Funded Ratio: 23%

16. Normal Cost Percentages (NCPs) Applied to Fiscal Year 2011 Basic Pay:

	<u>DoD</u>	<u>Treasury</u>	<u>Total</u>
Full-time:	32.7%	8.2%	40.9%
Part-time:	24.4%	3.2%	27.6%

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SUMMARY OF CHANGES FOR THE SEPTEMBER 30, 2009, VALUATION

Changes in Actuarial Assumptions

At its August 2009 meeting, the Office of the Actuary proposed and the DoD Board of Actuaries approved the following changes for the September 30, 2009, valuation.

CSB/Redux Election Proportion

The Board approved the use of an updated CSB/Redux Election Proportion parameter. This increased the full-time DoD Normal Cost Percentage (NCP)* by 0.4 percentage points, and had no effect on the part-time NCP. The updated parameter leads to an actuarial loss of \$4.0 billion (or 0.3% of the Accrued Liability). See Appendix F.

Survivor Valuation Rates and Factors

The Board approved updates to various rates and factors used to value survivor benefits. They had no effect on the full-time DoD NCP, and decreased the part-time DoD NCP by 0.1 percentage-point. The new rates and factors resulted in an actuarial gain of \$1.1 billion (or 0.1%). See Appendix F.

Permanent Disability Valuation Rates and Factors

The Board approved the update of permanent disability rates and factors. They had no effect on the full- and part-time DoD NCPs to the nearest 0.1 percentage-point. The new rates and factors lead to an actuarial loss of \$0.9 billion (or 0.1%). See Appendix F and Appendix I.

Modeling Refinement

There was an enhancement to the modeling of CSB/Redux retirees. It had no impact on the full- and part-time DoD NCPs to the nearest 0.1 percentage-point. The refinement resulted in an actuarial loss of \$0.5 billion (or 0.0%). See Appendix A.

* DoD pays only a portion of the total NCP. The portion attributable to concurrent receipt benefits is paid by Treasury.

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**SUMMARY OF ANTICIPATED CHANGES
FOR THE SEPTEMBER 30, 2010, VALUATION**

Changes in Actuarial Assumptions

At its July 2010 meeting, the DoD Board of Actuaries approved the following changes for the September 30, 2010, valuation.

Active Duty Valuation Non-Death Rates and Factors

The Board approved an update and refinements to non-death rates and factors used to value full-time benefits. They increase the full-time DoD NCP by 1.4 percentage points, and have no effect on the part-time NCP. The Office of the Actuary (OACT) estimates the new assumptions lead to an actuarial loss of \$2 billion (or 0.2% of the Accrued Liability) to the Fund. For the September 30, 2009, valuation, refer to Appendix F and Appendix G.

Active Duty Valuation Death Rates

The Board approved an update to the death rates used to value full-time benefits. They have no effect on the full- and part-time DoD NCPs to the nearest 0.1 percentage-point. OACT estimates the new death rates lead to an actuarial loss of \$50 million (or 0.0%) to the Fund. For the September 30, 2009, valuation, refer to Appendix G.

Nondisabled Retiree Death and Non-Death Loss Rates

The Board approved an update to the nondisabled retiree death and non-death loss rates used for the nondisability retiree benefits valuation. They increase the full-time DoD NCP by 0.2 percentage points, and decrease the part-time DoD NCP by 0.1 percentage-point. OACT estimates the new rates lead to an actuarial loss of \$20 billion (or 1.6%) to the Fund. For the September 30, 2009, valuation, refer to Appendix I.

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VALUATION OF THE MILITARY RETIREMENT SYSTEM

Introduction

The military retirement system provides benefits for retirement from active duty and from the reserves, disability retirement benefits, optional survivor coverage, and special compensation programs for certain disabled retirees. A detailed description of benefits can be found in Appendix A, and a history of the system is in Appendix B.

Public Law 98-94 (currently Chapter 74 of Title 10, U.S.C.) established an aggregate entry-age normal cost funding method for the military retirement system starting October 1, 1984. Under this law, DoD pays the normal cost of the system and the Treasury Department makes payments from general revenues to amortize the unfunded liability, including any gains or losses that have arisen from assumption or benefit changes, or from assumed experience differing from actual experience. Public Law 108-136 modified this process such that DoD's normal cost contribution excludes the cost due to Concurrent Receipt benefits (refer to Appendix A for more information on Concurrent Receipt provisions). Treasury's total contribution includes an additional amount to fund the normal cost for Concurrent Receipt benefits.

Public Law 98-94 also established an independent three-member DoD Retirement Board of Actuaries who were appointed by the President. The Board is required to review valuations of the military retirement system; to determine the method of amortizing unfunded liabilities; to report annually to the Secretary of Defense; and to report to the President and the Congress on the status of the Military Retirement Fund at least every four years. The DoD Office of the Actuary provides all technical and administrative support to the Board. Public Law 110-181 eliminated the Retirement and Education Benefits Boards, and created a new single DoD Board of Actuaries appointed by the Secretary of Defense. Board duties with respect to the Retirement and Education Benefits Funds are similar, and the new law expands the Board's responsibilities to include oversight of any other Fund the Secretary of Defense deems necessary.

The terms of the Board members are fifteen years and a member can be removed only for misconduct or failure to perform the duties of the office. The current Board members are Mr. James F. Verlautz (Chairman), Ms. Marcia A. Dush, and Mr. Ronald Gebhardtsbauer. The DoD Chief Actuary is the Executive Secretary for the Board.

Military retired pay is based on "basic pay." This is the principal element of military compensation that all members receive; however, it is not analogous to private or public sector salaries for comparative purposes. Reasonable comparisons can be made to Regular Military Compensation (RMC). RMC is the sum of (1) basic pay, (2) the housing allowance, which varies by grade, location, and dependency status, (3) the subsistence allowance and, (4) the tax advantages accruing to allowances because they are not subject to federal income tax. Consequently, comparisons of military retired pay to other pension systems should recognize the relationship to RMC rather than to basic pay only. Appendix A contains a more complete description of this topic.

Valuation Data and Procedure

The valuation input data were extracted from files maintained at the Defense Manpower Data Center (DMDC). Data on individual retirees and survivors came from official files submitted by the Defense Finance and Accounting Service (DFAS). Reserve data were obtained from the Reserve Component Common Personnel Data System (RCCPDS), the official source for all reserve strengths and statistics. The DoD Office of the Actuary (OACT) reviews the data for reasonableness and consistency, but does not audit the data and relies on the file suppliers for its accuracy and comprehensiveness.

The most recent active duty data came from files provided by the four military personnel centers; these data were edited and adjusted by less than 0.1 percent to agree with official totals supplied by the DoD Comptroller. Reserve duty data was also edited and adjusted by less than 0.1 percent to agree with DoD Comptroller official totals. Dollar amounts for 2009 include the January 1, 2010, across-the-board pay raise. These totals are summarized in Table 1.

TABLE 1
INITIAL ACCOUNTING FIGURES AS OF SEPTEMBER 30

	<u>2009</u>	<u>2008</u>
Total Active Duty Personnel + Full-Time Reservists	1,480,142	1,460,720
Total Monthly Basic Pay	\$4.56 billion	\$4.34 billion
Total Selected Drilling Reservists	770,656	765,910
Total Monthly Basic Pay	\$0.47 billion	\$0.45 billion
Total Non-Selected Reservists (with 20 years)	223,901	191,752
Total Monthly Basic Pay	(Not Paid)	(Not Paid)
Total Number of Nondisability Retirees	1,812,771	1,795,369
Total Monthly Retired Pay	\$3.76 billion	\$3.46 billion
Total Number of Disability Retirees	91,539	85,502
Total Monthly Retired Pay	\$0.12 billion	\$0.11 billion
Total Number of Surviving Families	290,902	289,943
Total Monthly Survivor Annuities	\$0.30 billion	\$0.28 billion

Note: Some amounts do not reflect benefit increases described in Appendix A. Costs, liabilities, and outlays in this report, however, reflect these benefit increases unless otherwise stated.

Population and pay projections are generated by an actuarial projection model (GORGO¹). GORGO is a deterministic model; use of a deterministic model assumes the average outcome will occur annually over a period of time. A deterministic model uses the law of large numbers to capture various financial risks (such as mortality), making it an appropriate approach in projecting a large population such as the United States military.

Due to law changes, additional adjustments to the pay projection are made outside of GORGO. For use in this model, the data on active duty personnel and drilling reservists are grouped into cells by age and number of years of service. Each cell contains the number and the average basic pay for personnel with that particular combination of age and length of service. Data on the retired population and surviving families are grouped into cells by age, and each cell contains the number and total net annualized retired pay or survivor annuity.

Separate data arrays are maintained in GORGO for each of the population categories listed in Table 2. These data arrays are displayed in Appendix C.

In GORGO, these starting populations are projected year by year into the future. Each year personnel are moved from one population category to another (e.g., from active to retired, or dropped from the system altogether) by means of decrement rates such as withdrawal, nondisability retirement, temporary disability, permanent disability, transfer, death with and without survivors, etc. Basic pay scale increases are assumed to be 3.75 percent per year. Basic pay is also increased by individual promotion and longevity increases. Generally, retired pay and survivor annuities are increased by cost-of-living adjustments (COLAs) of 3 percent per year for retirees and survivors who receive a full COLA. At the end of each year, the number of people and the amounts paid in basic pay and benefits are saved, and the population is aged. After 100 years, when an immaterial number of the current active or retired personnel are left in the system, the present values of the series of future benefit payments and future basic pay outlays are determined, using the valuation interest rate of 5.75 percent per year. Because no new entrants come into the system, the projection is said to be “closed group.”

There is also an option in GORGO for an “open group” projection in which new entrants are added each year to meet projected endstrengths. Detailed results of an open group projection of the military retirement system appear in Appendix K.

An open group projection appears later in this text (Table 9). This projection, which shows the past and projected flow of plan assets, includes the total basic payroll over the next 100 years, the normal cost contributions, the payments to amortize the unfunded liability, investment income, fund disbursements, and the fund balance. All of these items are discussed in detail throughout the text of this report. An overview of the GORGO process is illustrated in Figure 1.

¹ GORGO is the name given to the program by a former DoD Chief Actuary. It was named after a monster featured in a 1961 British science fiction movie based on a variation of *Godzilla*.

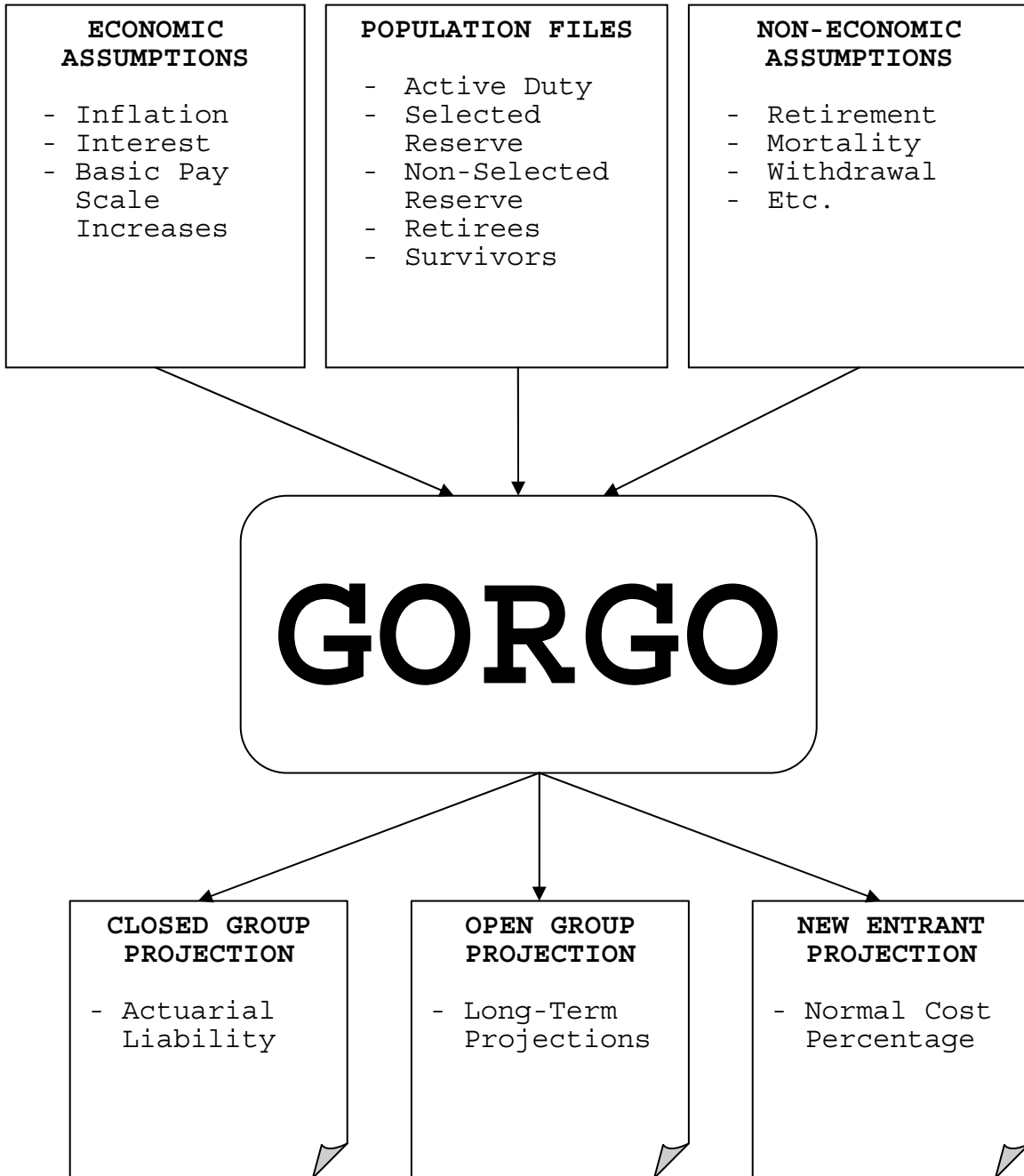
TABLE 2

GORGO POPULATION CATEGORIES

1. Active duty populations and basic pay
 - a. Officers
 - b. Enlistees
2. Selected reserve populations, basic pay, and benefit formula
 - a. Officers
 - b. Enlistees
3. Non-selected reserve (those who have completed 20 good years and have not reached paid retirement) populations, basic pay, and benefit formula
 - a. Officers
 - b. Enlistees
4. Retiree populations, retired pay, and benefit formula
 - a. Nondisabled officers
 - b. Nondisabled enlistees
 - c. Reserve officers
 - d. Reserve enlistees
 - e. Disabled officers (Permanent and Temporary)
 - f. Disabled enlistees (Permanent and Temporary)
5. Surviving families in a survivor benefit plan, total annuities, and benefit formula
 - a. Retired Serviceman's Family Protection Plan (RSFPP)
 - b. Survivor Benefit Plan (SBP)
 - c. Reserve Component Survivor Benefit Plan (RCSBP)
 - d. Death on active duty
 - e. Minimum income
6. Typical new-entrant cohort
 - a. Officers
 - b. Enlistees

FIGURE 1

GORGO PROCESS OVERVIEW



Economic assumptions, i.e., the annual rate of inflation, the annual basic pay scale increases, and the annual valuation interest rate, were decided upon by the DoD Board of Actuaries after extensive analysis of past trends, current environment, and future expectations. A discussion of these trends and other considerations is contained in Appendix D.

The decrement rates and other non-economic assumptions can be categorized as follows:

1. Active duty decrement rates
2. Retiree and survivor decrement rates
3. Drilling and non-drilling (with 20 good years) reserve decrement rates
4. Internal computer program parameters
5. Other rates (e.g., mortality improvement)

In general, the decrement rates and GORGO parameters are based on military-specific experience. The rates and descriptions of how they were derived appear in Appendixes G through J. The internal computer program parameters, dealing with such matters as the survivor benefit elections, premium deductions, and member/beneficiary age differences, appear in Appendix F.

Assets

The assets of the Military Retirement Fund are invested in special issue Treasury obligations bearing interest at rates determined by the Secretary of the Treasury taking into consideration current market yields for outstanding marketable U.S. obligations of comparable maturities. Each security issued to the Fund “mirrors” a security that has been issued to the public, i.e., it has the same maturity date and coupon rate. The special issue security that is mirrored may have been issued recently, or at any time in the past. Under current procedures adopted by Treasury, the investment manager (DFAS Trust Fund Accounting Division) is permitted to redeem long-term special issue securities at any time before maturity for their fair market value, which is based on the bid price for the public issue with the same maturity date and coupon rate. However, Treasury policy encourages a buy-and-hold approach giving consideration to the needs of the Fund in determining the maturities of securities purchased.

The investment manager must follow the asset investment strategy approved by the DFAS Investment Board at their semiannual meetings. The current asset investment strategy is to invest the large majority of future purchases in Treasury Inflation-Protected Securities (TIPS) using a long-term ladder approach. The ladder approach immunizes the investments against adverse changes in market yields while lessening the dependency on discrete, future dates. This strategy hedges almost all of the inflationary pressures while minimizing liquidity risks to the fund. Timing issues and the inconsistency between the TIPS calculation of inflation (CPI-U) and the Fund’s crediting of inflation (CPI-W) to retiree and survivor benefits cause some inflationary risks to remain.

For purposes of determining the unfunded liability, the assets of the Fund are valued using the amortized cost method. Under this method, the yield to maturity of a security valued at

any point in time is equal to the yield to maturity at the time of purchase. In the valuation of the military retirement system, the amortized cost value is referred to as the “actuarial value of assets.” The actuarial value of assets is determined by amortizing premium and discount over the life of the securities. The total investment return includes: the interest coupons received; the change in the amortized cost value during the year; and the inflation compensation accrued from the holdings of TIPS. The actuarial value of assets used in the determination of the unfunded liability includes the “accrued interest,” which is the amount of the next semiannual interest coupon payment that has accrued since the date of the last coupon payment. The amount of the “accrued interest” is determined by multiplying the coupon payment by the ratio of the time that has elapsed since the last coupon payment date to the total time between coupon payments. Table 3 presents a statement of the actuarial value of assets as of September 30, 2009; Table 4 presents a statement of changes in the actuarial value of assets.

In an open group projection of a retirement system where the total number of employees is held constant, the number of retirees and survivors on the rolls at year end, as well as the number withdrawing, retiring, dying, etc., each year, eventually levels out. When this occurs, the population is said to be “stationary.” DoD-projected endstrengths are used through the end of FY15 (as depicted in Table 9). Subsequently, the force size is held constant each year. However, the assumption of future mortality improvement results in a small increase in the retired population each year, so that the retired population is nearly, but not completely, stationary.

When a population becomes stationary, the fund disbursements increase each year at the same rate as total pay, which is 3.75 percent per year. If the method of funding the system is theoretically sound, the value of the assets in the Fund will also increase at this same rate, and thus will become a level percentage of pay. Otherwise, the fund would either increase indefinitely as a percent of pay, or decrease until it was zero. The practical considerations discussed above, mainly mortality improvement, cause the fund disbursements to grow at an ultimate rate slightly higher than 3.75 percent.

A portion of the investment income must be used to generate the 3.75 percent Fund increases and cannot be used to pay benefits. For example, in the year 2040 (on Table 9), the projected normal cost payment is \$61.7 billion, the investment income is \$201.3 billion, and Fund disbursements are \$127.0 billion. The beginning-of-year fund balance is \$3,527.9 billion. The two sources of Fund income will cover benefit payments plus 3.75 percent of the beginning-of-the-year fund balance. That is, \$61.7 billion plus \$201.3 billion exceeds \$127.0 billion plus \$132.3 billion ($\$3,527.9 \text{ billion} \times .0375$)—the amount that would be required for the fund to grow by 3.75 percent during the year. The lack of equality in the later years of the projection is due to (1) mortality improvement, which keeps the retired population from being stationary, (2) the difference between the short-term economic assumptions and the ultimate economic assumptions (see Table 9 Footnote). Additionally, the projection uses unfunded liability amortization payments determined in the September 30, 2009, valuation.

Under generally accepted accounting principles (GAAP), private sector plans must also provide a “Statement of Net Assets Available for Benefits,” where the assets are valued at fair market value. This statement is included in Appendix L and is for descriptive purposes only.

TABLE 3

DEPARTMENT OF DEFENSE
MILITARY RETIREMENT FUND
STATEMENT OF ACTUARIAL VALUE OF ASSETS
(\$ in thousands)

	For the Plan Year Ended September 30:	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
1) Investments, at book value:		
U.S. Government securities ¹	\$275,476,349	\$250,298,444
2) Accounts receivable:		
a) Accrued interest ²	\$2,870,605	\$2,748,171
b) Due from military retirees or their survivors	\$31,897	\$24,513
c) Intragovernmental	\$0	\$0
3) Cash:	<u>\$20,488</u>	<u>\$17,515</u>
 <u>Actuarial value of assets</u>	 <u>\$278,399,339</u>	 <u>\$253,088,643</u>

¹ Book value is determined by 1) amortizing premium and discount over the life of the securities using the effective interest method and 2) including additional inflation compensation from TIPS.

² Includes accrued interest receivable and interest purchased.

TABLE 4

DEPARTMENT OF DEFENSE
MILITARY RETIREMENT FUND
STATEMENT OF CHANGES IN ACTUARIAL VALUE OF ASSETS
(\$ in thousands)

	For the Plan Year Ended September 30:	
	<u>2009</u>	<u>2008</u>
1) Actuarial value of assets at beginning of plan year:	\$253,088,643	\$218,248,487
2) Investment income:		
a) Interest	\$4,714,430	\$17,321,627
b) Net appreciation (depreciation) in book value of investments ¹	\$(1,859,400)	\$(1,763,894)
3) Contributions:		
a) From Services	\$17,542,736	\$16,138,795
b) Appropriation to amortize the unfunded liability	\$51,125,000	\$46,187,000
c) Appropriation for Treasury Normal Cost Contribution	\$3,745,000	\$2,776,000
4) Total additions (2 + 3):	\$75,267,766	\$80,659,528
5) Change in Accounts Receivable	\$7,384	\$347
6) Benefits paid to participants:	<u>\$49,964,454</u>	<u>\$45,819,719</u>
Actuarial value of assets (1 + 4 + 5 - 6):	<u>\$278,399,339</u>	<u>\$253,088,643</u>

¹ Investments bought, sold and held during the plan year ended September 30 appreciated (depreciated) in value as follows:

	<u>2009</u>	<u>2008</u>
Amortized discount	\$40,971	\$108,334
Amortized premium	\$(1,900,371)	\$(1,872,228)
Gain (loss) on sale *	<u>\$0</u>	<u>\$38,831</u>
	\$(1,859,400)	\$(1,763,894)

* Gain (loss) on sale is only shown for informational purposes and is not included in the net appreciation (depreciation).

Normal Cost

The aggregate entry-age normal cost percentage (NCP) is the level percentage of basic pay that must be contributed over the entire active career of a typical group of new entrants to pay for all the future retirement and survivor benefits of that group. It is determined by using the new-entrant cohort as the starting population in a GORGO projection. Their basic pay and benefits are projected over the next 100 years, and then discounted back to the present to find the NCP. Mathematically, a NCP is calculated by dividing the present value of future benefits for the entire cohort by the present value of future basic pay.

As described in Appendix A, there are three distinct nondisability benefit formulas (relevant to three distinct populations) within the military retirement system. Retirement benefits are based on final basic pay (FINAL PAY) for military personnel who first became members of a uniformed service before September 8, 1980, and are based on the average of the highest 36 months (HI-3) for those becoming members on or after this date. Additionally, active duty military personnel who first became members of a uniformed service on or after August 1, 1986, are HI-3 unless they elect Career Status Bonus (CSB)/Redux, which provides them with a bonus in exchange for reduced (Redux) benefits.

Public Law 99-661, enacted in November 1986, mandated that two separate NCPs be used for the valuation of the military retirement system. One NCP is for active-duty personnel and full-time reservists (full-time) and one is for part-time reservists (part-time). Full-time and part-time NCPs are calculated for each of the three separate benefit formulas. The FY10 NCPs are summarized below (with DoD NCPs in parentheses):

<u>Benefit Formula</u>	<u>Full-Time</u>	<u>Part-Time</u>
FINAL PAY	45.9% (36.6%)	29.1% (25.7%)
HI-3	41.6% (33.2%)	27.6% (24.3%)
CSB/REDUX ²	40.9% (32.6%)	27.6% (24.3%)

Public Law 108-136 required the Treasury to pay the normal cost arising from increased benefits due to Concurrent Receipt into the Fund at the beginning of each year. The NCPs shown above include both the Treasury and the DoD portion. DoD pays only a portion of the total NCP. The portion attributable to concurrent receipt benefits is paid by Treasury. Table 7 depicts the DoD and Treasury NCPs separately.

Table 5 shows the expected percentage of the total basic payroll that will be paid during the fiscal year to all active duty personnel who entered a uniformed service since the beginning of fiscal year t-k, where k can take any value from 0 to 29. For example, during FY10 (t =2010), 3 percent of the expected basic payroll will be paid to personnel entering service in that fiscal year (k = 0), and 100 percent of the expected basic payroll will be paid to persons entering service since the beginning of FY81 (k = 29). The data and methodology used to derive this table are described in Appendix E.

² This NCP represents a blend of NCPs for CSB/Redux and HI-3 benefit formulas based on the CSB/Redux Election Proportion (see Appendix F).

TABLE 5

PERCENTAGE OF TOTAL BASIC PAYROLL PAID DURING FISCAL YEAR 't' TO ALL ACTIVE
DUTY PERSONNEL ENTERING SERVICE DURING OR AFTER SPECIFIC YEAR OF ENTRY

<u>Year of Entry</u>	<u>Percentage</u>
t	3%
t-1 or later	10
t-2 or later	18
t-3 or later	26
t-4 or later	32
t-5 or later	38
t-6 or later	43
t-7 or later	47
t-8 or later	52
t-9 or later	56
t-10 or later	60
t-11 or later	63
t-12 or later	67
t-13 or later	70
t-14 or later	74
t-15 or later	77
t-16 or later	80
t-17 or later	83
t-18 or later	86
t-19 or later	89
t-20 or later	92
t-21 or later	94
t-22 or later	95
t-23 or later	96
t-24 or later	97
t-25 or later	98
t-26 or later	98
t-27 or later	99
t-28 or later	99
t-29 or later	100

*** Based on basic payroll data for Fiscal Years 1987 to 1991, as described in Appendix E.

Since 100 percent of the basic payroll for FY10 is expected to be paid to personnel entering service since the beginning of FY81, the normal cost for personnel whose retirement benefits are based on FINAL PAY³ receives no weight (it is shown for informational purposes). Of the post-FY80 new entrants, 96.2 percent is expected to be attributable to the CSB/REDUX members (entering on or after August 1, 1986) and the remaining 3.8 percent to the HI-3 members. The 96.2 percent was derived by interpolating between the factors for FY86 (k = 24) and FY87 (k = 23) years of entry. The FY10 weighted aggregate full- and part-time NCPs are obtained by weighting their respective NCPs for the CSB/REDUX formula by 96.2 percent, and the NCPs for the HI-3 formula by 3.8 percent. The resulting sum of the DoD and Treasury components of the weighted aggregate full-time NCP is 40.9 percent, and the weighted aggregate part-time NCP is 27.6 percent. Due to federal budget deadlines, the two NCPs used to determine the actual contributions to the Fund must be established in advance of implementation and may vary from those actually derived in a valuation.

Table 6 summarizes the components of the FY10 normal cost percentages.

TABLE 6				
NORMAL COST AS A PERCENT OF BASIC PAY (NCPs)				
(DoD Normal Cost Percentage in Parentheses)				
<u>FULL-TIME</u>	<u>FINAL PAY</u>	<u>HI-3</u>	<u>CSB/REDUX</u>	<u>FY10 Weighted</u>
Nondisability benefits	43.4% (34.7%)	39.4% (31.5%)	38.6% (30.9%)	38.7% (30.9%)
Disability benefits	0.8% (0.6%)	0.8% (0.6%)	0.8% (0.6%)	0.8% (0.6%)
Survivor benefits	<u>1.6% (1.3%)</u>	<u>1.5% (1.2%)</u>	<u>1.5% (1.2%)</u>	<u>1.5% (1.2%)</u>
Total	45.9% (36.6%)	41.6% (33.2%)	40.9% (32.6%)	40.9% (32.7%)
 <u>PART-TIME</u>				
Nondisability benefits	27.0% (23.9%)	25.5% (22.6%)	25.5% (22.6%)	25.5% (22.6%)
Disability benefits	0.0% (0.0%)	0.0% (0.0%)	0.0% (0.0%)	0.0% (0.0%)
Survivor benefits	<u>2.1% (1.8%)</u>	<u>2.0% (1.7%)</u>	<u>2.0% (1.7%)</u>	<u>2.0% (1.7%)</u>
Total	29.1% (25.7%)	27.6% (24.3%)	27.6% (24.3%)	27.6% (24.3%)
Note that columns may not add exactly due to rounding.				

³ Personnel hired before September 8, 1980, have their retirement benefits based on FINAL PAY, but for purposes of determining the weights in the weighted NCP, we use personnel hired before October 1, 1980.

As can be determined from this table, about 95 percent of the full-time normal cost stems from nondisability retirement. Based on current decrement rates, 17 percent of a typical group of new entrants attains 20 years of active duty service and becomes eligible for nondisability retirement from active duty. Specifically, 47 percent of new officers and 15 percent of new enlistees attain 20 years of active duty service.⁴ It should be noted that some military personnel who begin their careers on active duty move to the reserves and retire from there. This is modeled through the allocation of a portion of the reserve benefit to the full-time normal cost (see Appendix F).

Table 10 lists in the normal cost columns the past and projected weighted aggregate full-time and part-time NCPs under current law. The columns are separated into the DoD and Treasury NCPs due to Public Law 108-136. By 2011, both the full-time and part-time sum of the DoD and Treasury components of the weighted aggregate percentages drop to the level of the CSB/REDUX normal cost percentages [full-time 40.9 percent ($40.9 = 32.7 + 8.2$); part-time 27.6 percent ($27.6 = 24.4 + 3.2$)] since by that time virtually all non-retired personnel will have entered the uniformed service on or after August 1, 1986, (the above figures may not add due to rounding).

Amortization of Unfunded Liability

Under Public Law 98-94, normal cost contributions began to be made by DoD on behalf of all military personnel on October 1, 1984. Since normal cost contributions had not been made for service prior to this date, there was an initial unfunded accrued liability, or “initial unfunded liability,” of \$528.7 billion as of September 30, 1984. If this amount had been deposited in the retirement fund on September 30, 1984, then it, together with the future normal cost payments to be made on behalf of all active duty personnel and drilling reservists over the balance of their active careers, plus investment earnings at the assumed rate, would have been sufficient to provide all expected retirement and survivor benefits for those in the system on that date.

⁴ As in past valuation reports, these percentages are stated from the perspective of a member still in active service upon reaching his or her first fiscal-year boundary (i.e., September 30). If losses prior to the first fiscal-year boundary are taken into account, the percentages would be reduced by approximately 15 percent. The stated percentages also reflect the effect of reentrants, i.e., members who appear in the active duty population one year without having been there the year before, but are not new entrants. Without the effect of reentrants, the proportion of a typical group of new entrants who attain 20 years of active duty service is reduced from 17 percent to 14 percent. The paygrade transfer rates have no effect. A similar computation is performed for the part-time normal cost. Based on current decrement rates, the percentage is higher for a typical group of new entrants (to the reserves) who become eligible for retirement benefits from the reserves.

The Board of Actuaries originally determined that the initial unfunded accrued liability of the system (\$528.7 billion) should be amortized with payments equal to 33 percent of the second preceding fiscal year's basic payroll. It was originally projected that this method would amortize the initial unfunded liability over 60 years. However, economic assumption changes extended the amortization period well beyond 60 years. As a result, the Board revised the amortization method of the original unfunded liability in such a way that the amortization would have been completed in 2043. In more recent years, it was determined that the Military Retirement Fund was projected to have a negative balance for several years before becoming positive again. The Board decided to shorten the amortization period to 50 years in 1996. The Board again shortened the amortization period in 2007 to 42 years in order for the payments to cover the interest on the unfunded liability each year. The initial unfunded liability is now expected to be fully amortized in 2025.

Changes in the unfunded liability can also arise because of modifications to benefit provisions, changes in actuarial assumptions, and deviations in actual experience from expected experience (gains and losses). The Board approved a method to amortize these changes over 30 years by payments that increase in absolute value at the same rate as the annual long-term basic pay scale assumption (currently 3.75 percent). A detailed description of the methods and computations used to calculate the payment streams for changes in unfunded liability can be found in Appendix M.

Unfunded Accrued Liability as of September 30, 2009

Table 7 summarizes the calculation of the unfunded accrued liability as of September 30, 2009. The present value of future benefits is obtained by projecting future benefits for the total covered population (closed group with no new entrants) as of September 30, 2009, and discounting these benefits back to the present. The GORGO actuarial model projects benefits for the current active and retired populations over the duration of their lifetimes. Due to recent law changes, additional adjustments to the pay projections are made outside of the GORGO model. The initial retirement benefits for military personnel are based on their total projected service at retirement, the applicable benefit formula, and estimated basic pay increases. Subsequent retirement benefits include estimated cost-of-living adjustments and the age 62 adjustment for those retiring under the CSB/REDUX formula.

The present value of future normal cost contributions is obtained by (1) using GORGO to project future yearly full-time and part-time basic pay for the September 30, 2009, covered population, (2) multiplying the pay by the total projected (DoD and Treasury) full-time and part-time weighted aggregate entry-age NCPs, and (3) discounting the resulting normal costs back to September 30, 2009. For this closed group, the relative percentages of basic pay subject to the three separate benefit formulas will change over time as fewer members are covered under the HI-3 and FINAL PAY formulas. The *weighted* full- and part-time NCPs that are multiplied against the future full- or part-time pay in each year reflect expected changing percentages of pay going to members covered by the multiple benefit formulas. This weighted procedure is roughly equivalent in the aggregate to projecting separately the pay of each of the six groups of active duty and selected reserve members and multiplying it by the individual group's NCP.

The sum of the DoD and Treasury components of the weighted aggregate entry-age normal cost percentages for FY10 are 40.9 percent full-time and 27.6 percent part-time. Federal budget deadlines require the establishment of normal cost percentages in advance of the valuation. Consequently, the percentages actually implemented in a fiscal year may vary from those derived in the valuation. These differences, which are small unless major actuarial assumptions are changed, are reflected in the unfunded liability by using the implemented normal cost in the first year of the projection.

Deducting the present value of future normal costs and the actuarial asset value of the Fund from the present value of future benefits leaves an unfunded liability of \$908.5 billion as of September 30, 2009. This was 0.5 percent more than the expected unfunded liability of \$902.1 billion. The expected unfunded liability is what the unfunded liability would have been if all actuarial assumptions had been realized and all benefit formulas had remained unchanged. The fact that the actual unfunded liability is more than expected means that there was a total FY09 loss of \$6.4 billion (\$902.1 billion minus \$908.5 billion). The components of this loss are outlined in Table 8. The total experience loss is divided into four segments: (1) the loss due to the difference between the actual interest rate earned (1.0%) by the fund and the assumed interest rate (5.75%); (2) the gain due to the actual COLA (0.0%) increase being different from that assumed (3.0%); (3) the gain due to the actual salary (3.4%) increase being different from that assumed (3.75%); and (4) the loss due to the difference between the actual experience and all non-economic assumptions for the year. See the Summary of Changes for the September 30, 2009, Valuation for a more detailed discussion of the actuarial assumptions outlined in Table 8.

These changes in unfunded liability were used to calculate the October 1, 2010, unfunded liability payment. The total payment was determined to be \$61,404 million. This total payment includes (1) a payment of \$73,018 million to amortize the original unfunded liability, less (2) an amount of \$1,012 million to amortize changes in actuarial assumptions, plus (3) an amount of \$7,367 million to amortize benefit changes, less (4) an amount of \$17,969 million to amortize total combined experience gains and losses through FY09. The detailed calculations of these payment components are located in Appendix M. Tables 11 and 12 show the projection of the unfunded liability payments and unfunded liability balances. Tables 9 and 10 display all projected transactions to the Fund.

Starting in FY05, the total payment to be made by Treasury includes, in addition to the unfunded liability amortization amount, the amount required by Public Law 108-136 to pay for the increased normal cost due to Concurrent Receipt benefits. This amount is \$4,950 million for FY11; thus, the total Treasury payment on October 1, 2010, is \$66,354 million (\$61,404 million + \$4,950 million). Detailed calculations of the total Treasury payment are also located in Appendix M.

Other measures of a retirement system's liabilities (required for private sector plans under GAAP) are the "Accumulated Plan Benefits" and the "Market Value of Assets." In prior years, both these items and explanatory notes were included in Appendix L. Only the "Market Value of Assets" is shown for informational purposes.

TABLE 7
MILITARY RETIREMENT SYSTEM
ACTUARIAL STATUS INFORMATION
(\$ in billions)

		For the Plan Year Ended September 30:	
		<u>2009</u>	<u>2008</u>
1.	Present value of future benefits		
	a. Annuitants now on roll	\$751.8	\$750.6
	b. Nonretired reservists	\$168.7	\$153.1
	c. Active duty personnel ¹	<u>\$478.7</u>	<u>\$451.0</u>
	TOTAL	\$1,399.2	\$1,354.7
2.	Present value of future normal cost contributions	\$212.3	\$197.4
3.	Actuarial accrued liability	\$1,186.9	\$1,157.3
4.	Actuarial value of assets ²	\$278.4	\$253.1
5.	Unfunded accrued liability	\$908.5	\$904.2
6.	DoD normal cost percentage (NCP) ³ to be applied to basic pay in fiscal year	<u>FY 2011</u>	<u>FY 2010</u>
	a. Full-time	32.7%	32.3%
	b. Part-time	24.4%	24.5%
7.	Treasury normal cost percentage (NCP) ⁴ to be applied to basic pay in fiscal year	<u>FY 2011</u>	<u>FY 2010</u>
	a. Full-time	8.2%	8.0%
	b. Part-time	3.2%	2.8%

Basic pay is only a portion of active duty military compensation. See The Military Retirement System: Benefits (Appendix A) for details.

¹ The future benefits of active duty personnel expected to retire as reservists are counted on line 1.b.

² The actuarial value of assets is determined using the amortized cost method from Table 4.

³ Due to the need to establish the NCPs in advance of implementation (federal budget deadlines), the percentages actually used in a fiscal year may vary from the ones derived in the valuation.

⁴ Public Law 108-136 requires the Department of Treasury to pay the normal cost resulting from the increase in benefits due to Concurrent Receipt.

TABLE 8

FY 2009 CHANGE IN UNFUNDED LIABILITY
(\$ in billions)

	For the Plan Year Ended September 30, 2009	
1. Actual unfunded accrued liability (9/30/09)	\$908.5	
2. Expected unfunded accrued liability (9/30/09)	\$902.1	
3. Total gain/(loss)	(\$6.4)	0.5%
a. Total experience gain/(loss)	(\$2.2)	0.2%
Interest assumption	(\$13.8)	5.0%
COLA assumption	\$22.3	1.9%
Salary assumption	\$1.3	0.1%
Non-economic assumptions	(\$11.9)	1.0%
b. Total benefit change gain/(loss)	\$0.0	0.0%
c. Total assumption change gain/(loss)	(\$4.3)	0.4%
CSB/Redux Election Proportion	(\$4.0)	0.3%
Survivor Valuation Rates/Factors	\$1.1	0.1%
Permanent Disability Valuation Rates/Factors	(\$0.9)	0.1%
Modeling Refinement	(\$0.5)	0.0%

(Percentages shown are ratios of absolute values of each gain or loss component to the accrued liability (Table 7, line 3), except the percentage given for the experience gain/(loss) due to the interest assumption: it is the ratio of the gain or loss to the actuarial value of assets (Table 7, line 4). In this table, negative values represent actuarial losses.)

TABLE 9
MILITARY RETIREMENT SYSTEM
PAST AND PROJECTED FLOW OF PLAN ASSETS¹
(In Billions of Dollars)

Fiscal Year	Basic Payroll ²	Contributions Received			Investment Income	Fund Disbursements ⁵	Fund Balance, End of Year ⁶
		From DoD, for Normal Costs ³	From Treasury, for Normal Costs ³	From Treasury, for Amortization of Unfunded Liability ⁴			
1985	\$0.0	\$17.0	---	\$9.5	\$1.1	\$15.8	\$11.8
1986	11.8	17.4	---	10.5	2.5	17.6	24.6
1987	24.6	18.3	---	10.5	3.6	18.1	38.9
1988	37.3	18.4	---	10.3	5.0	17.5	53.4
1989	53.4	18.5	---	9.8	6.1	20.2	67.6
1990	67.6	16.3	---	10.6	7.3	21.5	80.4
1991	80.4	17.2	---	10.8	8.5	23.1	93.7
1992	93.7	16.3	---	11.2	9.4	24.5	106.1
1993	106.1	13.2	---	12.3	10.0	25.7	115.9
1994	115.9	12.8	---	11.9	10.3	26.7	124.2
1995	124.2	12.2	---	11.5	10.9	27.8	131.0
1996	131.0	11.2	---	10.7	11.3	28.8	135.3
1997	135.3	11.1	---	15.2	11.9	30.2	143.3
1998	143.3	10.4	---	15.1	12.2	31.1	149.9
1999	149.9	10.4	---	15.3	12.4	31.9	156.0
2000	156.0	11.4	---	15.3	12.7	32.8	162.7
2001	162.7	11.4	---	16.1	13.2	34.1	169.2
2002	169.2	12.9	---	17.0	12.4	35.1	176.5
2003	176.5	13.7	---	17.9	10.0	35.6	182.6
2004	182.6	14.1	---	18.2	10.1	37.0	188.0
2005	188.0	15.0	1.5	21.4	10.9	39.0	197.9
2006	197.9	13.9	2.3	23.2	12.3	41.1	208.4
2007	208.4	14.5	2.5	26.0	10.3	43.5	218.2
2008	218.2	16.1	2.8	46.2	15.6	45.8	253.1
2009	253.1	17.5	3.7	51.1	2.9	50.0	278.4

TABLE 9 (cont.)

MILITARY RETIREMENT SYSTEM
 PAST AND PROJECTED FLOW OF PLAN ASSETS¹
 (In Billions of Dollars)

Fiscal Year	Basic Payroll ²	Contributions Received			Investment Income	Fund Disbursements ⁵	Fund Balance, End of Year ⁶
		From DoD, for Normal Costs ³	From Treasury, for Normal Costs ³	From Treasury, for Amortization of Unfunded Liability ⁴			
2010	\$60.3	\$19.0	\$4.5	\$58.6	\$18.7	\$50.4	\$328.9
2011	60.8	19.4	4.7	61.4	21.8	50.8	385.4
2012	61.7	19.6	4.8	63.7	25.2	51.5	447.2
2013	63.1	20.1	4.9	66.1	28.9	52.8	514.3
2014	64.9	20.7	5.0	68.6	32.8	54.3	587.1
2015	66.8	21.3	5.2	71.1	37.2	55.6	666.2
2016	68.8	21.9	5.3	73.8	41.8	57.1	752.0
2017	70.9	22.5	5.5	76.6	46.9	58.6	844.8
2018	73.0	23.2	5.6	79.5	52.4	60.0	945.6
2019	75.2	23.9	5.8	82.4	58.3	62.0	1,054.1
2020	77.7	24.7	6.0	85.5	64.7	64.2	1,170.8
2021	80.3	25.5	6.2	88.7	71.6	66.5	1,296.3
2022	83.0	26.4	6.4	92.1	79.0	68.9	1,431.2
2023	85.8	27.3	6.6	95.5	86.9	71.5	1,576.0
2024	88.6	28.2	6.8	99.1	95.4	74.1	1,731.5
2025	91.5	29.1	7.0	102.8	104.5	76.7	1,898.2
2026	94.6	30.1	7.3	127.2	115.5	79.5	2,098.7
2027	97.8	31.1	7.5	11.5	120.3	82.2	2,186.8
2028	101.2	32.2	7.8	11.9	125.3	85.3	2,278.7
2029	104.8	33.3	8.1	12.3	130.6	88.4	2,374.6
2030	108.6	34.5	8.3	12.8	136.1	91.3	2,475.1
2031	112.4	35.7	8.6	13.3	141.9	94.5	2,580.1
2032	116.5	37.0	9.0	13.8	147.9	97.6	2,690.1
2033	120.9	38.4	9.3	14.3	154.2	100.9	2,805.4
2034	125.4	39.8	9.6	14.8	160.9	104.3	2,926.2
2035	130.0	41.3	10.0	0.6	167.0	107.8	3,037.3
2036	134.9	42.8	10.4	0.0	173.3	111.4	3,152.4
2037	139.9	44.4	10.8	0.0	179.9	115.1	3,272.4
2038	145.2	46.1	11.2	0.0	186.7	118.9	3,397.5
2039	150.7	47.8	11.6	0.0	193.9	122.9	3,527.9
2040	156.3	49.6	12.0	0.0	201.3	127.0	3,663.9
2041	162.1	51.5	12.5	0.0	209.1	131.3	3,805.6
2042	168.2	53.4	12.9	0.0	217.2	135.8	3,953.4
2043	174.5	55.4	13.4	0.0	225.6	140.4	4,107.5
2044	181.1	57.5	13.9	0.0	234.5	145.2	4,268.2
2045	187.8	59.7	14.4	0.0	243.7	150.1	4,435.8
2046	194.8	61.9	15.0	0.0	253.2	155.3	4,610.6
2047	202.1	64.2	15.5	0.0	263.2	160.7	4,792.9
2048	209.7	66.6	16.1	0.0	273.7	166.2	4,983.0
2049	217.5	69.1	16.7	0.0	284.5	172.0	5,181.3
2050	225.7	71.7	17.3	0.0	295.9	178.1	5,388.1
2051	234.1	74.4	18.0	0.0	307.7	184.4	5,603.8
2052	242.9	77.1	18.7	0.0	320.0	191.0	5,828.6
2053	252.0	80.0	19.4	0.0	332.9	197.8	6,063.0
2054	261.5	83.0	20.1	0.0	346.3	205.0	6,307.4
2055	271.3	86.1	20.8	0.0	360.2	212.5	6,562.1
2056	281.4	89.4	21.6	0.0	374.8	220.3	6,827.7
2057	292.0	92.7	22.4	0.0	390.0	228.4	7,104.4
2058	303.0	96.2	23.3	0.0	405.8	236.9	7,392.8
2059	314.3	99.8	24.1	0.0	422.3	245.8	7,693.3

TABLE 9 (cont.)

MILITARY RETIREMENT SYSTEM
 PAST AND PROJECTED FLOW OF PLAN ASSETS¹
 (In Billions of Dollars)

Fiscal Year	Basic Payroll ²	Contributions Received			Investment Income	Fund Disbursements ⁵	Fund Balance, End of Year ⁶
		From DoD, for Normal Costs ³	From Treasury, for Normal Costs ³	From Treasury, for Amortization of Unfunded Liability ⁴			
2060	\$326.2	\$103.6	\$25.1	\$0.0	\$439.4	\$255.1	\$8,006.3
2061	338.4	107.5	26.0	0.0	457.3	264.8	8,332.3
2062	351.1	111.5	27.0	0.0	476.0	274.9	8,671.9
2063	364.3	115.7	28.0	0.0	495.4	285.4	9,025.5
2064	378.0	120.0	29.0	0.0	515.6	296.4	9,393.7
2065	392.1	124.5	30.1	0.0	536.6	307.9	9,777.0
2066	406.8	129.2	31.2	0.0	558.5	319.9	10,176.1
2067	422.1	134.1	32.4	0.0	581.3	332.4	10,591.4
2068	437.9	139.1	33.6	0.0	605.0	345.4	11,023.7
2069	454.4	144.3	34.9	0.0	629.7	359.0	11,473.6
2070	471.4	149.7	36.2	0.0	655.4	373.1	11,941.8
2071	489.1	155.3	37.6	0.0	682.1	387.8	12,429.1
2072	507.4	161.1	39.0	0.0	710.0	403.0	12,936.1
2073	526.4	167.2	40.4	0.0	738.9	418.9	13,463.7
2074	546.1	173.5	42.0	0.0	769.0	435.4	14,012.8
2075	566.6	180.0	43.5	0.0	800.4	452.5	14,584.1
2076	587.9	186.7	45.2	0.0	833.0	470.4	15,178.6
2077	609.9	193.7	46.8	0.0	867.0	488.9	15,797.3
2078	632.8	201.0	48.6	0.0	902.3	508.1	16,441.1
2079	656.5	208.5	50.4	0.0	939.1	528.1	17,111.0
2080	681.1	216.3	52.3	0.0	977.3	548.9	17,808.0
2081	706.7	224.4	54.3	0.0	1,017.1	570.5	18,533.4
2082	733.2	232.9	56.3	0.0	1,058.6	592.9	19,288.2
2083	760.7	241.6	58.4	0.0	1,101.7	616.2	20,073.7
2084	789.2	250.7	60.6	0.0	1,146.5	640.4	20,891.0
2085	818.8	260.1	62.9	0.0	1,193.2	665.6	21,741.6
2086	849.6	269.8	65.3	0.0	1,241.8	691.7	22,626.8
2087	881.4	279.9	67.7	0.0	1,292.3	718.8	23,547.9
2088	914.5	290.4	70.2	0.0	1,344.9	747.0	24,506.5
2089	948.8	301.3	72.9	0.0	1,399.7	776.2	25,504.2
2090	984.4	312.6	75.6	0.0	1,456.6	806.6	26,542.5
2091	1,021.3	324.4	78.4	0.0	1,515.9	838.1	27,623.1
2092	1,059.6	336.5	81.4	0.0	1,577.6	870.9	28,747.8
2093	1,099.3	349.1	84.4	0.0	1,641.9	904.9	29,918.4
2094	1,140.6	362.2	87.6	0.0	1,708.7	940.3	31,136.7
2095	1,183.3	375.8	90.9	0.0	1,778.3	977.0	32,404.8
2096	1,227.7	389.9	94.3	0.0	1,850.7	1,015.1	33,724.6
2097	1,273.8	404.5	97.8	0.0	1,926.1	1,054.7	35,098.4
2098	1,321.5	419.7	101.5	0.0	2,004.6	1,095.8	36,528.3
2099	1,371.1	435.4	105.3	0.0	2,086.2	1,138.6	38,016.7
2100	1,422.5	451.8	109.3	0.0	2,171.2	1,182.9	39,566.1
2101	1,475.8	468.7	113.4	0.0	2,259.7	1,229.0	41,178.8
2102	1,531.2	486.3	117.6	0.0	2,351.8	1,276.9	42,857.6
2103	1,588.6	504.5	122.0	0.0	2,447.7	1,326.6	44,605.3
2104	1,648.2	523.5	126.6	0.0	2,547.5	1,378.3	46,424.5
2105	1,710.0	543.1	131.3	0.0	2,651.4	1,431.9	48,318.4
2106	1,774.1	563.5	136.3	0.0	2,759.6	1,487.7	50,290.1
2107	1,840.7	584.6	141.4	0.0	2,872.2	1,545.5	52,342.7
2108	1,909.7	606.5	146.7	0.0	2,989.4	1,605.6	54,479.8

FOOTNOTES FOR TABLE 9

- ¹ Public Law 98-94 established the Military Retirement Fund. Under the law, DoD is responsible for the normal cost payment and Treasury is responsible for the payments on the unfunded liability. Public Law 108-136 assigned Treasury the responsibility of funding the normal cost resulting from increased benefits due to Concurrent Receipt, starting in FY05. There are no employee contributions to the fund.
- ² DoD-projected endstrengths are used through the end of FY15 and constant force strengths thereafter. Basic pay is only a portion of military compensation. See The Military Retirement System: Benefits in Appendix A for details.
- ³ Due to federal budget deadlines, normal cost percentages are established in advance of implementation. The percentage actually used and displayed here may vary from the one derived in the valuation as of the end of the previous year. Starting in FY87, NCPs have been developed separately for the full-time and part-time basic payrolls.
- ⁴ Reflects amortization payments for FY11 and thereafter determined in the September 30, 2009, valuation.
- ⁵ Disbursements are on a cash basis. Beginning in December 1984, entitlements obligated for a month have been paid at the beginning of the following month. Prior to this date, entitlements were paid at the end of the month of obligation. Consequently, FY85 disbursements include only 11 months of payments.
- ⁶ This fund balance (on a book value basis) reflects cash disbursements during the year. On September 30, 2009, assets in the fund totaled \$278.4 billion.

NOTES: Mortality rates that are applied in the valuation to active duty members, nondisabled retirees, and survivors, are subject to improvement over time. See Appendix J for details. People and pay underlying the projection can be found in Appendix K. The table does not reflect future gains or losses due to economic experience being different than assumed. Consequently, only payments on the total unfunded liability as of 9/30/09 are reflected.

ANNUAL ECONOMIC ASSUMPTIONS USED IN PROJECTIONS OF PLAN ASSETS

<u>Fiscal Year</u>	<u>Full COLA</u>	<u>Basic Pay</u>	<u>Interest</u>
2010	0.0	3.4	5.75
2011	0.0	1.4	5.75
2012	0.8	2.3	5.75
2013-14	1.9	3.4	5.75
2015	2.0	3.4	5.75
2016-18	2.1	3.4	5.75
2019	3.0	3.4	5.75
2020+	3.0	3.75	5.75

Full COLA is equal to full cost-of-living increases to retiree and survivor annuities. Basic Pay is equal to the non-promotion-and-merit increases. They are applied on an across-the-board basis and typically occur each January 1st. Interest assumptions pertain to annual investment income for the entire portfolio. The above COLA and Basic Pay assumptions are from the Office of Management and Budget (OMB); the interest (fund yield) is the Board of Actuaries long-term interest assumption. Long-term annual economic assumptions (used throughout the projection in the normal cost and unfunded liability calculations) are 3.0% COLA, 3.75% basic pay and 5.75% interest.

TABLE 10

**MILITARY RETIREMENT SYSTEM
PAST AND PROJECTED PAYROLL AND NORMAL COST PAYMENTS
(In Billions of Dollars and as a Proportion of Payroll)**

Fiscal Year	Payroll			DoD Normal Cost Payments				Treasury Normal Cost Payments				Normal Cost Payments
	Full-Time	Part-Time	Total	Full-Time		Part-Time		Full-Time		Part-Time		Total
1985	\$30.6	\$2.9	\$33.5	\$15.5	(0.507)	\$1.5	(0.507)	\$0.0	---	\$0.0	---	\$17.0
1986	32.3	3.1	35.4	16.4	(0.507)	1.6	(0.507)	0.0	---	0.0	---	17.9
1987	33.4	3.0	36.4	17.4	(0.522)	0.8	(0.264)	0.0	---	0.0	---	18.2
1988	34.0	3.3	37.3	17.4	(0.512)	0.9	(0.261)	0.0	---	0.0	---	18.3
1989	35.0	3.6	38.6	17.6	(0.502)	0.9	(0.257)	0.0	---	0.0	---	18.5
1990	36.0	3.7	39.7	15.8	(0.439)	0.5	(0.134)	0.0	---	0.0	---	16.3
1991	38.6	3.7	42.3	16.7	(0.432)	0.5	(0.133)	0.0	---	0.0	---	17.2
1992	36.9	4.1	41.0	15.8	(0.427)	0.5	(0.133)	0.0	---	0.0	---	16.3
1993	35.1	3.8	38.9	12.8	(0.364)	0.4	(0.106)	0.0	---	0.0	---	13.2
1994	34.5	3.8	38.3	12.4	(0.360)	0.4	(0.106)	0.0	---	0.0	---	12.8
1995	33.4	3.8	37.2	11.9	(0.355)	0.4	(0.105)	0.0	---	0.0	---	12.3
1996	33.1	3.7	36.8	10.9	(0.329)	0.4	(0.096)	0.0	---	0.0	---	11.2
1997	33.2	3.7	36.9	10.8	(0.326)	0.4	(0.096)	0.0	---	0.0	---	11.2
1998	33.4	3.7	37.1	10.2	(0.305)	0.3	(0.088)	0.0	---	0.0	---	10.5
1999	33.7	3.9	37.6	10.2	(0.302)	0.3	(0.087)	0.0	---	0.0	---	10.5
2000	35.1	4.0	39.1	11.2	(0.318)	0.4	(0.098)	0.0	---	0.0	---	11.6
2001	36.7	4.2	40.9	10.9	(0.296)	0.6	(0.141)	0.0	---	0.0	---	11.5
2002	40.8	3.9	44.7	12.4	(0.303)	0.6	(0.144)	0.0	---	0.0	---	12.9
2003	47.8	4.2	52.0	13.1	(0.274)	0.6	(0.146)	0.0	---	0.0	---	13.7
2004	49.4	4.2	53.6	13.4	(0.271)	0.7	(0.160)	0.0	---	0.0	---	14.1
2005	52.0	4.3	56.3	14.3	(0.275)	0.7	(0.167)	1.7	(0.033)	0.0	(0.008)	16.8
2006	49.7	4.3	54.0	13.2	(0.265)	0.7	(0.167)	2.4	(0.049)	0.1	(0.014)	16.4
2007	51.2	5.2	56.4	13.6	(0.265)	0.9	(0.175)	2.5	(0.049)	0.1	(0.015)	17.1
2008	53.5	5.7	59.2	15.5	(0.290)	1.1	(0.191)	2.7	(0.050)	0.1	(0.015)	19.4
2009	51.7	9.9	61.6	15.2	(0.294)	2.1	(0.211)	3.6	(0.070)	0.2	(0.023)	21.1

TABLE 10 (cont.)

**MILITARY RETIREMENT SYSTEM
PAST AND PROJECTED PAYROLL AND NORMAL COST PAYMENTS
(In Billions of Dollars and as a Proportion of Payroll)**

Fiscal Year	Payroll			DoD Normal Cost Payments				Treasury Normal Cost Payments				Normal Cost Payments
	Full-Time	Part-Time	Total	Full-Time		Part-Time		Full-Time		Part-Time		Total
2010	\$54.6	\$5.7	\$60.3	\$17.6	(0.323)	\$1.4	(0.245)	\$4.4	(0.080)	\$0.2	(0.028)	\$23.5
2011	55.0	5.8	60.8	18.0	(0.327)	1.4	(0.244)	4.5	(0.082)	0.2	(0.032)	24.1
2012	55.7	6.0	61.7	18.2	(0.327)	1.5	(0.243)	4.6	(0.082)	0.2	(0.032)	24.4
2013	56.9	6.2	63.1	18.6	(0.327)	1.5	(0.243)	4.7	(0.082)	0.2	(0.032)	25.0
2014	58.5	6.4	64.9	19.1	(0.327)	1.6	(0.243)	4.8	(0.082)	0.2	(0.032)	25.7
2015	60.2	6.6	66.8	19.6	(0.327)	1.6	(0.243)	4.9	(0.082)	0.2	(0.032)	26.4
2016	61.9	6.9	68.8	20.2	(0.326)	1.7	(0.243)	5.1	(0.082)	0.2	(0.032)	27.2
2017	63.8	7.1	70.9	20.8	(0.326)	1.7	(0.243)	5.2	(0.082)	0.2	(0.032)	28.0
2018	65.6	7.4	73.0	21.4	(0.326)	1.8	(0.243)	5.4	(0.082)	0.2	(0.032)	28.8
2019	67.6	7.6	75.2	22.1	(0.326)	1.9	(0.243)	5.5	(0.082)	0.2	(0.032)	29.7
2020	69.8	7.9	77.7	22.8	(0.326)	1.9	(0.243)	5.7	(0.082)	0.3	(0.032)	30.7
2021	72.1	8.2	80.3	23.5	(0.326)	2.0	(0.243)	5.9	(0.082)	0.3	(0.032)	31.7
2022	74.5	8.5	83.0	24.3	(0.326)	2.1	(0.243)	6.1	(0.082)	0.3	(0.032)	32.8
2023	77.0	8.8	85.8	25.1	(0.326)	2.2	(0.243)	6.3	(0.082)	0.3	(0.032)	33.9
2024	79.4	9.2	88.6	25.9	(0.326)	2.2	(0.243)	6.5	(0.082)	0.3	(0.032)	35.0
2025	82.0	9.5	91.5	26.8	(0.326)	2.3	(0.243)	6.7	(0.082)	0.3	(0.032)	36.1
2026	84.7	9.9	94.6	27.6	(0.326)	2.4	(0.243)	7.0	(0.082)	0.3	(0.032)	37.3
2027	87.5	10.3	97.8	28.6	(0.326)	2.5	(0.243)	7.2	(0.082)	0.3	(0.032)	38.6
2028	90.6	10.7	101.2	29.6	(0.326)	2.6	(0.243)	7.4	(0.082)	0.3	(0.032)	39.9
2029	93.8	11.1	104.8	30.6	(0.326)	2.7	(0.243)	7.7	(0.082)	0.4	(0.032)	41.4
2030	97.1	11.5	108.6	31.7	(0.326)	2.8	(0.243)	8.0	(0.082)	0.4	(0.032)	42.8
2031	100.5	11.9	112.4	32.8	(0.326)	2.9	(0.243)	8.3	(0.082)	0.4	(0.032)	44.4
2032	104.1	12.4	116.5	34.0	(0.326)	3.0	(0.243)	8.6	(0.082)	0.4	(0.032)	46.0
2033	108.0	12.9	120.9	35.3	(0.326)	3.1	(0.243)	8.9	(0.082)	0.4	(0.032)	47.7
2034	112.0	13.3	125.4	36.6	(0.326)	3.2	(0.243)	9.2	(0.082)	0.4	(0.032)	49.4
2035	116.2	13.9	130.0	37.9	(0.326)	3.4	(0.243)	9.5	(0.082)	0.4	(0.032)	51.3
2036	120.5	14.4	134.9	39.3	(0.326)	3.5	(0.243)	9.9	(0.082)	0.5	(0.032)	53.2
2037	125.0	14.9	139.9	40.8	(0.326)	3.6	(0.243)	10.3	(0.082)	0.5	(0.032)	55.2
2038	129.7	15.5	145.2	42.4	(0.326)	3.8	(0.243)	10.7	(0.082)	0.5	(0.032)	57.3
2039	134.6	16.1	150.7	43.9	(0.326)	3.9	(0.243)	11.1	(0.082)	0.5	(0.032)	59.4
2040	139.6	16.7	156.3	45.6	(0.326)	4.1	(0.243)	11.5	(0.082)	0.5	(0.032)	61.7
2041	144.9	17.3	162.1	47.3	(0.326)	4.2	(0.243)	11.9	(0.082)	0.6	(0.032)	64.0
2042	150.3	17.9	168.2	49.1	(0.326)	4.4	(0.243)	12.3	(0.082)	0.6	(0.032)	66.4
2043	155.9	18.6	174.5	50.9	(0.326)	4.5	(0.243)	12.8	(0.082)	0.6	(0.032)	68.8
2044	161.8	19.3	181.1	52.8	(0.326)	4.7	(0.243)	13.3	(0.082)	0.6	(0.032)	71.4
2045	167.8	20.0	187.8	54.8	(0.326)	4.9	(0.243)	13.8	(0.082)	0.7	(0.032)	74.1
2046	174.0	20.8	194.8	56.8	(0.326)	5.1	(0.243)	14.3	(0.082)	0.7	(0.032)	76.8
2047	180.5	21.6	202.1	58.9	(0.326)	5.2	(0.243)	14.8	(0.082)	0.7	(0.032)	79.7
2048	187.3	22.4	209.7	61.2	(0.326)	5.4	(0.243)	15.4	(0.082)	0.7	(0.032)	82.7
2049	194.3	23.2	217.5	63.4	(0.326)	5.7	(0.243)	16.0	(0.082)	0.8	(0.032)	85.8
2050	201.6	24.1	225.7	65.8	(0.326)	5.9	(0.243)	16.6	(0.082)	0.8	(0.032)	89.0
2051	209.1	25.0	234.1	68.3	(0.326)	6.1	(0.243)	17.2	(0.082)	0.8	(0.032)	92.3
2052	217.0	25.9	242.9	70.8	(0.326)	6.3	(0.243)	17.8	(0.082)	0.8	(0.032)	95.8
2053	225.1	26.9	252.0	73.5	(0.326)	6.5	(0.243)	18.5	(0.082)	0.9	(0.032)	99.4
2054	233.5	27.9	261.5	76.2	(0.326)	6.8	(0.243)	19.2	(0.082)	0.9	(0.032)	103.1
2055	242.3	29.0	271.3	79.1	(0.326)	7.0	(0.243)	19.9	(0.082)	0.9	(0.032)	107.0
2056	251.4	30.1	281.4	82.1	(0.326)	7.3	(0.243)	20.6	(0.082)	1.0	(0.032)	111.0
2057	260.8	31.2	292.0	85.2	(0.326)	7.6	(0.243)	21.4	(0.082)	1.0	(0.032)	115.2
2058	270.6	32.4	303.0	88.3	(0.326)	7.9	(0.243)	22.2	(0.082)	1.1	(0.032)	119.5
2059	280.8	33.6	314.3	91.7	(0.326)	8.2	(0.243)	23.1	(0.082)	1.1	(0.032)	124.0

TABLE 10 (cont.)

**MILITARY RETIREMENT SYSTEM
PAST AND PROJECTED PAYROLL AND NORMAL COST PAYMENTS
(In Billions of Dollars and as a Proportion of Payroll)**

Fiscal Year	Payroll			DoD Normal Cost Payments				Treasury Normal Cost Payments				Normal Cost Payments
	Full-Time	Part-Time	Total	Full-Time		Part-Time		Full-Time		Part-Time		Total
2060	\$291.3	\$34.8	\$326.2	\$95.1	(0.326)	\$8.5	(0.243)	\$23.9	(0.082)	\$1.1	(0.032)	\$128.6
2061	302.3	36.1	338.4	98.7	(0.326)	8.8	(0.243)	24.8	(0.082)	1.2	(0.032)	133.5
2062	313.6	37.5	351.1	102.4	(0.326)	9.1	(0.243)	25.8	(0.082)	1.2	(0.032)	138.5
2063	325.4	38.9	364.3	106.2	(0.326)	9.5	(0.243)	26.7	(0.082)	1.3	(0.032)	143.7
2064	337.6	40.4	378.0	110.2	(0.326)	9.8	(0.243)	27.7	(0.082)	1.3	(0.032)	149.1
2065	350.3	41.9	392.1	114.4	(0.326)	10.2	(0.243)	28.8	(0.082)	1.4	(0.032)	154.7
2066	363.4	43.4	406.8	118.6	(0.326)	10.6	(0.243)	29.8	(0.082)	1.4	(0.032)	160.5
2067	377.0	45.1	422.1	123.1	(0.326)	11.0	(0.243)	31.0	(0.082)	1.5	(0.032)	166.5
2068	391.2	46.8	437.9	127.7	(0.326)	11.4	(0.243)	32.1	(0.082)	1.5	(0.032)	172.7
2069	405.8	48.5	454.4	132.5	(0.326)	11.8	(0.243)	33.3	(0.082)	1.6	(0.032)	179.2
2070	421.1	50.3	471.4	137.5	(0.326)	12.2	(0.243)	34.6	(0.082)	1.6	(0.032)	185.9
2071	436.8	52.2	489.1	142.6	(0.326)	12.7	(0.243)	35.9	(0.082)	1.7	(0.032)	192.9
2072	453.2	54.2	507.4	148.0	(0.326)	13.2	(0.243)	37.2	(0.082)	1.8	(0.032)	200.1
2073	470.2	56.2	526.4	153.5	(0.326)	13.7	(0.243)	38.6	(0.082)	1.8	(0.032)	207.6
2074	487.8	58.3	546.1	159.3	(0.326)	14.2	(0.243)	40.1	(0.082)	1.9	(0.032)	215.4
2075	506.1	60.5	566.6	165.2	(0.326)	14.7	(0.243)	41.6	(0.082)	2.0	(0.032)	223.5
2076	525.1	62.8	587.9	171.4	(0.326)	15.3	(0.243)	43.1	(0.082)	2.0	(0.032)	231.9
2077	544.8	65.1	609.9	177.9	(0.326)	15.8	(0.243)	44.7	(0.082)	2.1	(0.032)	240.6
2078	565.2	67.6	632.8	184.5	(0.326)	16.4	(0.243)	46.4	(0.082)	2.2	(0.032)	249.6
2079	586.4	70.1	656.5	191.5	(0.326)	17.1	(0.243)	48.2	(0.082)	2.3	(0.032)	258.9
2080	608.4	72.7	681.1	198.6	(0.326)	17.7	(0.243)	50.0	(0.082)	2.4	(0.032)	268.6
2081	631.2	75.5	706.7	206.1	(0.326)	18.4	(0.243)	51.8	(0.082)	2.5	(0.032)	278.7
2082	654.9	78.3	733.2	213.8	(0.326)	19.0	(0.243)	53.8	(0.082)	2.5	(0.032)	289.2
2083	679.5	81.2	760.7	221.8	(0.326)	19.8	(0.243)	55.8	(0.082)	2.6	(0.032)	300.0
2084	705.0	84.3	789.2	230.2	(0.326)	20.5	(0.243)	57.9	(0.082)	2.7	(0.032)	311.3
2085	731.4	87.4	818.8	238.8	(0.326)	21.3	(0.243)	60.1	(0.082)	2.8	(0.032)	323.0
2086	758.8	90.7	849.6	247.7	(0.326)	22.1	(0.243)	62.3	(0.082)	2.9	(0.032)	335.1
2087	787.3	94.1	881.4	257.0	(0.326)	22.9	(0.243)	64.6	(0.082)	3.1	(0.032)	347.6
2088	816.8	97.6	914.5	266.7	(0.326)	23.8	(0.243)	67.1	(0.082)	3.2	(0.032)	360.7
2089	847.5	101.3	948.8	276.7	(0.326)	24.6	(0.243)	69.6	(0.082)	3.3	(0.032)	374.2
2090	879.3	105.1	984.4	287.1	(0.326)	25.6	(0.243)	72.2	(0.082)	3.4	(0.032)	388.2
2091	912.3	109.0	1021.3	297.8	(0.326)	26.5	(0.243)	74.9	(0.082)	3.5	(0.032)	402.8
2092	946.5	113.1	1059.6	309.0	(0.326)	27.5	(0.243)	77.7	(0.082)	3.7	(0.032)	417.9
2093	982.0	117.4	1099.3	320.6	(0.326)	28.6	(0.243)	80.6	(0.082)	3.8	(0.032)	433.6
2094	1018.8	121.8	1140.6	332.6	(0.326)	29.6	(0.243)	83.7	(0.082)	4.0	(0.032)	449.8
2095	1057.0	126.3	1183.3	345.1	(0.326)	30.7	(0.243)	86.8	(0.082)	4.1	(0.032)	466.7
2096	1096.6	131.1	1227.7	358.0	(0.326)	31.9	(0.243)	90.0	(0.082)	4.3	(0.032)	484.2
2097	1137.8	136.0	1273.8	371.5	(0.326)	33.1	(0.243)	93.4	(0.082)	4.4	(0.032)	502.4
2098	1180.4	141.1	1321.5	385.4	(0.326)	34.3	(0.243)	96.9	(0.082)	4.6	(0.032)	521.2
2099	1224.7	146.4	1371.1	399.8	(0.326)	35.6	(0.243)	100.6	(0.082)	4.8	(0.032)	540.8
2100	1270.6	151.9	1422.5	414.8	(0.326)	36.9	(0.243)	104.3	(0.082)	4.9	(0.032)	561.0
2101	1318.3	157.6	1475.8	430.4	(0.326)	38.3	(0.243)	108.2	(0.082)	5.1	(0.032)	582.1
2102	1367.7	163.5	1531.2	446.5	(0.326)	39.8	(0.243)	112.3	(0.082)	5.3	(0.032)	603.9
2103	1419.0	169.6	1588.6	463.3	(0.326)	41.3	(0.243)	116.5	(0.082)	5.5	(0.032)	626.6
2104	1472.2	176.0	1648.2	480.7	(0.326)	42.8	(0.243)	120.9	(0.082)	5.7	(0.032)	650.1
2105	1527.4	182.6	1710.0	498.7	(0.326)	44.4	(0.243)	125.4	(0.082)	5.9	(0.032)	674.4
2106	1584.7	189.4	1774.1	517.4	(0.326)	46.1	(0.243)	130.1	(0.082)	6.2	(0.032)	699.7
2107	1644.2	196.5	1840.7	536.8	(0.326)	47.8	(0.243)	135.0	(0.082)	6.4	(0.032)	726.0
2108	1705.8	203.9	1909.7	556.9	(0.326)	49.6	(0.243)	140.1	(0.082)	6.6	(0.032)	753.2

TABLE 11

PAST AND PROJECTED UNFUNDED LIABILITY PAYMENTS ON OCTOBER 1
 (\$ in billions)

Calendar Year	Original UFL	Assumption Changes	Benefit Changes	Actuarial Experience	Total
1984*	\$9.500	\$.000	\$.000	\$.000	\$9.500
1985*	10.500	0.000	0.000	0.000	10.500
1986*	11.042	0.000	0.000	(0.518)	10.524
1987*	11.679	0.000	(0.113)	(1.281)	10.285
1988*	12.003	0.135	(0.112)	(2.244)	9.782
1989*	16.300	(2.116)	(0.132)	(3.456)	10.596
1990*	17.237	(2.237)	(0.140)	(4.078)	10.782
1991*	18.228	(2.366)	(0.148)	(4.508)	11.206
1992*	22.621	(4.625)	(0.171)	(5.552)	12.273
1993*	23.865	(4.880)	(0.180)	(6.897)	11.908
1994*	25.177	(5.148)	(0.189)	(8.370)	11.470
1995*	27.746	(6.619)	(0.079)	(10.349)	10.699
1996*	33.456	(6.917)	(0.042)	(11.346)	15.151
1997*	36.227	(8.529)	0.048	(12.627)	15.119
1998*	37.676	(8.870)	0.050	(13.606)	15.250
1999*	39.183	(9.201)	0.052	(14.732)	15.302
2000*	42.098	(9.984)	0.335	(16.360)	16.089
2001*	43.571	(9.862)	0.472	(17.134)	17.047
2002*	45.096	(10.059)	0.661	(17.770)	17.928
2003*	46.674	(10.741)	0.977	(18.721)	18.189
2004*	46.857	(10.959)	4.627	(19.167)	21.358
2005*	48.614	(11.337)	6.081	(20.178)	23.180
2006*	50.437	(11.238)	6.313	(19.464)	26.048
2007*	66.711	(7.642)	6.430	(19.312)	46.187
2008*	69.213	(5.076)	7.026	(20.038)	51.125
2009*	70.379	(1.241)	7.100	(17.619)	58.619
2010	73.018	(1.012)	7.367	(17.969)	61.404
2011	75.757	(1.050)	7.643	(18.642)	63.708
2012	78.598	(1.090)	7.930	(19.342)	66.096
2013	81.545	(1.131)	8.227	(20.067)	68.574
2014	84.603	(1.173)	8.535	(20.819)	71.146
2015	87.775	(1.217)	8.855	(21.600)	73.813
2016	91.067	(1.262)	9.188	(22.410)	76.583
2017	94.482	(1.310)	9.532	(23.250)	79.454
2018	98.025	(1.359)	9.890	(24.122)	82.434
2019	101.701	(1.410)	10.260	(25.027)	85.524
2020	105.515	(1.463)	10.645	(25.965)	88.732
2021	109.472	(1.518)	11.044	(26.939)	92.059
2022	113.577	(1.575)	11.459	(27.950)	95.511
2023	117.836	(1.634)	11.888	(28.997)	99.093
2024	122.254	(1.695)	12.334	(30.085)	102.808
2025	126.839	(1.758)	12.796	(10.666)	127.211
2026	0.000	(1.824)	13.276	0.000	11.452
2027	0.000	(1.893)	13.774	0.000	11.881
2028	0.000	(1.964)	14.291	0.000	12.327
2029	0.000	(2.037)	14.827	0.000	12.790
2030	0.000	(2.114)	15.383	0.000	13.269
2031	0.000	(2.193)	15.960	0.000	13.767
2032	0.000	(2.275)	16.558	0.000	14.283
2033	0.000	(2.360)	17.179	0.000	14.819
2034	0.000	(0.510)	1.141	0.000	0.630

*Actual data

TABLE 12

PAST AND PROJECTED UNFUNDED LIABILITY BALANCE ON SEPTEMBER 30 (Before Payment)
(\$ in billions)

Calendar Year	Original UFL	Assumption Changes	Benefit Changes	Actuarial Experience	Total
1984*	\$528.700	\$.000	\$.000	\$.000	\$528.700
1985*	553.500	0.000	0.000	-13.800	539.700
1986*	578.800	0.000	-3.000	-34.200	541.600
1987*	605.200	3.600	-2.998	-59.500	546.302
1988*	632.700	-50.062	-3.076	-81.180	498.382
1989*	664.173	-53.711	-3.172	-94.562	512.728
1990*	693.224	-55.207	-3.253	-102.283	532.481
1991*	723.306	-97.578	-3.331	-111.879	510.518
1992*	757.959	-102.353	-3.421	-139.327	512.858
1993*	790.488	-105.057	-3.494	-167.942	513.995
1994*	824.120	-130.691	-0.968	-201.052	491.409
1995*	852.872	-134.017	-0.832	-217.255	500.768
1996*	880.822	-159.859	0.897	-231.424	490.436
1997*	902.444	-162.883	1.000	-244.673	495.888
1998*	922.521	-164.057	1.014	-259.976	499.503
1999*	942.360	-169.827	6.583	-277.940	501.176
2000*	959.626	-164.942	9.414	-284.168	519.931
2001*	974.873	-162.970	13.075	-285.393	539.585
2002*	989.509	-170.593	19.216	-293.105	545.027
2003*	1,003.439	-172.248	94.231	-297.115	628.308
2004*	1,016.562	-171.288	125.272	-304.415	666.132
2005*	1,030.312	-165.769	128.261	-290.020	702.784
2006*	1,043.054	-126.439	131.332	-282.660	765.287
2007*	1,052.174	-89.221	140.140	-279.068	824.025
2008*	1,044.591	-86.474	141.732	-275.341	824.509
2009*	1,031.462	-19.456	142.785	-245.726	909.066
2010	1,016.346	-19.810	143.487	-241.223	898.800
2011	997.569	-19.879	143.947	-236.091	885.546
2012	974.816	-19.912	144.141	-229.952	869.094
2013	947.751	-19.904	144.043	-222.720	849.170
2014	916.012	-19.852	143.626	-214.306	825.480
2015	879.215	-19.753	142.858	-204.612	797.708
2016	836.948	-19.602	141.709	-193.535	765.519
2017	788.769	-19.395	140.141	-180.965	728.550
2018	734.209	-19.125	138.119	-166.784	686.419
2019	672.765	-18.787	135.602	-150.865	638.714
2020	603.900	-18.376	132.549	-133.073	584.999
2021	527.042	-17.886	128.913	-113.267	524.802
2022	441.580	-17.309	124.647	-91.292	457.626
2023	346.863	-16.639	119.696	-66.984	382.937
2024	242.196	-15.867	114.007	-40.171	300.165
2025	126.839	-14.987	107.519	-10.666	208.705
2026	0.000	-13.990	100.170	0.000	86.180
2027	0.000	-12.866	91.890	0.000	79.025
2028	0.000	-11.604	82.608	0.000	71.005
2029	0.000	-10.194	72.245	0.000	62.051
2030	0.000	-8.626	60.720	0.000	52.094
2031	0.000	-6.886	47.944	0.000	41.057
2032	0.000	-4.963	33.823	0.000	28.860
2033	0.000	-2.843	18.258	0.000	15.415
2034	0.000	-0.510	1.141	0.000	0.630

*Actual data

The Military Retirement Fund Transaction Process

The description of deficit, debt, and funding impact contained in this section are applicable under the current practices of the federal government regarding budget accounting and tax policy. These practices do not provide for increases in taxes to fund the military retirement system beyond what is required to pay benefits to retirees and survivors each year, but do result in increases in the national debt.

A trust fund was created inside the Unified Budget of the federal government for the monies of the military retirement system. This fund has three sources of income: (1) normal cost payments made by DoD, (2) unfunded liability and Concurrent Receipt normal cost payments made by Treasury, and (3) interest earnings on investments in government securities made by Treasury and the payment of the par values of these securities at maturity. All three of these items are intragovernmental transfers consisting of debits from one government account and credits to another.

The fund has two types of payouts: (1) payments to retirees and survivors of retirees and (2) purchases of U.S. Treasury securities. The purchase of a Treasury security is also an intragovernmental transfer, while a payment to a retiree or a survivor is not.

Figure 2 on the following page depicts this process. The only transactions in a particular year that directly affect the deficit of the Unified Budget are those that pass in or out of the government, such as tax collections (“in”) and retiree or survivor payments (“out”). The intragovernmental transfers are debits and credits within the federal budget, with no direct effect on the deficit. The following examples illustrate the process:

- If DoD debits \$25 billion in normal cost payments and the fund credits the \$25 billion, the net direct federal budget deficit effect is zero.
- If the fund purchases \$30 billion in securities (debit) and the Treasury sells \$30 billion in securities (credit), the net direct federal budget deficit effect is zero.
- If the Treasury pays \$20 billion interest (debit) and the fund earns \$20 billion interest (credit), the net direct federal budget deficit effect is zero.
- Disregarding all other government programs, if the government collects \$45 billion in tax revenues (credit) and pays \$50 billion to retirees (debit), the net direct federal budget deficit effect is \$5 billion.

UNIFIED BUDGET

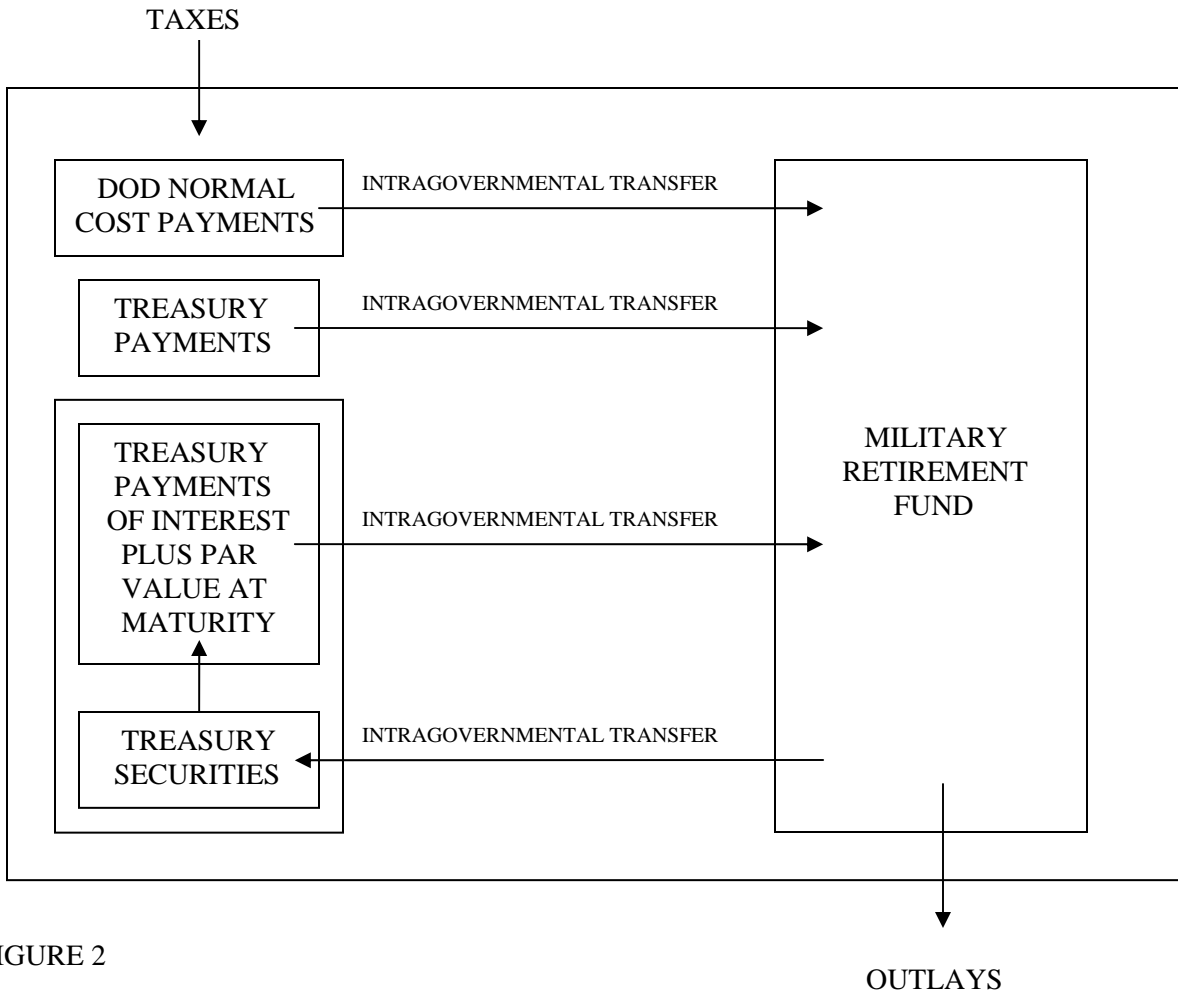


FIGURE 2

All of the intragovernmental transfers in Figure 2 will always generate both a credit and an associated equal debit within the Unified Budget. Consequently, under current federal budget accounting practices, contributions to the fund beyond what are required to pay benefits to retirees and survivors that year have no impact on the total federal deficit. Just as in the pay-as-you-go method, the only transactions that directly affect the deficit in the retirement system accounting process are payments to retirees and survivors (i.e. outlays).

On the other hand, the purchase of securities by the fund does increase the national debt, specifically the portion of the debt held by the government. The portion held by the public will not change. However, the total debt will increase and this requires an increase in the statutory borrowing authority (debt ceiling).

Suppose that in the year 2009 the amount needed to pay retirees was \$50 billion and the Military Retirement Fund had grown to \$278 billion. The following transactions would take place:

- Fund cashes in \$50 billion in securities (credit).
- Treasury pays \$50 billion to Fund (debit).
- Net federal surplus zero.

Since no budget surplus can be derived from using fund money, the government still has a need for \$50 billion to pay retirees—the same need it would have under the pay-as-you-go system. Accordingly, the fund cannot transfer liabilities from one tax year to another.

However, funding does have an effect on the DoD budget. With the normal cost payments (except for Concurrent Receipt) in the DoD budget, policymakers now consider the impact on future retirement costs when they make manpower decisions, and this could have a significant impact on future federal budgets. For example, if a decision were made today to double the size of the active duty and reserve forces, the DoD budget would automatically have an immediate increase in retirement obligations. Under the pay-as-you-go method, the retirement expenses would not necessarily be considered in the initial decision since they would not show up for 20 years.

The fact that costs are fully recognized in advance provides greater benefit security over the long term. Also, when there is a fund, the system is not as dependent on obtaining the necessary appropriation from Congress each year in order to pay benefits for that year. This can provide additional benefit security in the short run.

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APPENDIX A

THE MILITARY RETIREMENT SYSTEM: BENEFITS

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THE MILITARY RETIREMENT SYSTEM: BENEFITS

As of September 30, 2009

Summary

The military retirement system applies to members of the Army, Navy, Marine Corps, and Air Force. However, most of the provisions also apply to retirement systems for members of the Coast Guard (administered by the Department of Homeland Security), officers of the Public Health Service (administered by the Department of Health and Human Services), and officers of the National Oceanic and Atmospheric Administration (administered by the Department of Commerce). Only those members in plans administered by the Department of Defense (DoD) are included in this report.

The system is a funded, noncontributory defined benefit plan that includes nondisability retired pay, disability retired pay, retired pay for reserve service, survivor annuity programs, and special compensation programs for certain disabled retirees. The Service Secretaries may approve immediate nondisability retired pay at any age with credit of at least 20 years of active duty service. Reserve retirees generally must be at least 60 years old and have at least 20 qualifying years of service before retired pay commences. Public Law 110-181 allows a 90-day reduction in the reserve retirement age from age 60 for every 3 months served within a contingency operation, for service after enactment. There is no vesting before retirement.

There are three distinct non-disability benefit formulas related to three populations within the military retirement system. (1) *Final Pay*: Military personnel who first became members of a uniformed service before September 8, 1980, have retired pay equal to final basic pay times a multiplier. The multiplier is equal to 2.5 percent times years of service. (2) *High-3 (HI-3)*: If the retiree first became a member of a uniformed service on or after September 8, 1980, the average of the highest 36 months of basic pay is used instead of final basic pay. (3) *Career Status Bonus (CSB)/Redux*: Members who first became a member of a uniformed service on or after August 1, 1986, may choose between a High-3 and CSB/Redux retirement. Those who elect CSB/Redux receive the Career Status Bonus outlined below, also have retired pay computed on a base of the average of their highest 36 months of basic pay, but are subject to a multiplier penalty if they retire with less than 30 years of service; however, at age 62, their retired pay is recomputed without the penalty. Members make their election during the fifteenth year of service and may receive the Career Status Bonus of \$30,000 in either a lump-sum or installments. Those who elect CSB/Redux generally must remain continuously on active duty until they complete 20 years of active duty service or forfeit a portion of the \$30,000.

Retired pay and survivor annuity benefits are automatically adjusted annually to protect the purchasing power of initial retired pay. The benefits associated with members first entering the armed services before August 1, 1986, or those entering on or after that date who do not take the CSB, have their benefits adjusted annually by the percentage increase in the average Consumer Price Index (CPI). Refer to the section "Cost-of-Living Increases" in this appendix for more information on the CPI. This is commonly referred to as full CPI protection. Benefits associated with members entering on or after August 1, 1986, who elect the \$30,000 CSB bonus

payment are annually increased by the percentage change in the CPI minus 1 percent (except when the change in the CPI is less than or equal to 1%), but at the military member's age 62, or when the member would have been age 62 for a survivor annuity, the benefits are restored to the amount that would have been payable had full CPI protection been in effect. This restoral is in combination with that described in the previous paragraph. However, after this restoral, partial indexing (CPI minus 1 percent) continues for future retired pay and survivor annuity payments.

Nondisability Retirement From Active Service

The current system allows voluntary retirement upon completion of at least 20 years of service at any age, subject to Service Secretary approval. The military retiree receives immediate retired pay calculated as (base pay) times (a multiplier). Base pay is equal to terminal basic pay if the retiree first became a member of a uniformed service before September 8, 1980. It is equal to the average of the highest 36 months of basic pay for all other members. The multiplier is equal to (2.5 percent) times (years of service, rounded down to the nearest month). Members first entering a uniformed service on or after August 1, 1986, who elect CSB/Redux and who retire with less than 30 years of service receive a temporary penalty until age 62. The penalty reduces the multiplier by one percentage point for each full year of service under 30. For example, the multiplier for a 20-year retiree would be 40 percent (50 percent minus 10 percent, where 50 percent equals 20 years times 2.5 percent). At age 62, the retired pay is recomputed with the penalty removed.

As of September 30, 2009, there were 1.47 million nondisability retirees from active duty and full-time reserves receiving retired pay. In FY 2009, nondisability retirees from active duty were paid \$40.02 billion. Included in this number are a reported 14,340 nondisabled retirees who elected CSB/Redux.

Disability Retirement

A disabled military member is entitled to disability retired pay if the disability is not the result of the member's intentional misconduct or willful neglect, was not incurred during a period of unauthorized absence, and either: (1) the member has at least 20 years of service; or (2) at the time of determination, the disability is at least 30 percent (under a standard schedule of rating disabilities by the Veterans Administration) and one of four additional conditions are met:

- *1st additional condition.* If the disability was incurred:

- (a) prior to January 28, 2008, it must have been incurred after the member had eight years of active service; or
- (b) between January 28, 2008, and October 13, 2008, it must have been incurred after the member had six months or more of active military service and the disability must not have been noted at the time of the member's entrance on active duty (unless compelling evidence or medical judgment is such to warrant a finding that the disability existed before the member's entrance on active duty); or

(c) effective October 14, 2008, it must have been incurred after the member's entrance on active duty and the disability must not have been noted at the time of the member's entrance on active duty (unless clear and unmistakable evidence demonstrates that the disability existed before the member's entrance on active duty and was not aggravated by active military service).

- *2nd additional condition.* The disability results from active duty.

- *3rd additional condition.* The disability occurred in the line of duty during a time of war or national emergency or after September 14, 1978.

- *4th additional condition.* The member has at least eight years of active service to be eligible for disability retirement where the disability results from a condition that existed prior to the member beginning the current term of active duty. In those instances where the member has completed at least eight years of active service, the disability is deemed to have been incurred while the member was receiving basic pay. For the purposes of determining disability, the member is considered to have been incurred in the line of duty.

In disability retirement, the member may elect to receive retired pay equal to either (1) the accrued non-disability retirement benefit regardless of eligibility to retire or (2) base pay multiplied by the rated percent of disability. The benefit cannot be more than 75 percent of base pay. Only the excess of (1) over (2) is subject to federal income taxes if the member had service on or before September 24, 1975. If not a member of a uniformed service on September 24, 1975, disability retired pay is tax-exempt only for those disabilities that are combat or hazardous duty related. Base pay is equal to final basic pay if the retiree first became a member of a uniformed service before September 8, 1980; otherwise, base pay is equal to the average of the highest 36 months of basic pay.

Members whose disabilities may not be permanent are placed on a temporary-disability retired list and receive disability retirement pay just as if they were permanently disabled. However, they must be physically examined every 18 months for any change in disability. A final determination must be made within five years. The temporary disability pay is calculated like the permanent disability retired pay, except that it can be no less than 50 percent of base pay.

Members who elected the CSB/Redux retirement option, but who retire for disability, are not subject to the reduced CSB/Redux retired pay multiplier and are awarded retired pay based on the disability retired rules outlined above. However, such members continue to be subject to the reduced CPI (with age 62 restoral) as Career Status Bonus recipients.

As of September 30, 2009, there were 92,000 disability retirees receiving retired pay. In FY 2009, disability retirees were paid \$1.39 billion. Included in this number are a reported 295 disability retirees who elected CSB/Redux.

Reserve Retirement

Members of the reserves may retire after 20 qualifying years of creditable service. However, reserve retired pay is not payable until age 60 unless the member performs certain types of active duty or active service subsequent to the enactment of P.L. 110-181. Retirement age is reduced below 60 by three months for every 90 days of active service with a limit of 10 years. (Eligibility for retiree health benefits remains at age 60 even if the eligibility age for retired pay is reduced.) Retired pay is computed as base pay times 2.5 percent times years of service. If the reservist was first a member of a uniformed service before September 8, 1980, base pay is defined as the active duty basic pay in effect for the retiree's grade and years of service at the time that retired pay begins. If the reservist first became a member of the armed services on or after September 8, 1980, base pay is the average basic pay for the member's grade in the highest 36 months computed as if he/she was on active duty for the entire period preceding age 60. The years of service are determined by using a point system, where 360 points convert to a year of service. Typically, one point is awarded for one day of active duty service (e.g. active duty training) or one inactive duty training (IDT) drill attendance. Reservists often perform two IDT periods in one day thereby receiving two retirement points per day. In addition, 15 points are awarded for completion of one year's membership in a reserve component. A creditable year of service is one in which the member earned at least 50 points. A member generally cannot retire with less than 20 creditable years, although points earned in non-creditable years are used in the retirement calculation. Beginning with years of service that include October 30, 2007, non-active duty points are limited in any year to no more than 130. Lesser limitations have applied in the past.

As of September 30, 2009, there were 344,000 reserve retirees receiving retired pay. In FY 2009, reserve retirees were paid \$4.79 billion.

Survivor Benefits

Legislation originating in 1953 provided optional survivor benefits. It was later referred to as the Retired Servicemen's Family Protection Plan (RSFPP). The plan proved to be expensive to the participants and inadequate since the survivor annuities were never adjusted for inflation and could not be more than 50 percent of retired pay. RSFPP was designed to be self-supporting in the sense that the present value of the reductions to retired pay equaled the present value of the survivor annuities.

On September 21, 1972, RSFPP was replaced by the Survivor Benefit Plan (SBP) for new retirees. RSFPP still covers those servicemen retired before 1972 who did not convert to the new plan or who retained RSFPP in conjunction with SBP. RSFPP continues to pay survivor annuities.

Retired pay is reduced, before taxes, for the member's cost of SBP. Total SBP costs are shared by the government and the retiree, so the reductions in retired pay are only a portion of the total cost of the SBP program.

The SBP survivor annuity is 55 percent of the member's base amount. The base amount is elected by the member, but cannot be less than \$300 or more than the member's full gross monthly retired pay. If the member elects CSB/Redux and is subject to a penalty for service under 30 years in the calculation of retired pay, the maximum base amount is equal to the full retired pay without the penalty. However, the annuity for a survivor of a CSB/Redux retiree is subject to the reduced CPI.

When the plan started in 1972, benefits for those 62 and older were reduced by the constructed amount of Social Security for which the survivor would be eligible based on the member's military pay. In 1985, that reduction formula was changed so all annuitants 62 and over received a reduced flat rate of 35 percent of the member's base. Beginning October 1, 2005, the age 62 reduced rate was phased out in 5 percent increments. On April 1, 2008, the survivor benefit reduction at age 62 was fully eliminated and the rate of 55 percent of the member's elected base became standard for all survivors, regardless of age.

During FY 1987, the SBP program's treatment of survivor remarriages changed. Prior to the change, a surviving spouse remarrying before age 60 had the survivor annuity suspended. The change lowered the age to 55. If the remarriage ends in divorce or death, the annuity is reinstated.

Members who died on active duty in the line of duty on or after September 11, 2001, are assumed to have retired with full disability on the day they died and to have elected full SBP coverage for spouses, former spouses, and/or children. Insurable interest elections may be applicable in some cases. These benefits have been improved and expanded over the history of the program.

The surviving spouse (or dependent children if there is no surviving spouse or the spouse subsequently dies) of a reservist with fewer than 20 qualifying years of service who dies while performing inactive duty is entitled to a survivor annuity under the Reserve Component Survivor Benefit Program (RCSBP).

SBP spousal annuities are generally reduced by any Veterans Affairs survivor benefits (Dependency and Indemnity Compensation (DIC)) and all premiums relating to the reductions are returned to the survivor. The 2008 National Defense Authorization Act enacted, and the Family Smoking Prevention and Tobacco Control Act of 2009 (P.L. 111-31) revised, a temporary Special Survivor Indemnity Allowance (SSIA) that pays a monthly amount (\$50 in FY 2009 grading up to \$310 in FY 2017) to survivors with a DIC offset. The authority for the allowance ends in 2017.

As with retired pay, SBP annuities and premiums are annually increased with cost-of-living adjustments (COLAs). These COLAs are either full or partial CPI increases, depending on the benefit formula covering the member. If a member who elected the CSB/Redux retirement option dies before age 62, the survivor is subject to partial COLAs and his/her annuity is increased on what would have been the member's 62nd birthday to the amount that would have been payable had full COLAs been in effect. Partial COLAs continue annually thereafter.

For reserve retirees, the same set of retired pay reductions applies for survivor coverage after a reservist turns 60 and begins to receive retired pay. RCSBP provides annuities to survivors of reservists who die before age 60 (or earlier if they have certain active service), provided they attained 20 years of qualified service. The added cost of this coverage is borne completely by reservists through deductions from future retired pay and/or survivor annuities.

Beginning October 1, 2008, a paid-up provision eliminated the reduction in retired pay for premiums for SBP and RSFPP coverage for participants age 70 or older whose retired pay has been reduced for at least 360 months.

The offset relationship between SBP and DIC has been the subject of litigation in the U.S. Court of Appeals. The rulings are being monitored for their potential impacts.

As of September 30, 2009, there were 291,000 survivors of military members receiving annuity payments. In FY 2009, survivors were paid \$3.58 billion.

Temporary Early Retirement Authority (TERA)

Public Law 102-484 granted temporary authority for the military services to offer early retirements to members with more than 15 but less than 20 years of service. The retired pay was calculated in the usual way except that there was a reduction of 1 percent for every year below 20 years of service. Part or all of this reduction can be restored at age 62 if the retired member works in a qualified public service job during the period from the date of retirement to the date on which the retiree would have completed 20 years of service. Unlike members who leave military service before 20 years with voluntary separation incentives or special separation benefits, these early retirees are generally treated like regular military retirees for the purposes of other retirement benefits. This authority expired on September 1, 2002.

In FY 2009, 57,000 TERA retirees were paid \$898 million.

Cost-of-Living Increases

All nondisability retirement, disability retirement, and most survivor annuities are adjusted annually for inflation. Cost-of-living adjustments (COLAs) are automatically scheduled to occur every 12 months, on December 1st, to be reflected in checks issued at the beginning of January.

The “full” COLA effective December 1 is computed by calculating the percentage increase in the average CPI of the third quarter of the prior calendar year to the third quarter of the current calendar year. The increase is based on the Urban Wage Earner and Clerical Worker Consumer Price Index (CPI-W) and is rounded to the nearest tenth of one percent.

The benefits of retirees (and most survivors) are increased annually with the full COLA, except for those first entering a uniformed service on or after August 1, 1986, who elect CSB/Redux. Their benefits are increased annually with a partial COLA equal to the full COLA minus 1 percent (except if the full COLA is less than or equal to 1%). A one-time restoral is given to a partial COLA recipient on the first day of the month after the retiree's 62nd birthday. At this time, retired pay (or the survivor benefit if the retiree is deceased) is increased to the amount that would have been payable had full COLAs been in effect. Annual partial COLAs continue after this restoral.

Relationship with Veterans Administration Benefits

The Department of Veterans Affairs (VA) provides compensation for Service-connected and certain non-Service-connected disabilities. These VA benefits can be in place of or in combination with DoD retired pay, but through December 31, 2003, were not fully additive. Since VA benefits are exempt from federal income taxes, it is often to the advantage of a member to elect them. Through 2003, retired pay earned from DoD for military service was offset by any payment received from VA for a VA-rated disability. Beginning with the National Defense Authorization Act for FY 2004 (P.L. 108-136), a series of legislation has been enacted that increasingly reduces or eliminates the offset to military retired pay due to receipt of VA disability compensation. Members with a combined VA disability rating of 50% or greater who have at least 20 years of service will have their offset eliminated under the Concurrent Retirement and Disability Pay (CRDP) program. The CRDP program has a ten-year phase-in schedule that began in 2004; however, the offset is already fully eliminated for members whose disabilities are rated total or make the individual unemployable. Members whose disability meets certain combat-related criteria can elect to receive payments against the offset under the Combat Related Special Compensation (CRSC) program. Under CRSC, members are not subject to a phase-in schedule, are not required to have at least 20 years of service (per P.L. 110-181), and are not required to have at least a 50% VA disability rating. Although CRSC amounts are calculated based on retired pay lost due to offset and are paid from the Military Retirement Fund, CRSC is not technically considered retired pay. CRSC payments are tax exempt. A member may not participate in both the CRDP and CRSC programs simultaneously, but may change from one to the other during an annual "open season."

As of September 30, 2009, there were 260,000 CRDP members and 73,000 CRSC members. These members were paid an additional monthly amount of \$329 million and \$70 million, respectively.

Interrelationship with Other Federal Service

For retirement purposes, no credit is given for other federal service, except where cross-service transferability is allowed. Military service is generally creditable toward the federal civilian retirement systems if military retired pay is waived. However, a deposit (equal to a percentage of post-1956 basic pay) must be made to the Civil Service Retirement Fund in order to receive credit. Military service is not generally creditable under both systems (but is for reservists and certain disability retirees).

Relationship of Retired Pay to Military Compensation

Basic pay is the only element of military compensation upon which non-disability retired pay is based and entitlement is determined. Basic pay is the principal element of military compensation that all members receive, but it is not representative of salary levels in the public and private sectors for comparative purposes. Reasonable comparisons can be made to regular military compensation (RMC). RMC is the sum of (1) basic pay, (2) the housing allowance, which varies by grade, location, and dependency status, (3) the subsistence allowance and, (4) the tax advantages accruing to allowances because they are not subject to federal income tax. Basic pay represents approximately 69 percent of RMC for all retirement eligible members. For the 20-year retiree, basic pay is approximately 67 percent of RMC. Consequently, a member retired with 20-years of service and entitled to 50 percent of basic pay, only receives 34 percent of RMC. For a 30-year retiree, basic pay is approximately 73 percent of RMC and such member would be entitled to 75 percent of basic pay or 55 percent of RMC. Public Law 109-364 allows certain members, retired since January 1, 2007, with greater than 30 years of service to retire with entitlements exceeding 75 percent of basic pay. These relationships should be considered when military retired pay is compared to compensation under other retirement systems.

Social Security Benefits

Many military members and their families receive monthly benefits indexed to the CPI from Social Security. As full participants in the Social Security system, military personnel are in general entitled to the same benefits and are subject to the same eligibility criteria and rules as other employees. Details concerning the benefits are covered in other publications.

Beginning in 1946, Congress enacted a series of amendments to the Social Security Act that extended some benefits to military personnel and their survivors. These “gratuitous” benefits were reimbursed out of the general fund of the U.S. Treasury. The Servicemen’s and Veterans’ Survivor Benefits Act brought members of the military into the contributory Social Security system effective January 1, 1957.

For the Old Age, Survivors, and Disability Insurance (OASDI) program, military members must contribute the employee portion of the OASDI payroll tax, with the federal government contributing the matching employer contribution. Only the basic pay of a military member constitutes wages for Social Security purposes. One feature of OASDI unique to military personnel grants a noncontributory wage credit of (i) \$300 for each quarter between

1956 and 1978 in which such personnel received military wages and (ii) up to \$1,200 per year after 1977 (\$100 of credit for each \$300 of wages up to a maximum credit of \$1,200). The purpose of this credit is to take into account elements of compensation such as quarters and subsistence not included in wages for Social Security benefit calculation purposes. Under the 1983 Social Security amendments, the cost of the additional benefits resulting from the noncontributory wage credits for past service was met by a lump sum payment from general revenues, while the cost for future service will be met by payment of combined employer-employee tax on such credits as the service occurs. Payments for these wage credits ended in 2002.

Members of the military are also required to pay the Hospital Insurance (HI) payroll tax, with the federal government contributing the matching employer contribution. Medicare eligibility occurs at age 65, or earlier if the employee is disabled.

Performance Measures

During FY 2009, the Fund made monthly disbursements to approximately 2.2 million retirees and survivors.

There are many ways to measure the funding progress and performance of a pension plan. Table A-1 depicts a few common measures, specifically 1) Percent Funded, 2) Asset-to-Annuitant Liability Ratio, and 3) Effective Fund Yield. The table footnotes show the associated derivation of each performance measure.

TABLE A-1
MILITARY RETIREMENT FUND PERFORMANCE MEASURES
(\$ in billions)

End of Fiscal Year	Accrued Liability (1)	Assets (2)	Annuitant Liability On Roll (3)	Unfunded Accrued Liability (4)	Percent Funded (5)	Asset-to-Annuitant Liability Ratio (6)	Fund Effective Yield (7)
1984	\$528.7	\$0	\$310.0	\$528.7	0.0%	---	---
1985	551.5	11.8	322.7	539.7	2.1	3.7%	14.3%
1986	566.2	24.6	321.4	541.6	4.3	7.7	11.8
1987	585.2	38.9	326.3	546.3	6.6	11.9	11.0
1988	551.8	53.4	329.4	498.4	9.7	16.2	10.5
1989	580.3	67.6	345.8	512.7	11.6	19.5	10.1
1990	612.9	80.4	367.5	532.5	13.1	21.9	9.9
1991	604.2	93.7	372.9	510.5	15.5	25.1	9.8
1992	619.0	106.1	392.7	512.9	17.1	27.0	9.5
1993	629.9	115.9	409.3	514.0	18.4	28.3	9.1
1994	615.6	124.2	409.9	491.4	20.2	30.3	8.7
1995	631.8	131.0	431.3	500.8	20.7	30.4	8.6
1996	625.8	135.3	432.2	490.5	21.6	31.3	8.6
1997	639.2	143.3	444.9	495.9	22.4	32.2	8.5
1998	649.4	149.9	452.9	499.5	23.1	33.1	8.4
1999	657.2	156.0	442.7	501.2	23.7	35.2	8.1
2000	682.6	162.7	459.8	519.9	23.8	35.4	8.0
2001	708.8	169.2	487.3	539.6	23.9	34.7	8.0
2002	721.6	176.5	467.2	545.1	24.5	37.8	7.2
2003	810.9	182.6	519.8	628.3	22.5	35.1	5.5
2004	854.1	188.0	556.3	666.1	22.0	33.8	5.4
2005	900.6	197.9	592.2	702.7	22.0	33.4	5.5
2006	973.7	208.4	636.3	765.3	21.4	32.8	5.9
2007	1,042.3	218.2	677.3	824.1	20.9	32.2	4.7
2008	1,157.3	253.1	750.6	904.2	21.9	33.7	6.2
2009	1,186.9	278.4	751.8	908.5	23.5	37.0	1.0

NOTES:

- (1) From Table 7, Item 3 in main text.
- (2) From Table 7, Item 4 in main text.
- (3) From Table 7, Item 1.a in main text.
- (4) = (1) - (2)
- (5) = (2) / (1) x 100
- (6) = (2) / (3) x 100
- (7) Discussed in Appendix D.

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APPENDIX B

THE MILITARY RETIREMENT SYSTEM: HISTORY

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THE MILITARY RETIREMENT SYSTEM: HISTORY¹

The history of the Uniformed Service Military Retirement System in the United States extends back to the early days of the country. The extensive legislative history has been an interplay of the separate retired pay plan motivations. When available, the Public Law (P.L.) reference is provided. Over the course of its history, the Military Retirement System has been scrutinized by numerous committees, commissions, and groups. Since the end of World War II, a number of military compensation studies have been conducted under the general sponsorship of the Department of Defense, the President, and Congress, including: Hook, Strauss, Cordiner, Gorham/Randall, Quadrennial Review of Military Compensation, Gates, etc. However, a similar conclusion is reached by each study – to ensure the costs of the system are reasonable. It should be noted that while there may be superficial resemblance between the Military Retirement System and other retirement systems, there exists substantial differences, including that of the Federal civil servants. Primarily, retired members are subject to active duty recall.

History of Retired Pay – Active Duty and Disability

The legislative history of the nondisability (regular service) and disability retired pay have been a collaborative effort of lawmakers. The two programs are highly correlated given the possible end states of a regular service career. Before discussing the regular service retired pay history, below are the motivations driving the two distinct retirement types:

- 1) The principal motivations guiding the nondisability retired pay evolution of the military retirement system have been to ensure that (1) continued service in the armed forces is competitive with the alternatives; (2) promotion opportunities are kept open for young and able members; (3) some measure of economic security is made available to members after retirement from a military career; (4) a pool of experienced personnel is available for recall in times of war or national emergency. Much of the history to be discussed focuses on officers. The legislative history for enlisted personnel is much shorter. The objectives can be achieved for the enlisted force by an administrative policy of “judicious non-acceptance of reenlistments.”
- 2) The guiding motivation behind disability retired pay is to authorize continuing payments to members separated from active service due to physical disability causes in service for their country. Members should not be left to cope with the effects of these disabilities on their own. A measure of economic security will be provided for duties

¹ Much of the information in this appendix can be found in *Military Compensation Background Papers*, Sixth Edition (May 2005), Department of Defense – Under Secretary of Defense for Personnel and Readiness. For a more in-depth discussion of the early history of military pensions, refer to *History of Military Pension Legislation in the United States*, William H. Glasson, New York, N.Y. 1900, Digitized by Google.

exposing members to wartime hazards and career military service. Early reports showed rationale for separation other than physical disability as well: “An officer may possess a strong mind and a robust frame, yet, if his moral perception of right or wrong be so blunted and debased as to render him unreliable, he could hardly be ranked as the capable officer.”

Provisions for the maintenance of disabled military members date to colonial days. Not surprisingly, the English pension law is a precursor to the American colonial pension legislation. The pilgrims at Plymouth provided in 1636 that any man sent forth as a soldier and returned maimed should be maintained by the colony during his life. In order to obtain enlistments in military expeditions against the Indians the colonies promised to care for those who were disabled and had no means of earning a livelihood as well as providing aid for the indigent families of those fallen in conflict. Some of these precedents were continued in the first national pension law of August 26, 1776, which promised half pay for life, or during disability, to the disabled. After the Revolutionary War, a full disability pension for a noncommissioned officer or private soldier was fixed at five dollars per month, with commissioned officers being paid at one-half of their monthly pay. Initially, the States administered disability pensions. However, in 1790, the Secretary of War became the principal pension administrator. In 1805, disability pensions were extended to those who received wounds in military service who subsequently became disabled.

Pensions based on service by itself were more controversial. Payments of half pay for life had been promised in 1780 by Congress for officers who served to the end of the War. However, the resulting claims were initially settled for less than full value and with a considerable amount of controversy. With the number of veterans declining and the treasury increasing, Congress became more generous. In 1818, an act was passed providing relief to Revolutionary War veterans in need. By 1832, it became full pay for life, regardless of need. In 1836, widows were included. This same pattern was followed for Service pensions for subsequent wars. However, each war was treated separately.

In 1849, the Bureau of Pensions was transferred to the newly established Department of the Interior, where it was to remain until the Veterans Administration was created in 1930. In 1855, authorization was given for involuntary separation with partial pay of Navy officers adjudged incapable, but not necessarily disabled. The outbreak of the Civil War brought further changes when it became necessary to retire older officers no longer fit for field duty. The vehicle was the act of August 3, 1861, the first major nondisability retirement act, which provided for the voluntary retirement of regular officers of all branches of Service after 40 years of duty, at the discretion of the President. Subsequent acts in 1861 and 1862 provided for involuntary retirements for age or years of service.

The 1861 act also established a military disability retirement system that covered the regular officers of all branches of Service. Army and Marine Corps officers were to be paid an amount equal to their “pay proper” plus four rations. Navy officers were paid slightly more. The act of March 2, 1867, authorized disability retirement for enlisted personnel of the Navy and Marine Corps.

Congress established two enduring retirement principles while reducing forces to a peacetime basis in 1870. The first permitted voluntary retirement of officers after 30 years of service upon approval by the President, and the second eliminated the ration commutation by fixing retired pay at 75 percent of the officer's pay. The 75 percent applied to Army and Marine Corps officers, both disabled and nondisabled, and was extended to the Navy in 1873.

In 1885, the first nondisability retirement law for Army and Marine Corps enlistees was enacted. Paralleling the officer retirement laws, it provided for voluntary retirement at 30 years of service with 75 percent of pay of the grade in which retired, plus an allowance in lieu of quarters, fuel, and light. The law was extended to the Navy in 1899.

By the middle of World War I, the limit on the number of officers who could be placed on the retired list was causing stagnating promotion in the Navy. To alleviate the problem, Congress established selection boards for promotion to Rear Admiral, Captain, and Commanders on the basis of age-in-grade in 1916 (P.L. 64-241). Service-in-grade replaced age-in-grade in 1926 (P.L. 69-413). Those officers not selected for promotion were retired at 2 ½ percent of pay per year of service, not to exceed 75 percent of pay. This was the first recognition of length of service as well as grade in the computation of retired pay.

The act of 1916 (P.L. 64-241) also created the Fleet Naval Reserve, to provide a pool of experienced personnel who could be recalled to active duty in an emergency. While technically different than retirement, the practical effect was that it was possible for enlistees of the Navy and Marine Corps to "retire" with as little as 16 years of service (raised to 20 in 1925) and become entitled to "retainer pay."

By 1938 (P.L. 75-706), the Navy was again experiencing stagnating promotion caused by the large influx of officers throughout World War I. Almost all of these officers were in the same age and years of service groups. To remedy the situation, Congress extended the selection board process to all grades above Lieutenant (junior grade); set limits on years of service for Lieutenant Commanders through Captains; and provided for voluntary retirement at 20 years of service at the discretion of the President.

Following World War II, allegations of unfairness, inequity, and inefficiency in the existing disability retirement system became extensive. A new system for disability retirement was created by the Career Compensation Act of 1949 (P.L. 81-351). Under this system, all disabilities had to be rated under the standard schedule of rating disabilities in use by the Veterans Administration, and the resultant ratings became a factor in disability retired pay entitlement and taxability. The new system covered officer and enlisted personnel of both the regular and reserve components, and it authorized temporary as well as permanent disability retirements. The disability retirement system remains basically unchanged from the way it was enacted in 1949. Much legislation has been passed recently in an attempt to modernize the disability system.

Meanwhile, the Officer Personnel Act of 1947 (P.L. 80-381) brought the Army and Air Force under a selection process similar to the Navy system. It also provided that those officers who failed promotion and were not eligible to retire would receive severance pay of two months per year of service, but not exceeding two years' pay.

Standardized nondisability retirement laws for all Services were brought about by the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (P.L. 80-810). The act established 20 years as the minimum requirement for voluntary retirement, thereby placing the Army and Air Force on a par with the Navy. It also provided for the removal of substandard officers with severance pay equal to one month's pay per year of service, but not exceeding one year's pay. This law resulted, for the first time in history, in uniform voluntary retirement authority among the officers of all branches of service.

P.L. 96-513 changed the retired pay formula for persons who first became a service member after September 7, 1980. For this group, the 2 ½ percent times years of service is multiplied by the average of the highest 36 months of pay, rather than by final pay. This is sometimes referred to as the High-3 (HI-3) formula, where the highest 36 months of pay generally occurs within the highest 3 years of average annual pay. This first major change to retired pay computation since 1948 was endorsed in findings by various committees and commissions.

P.L. 99-348, enacted July 1, 1986, made extensive changes in retired pay formula for persons entering service after July 31, 1986. These persons are credited with 2 percent for each of the first twenty years of service, 3 ½ percent for each of the next 10 years, and 2 ½ percent thereafter. At the member's age 62, the annuity is recomputed to equal the annuity that would have been in effect if a level 2 ½ percent had been used for each year of service. In addition, the cost-of-living adjustment for this group no longer keeps up with inflation, as described later. This is referred to as the Redux benefit formula.

P.L. 106-65, enacted October 1, 1999, enhanced benefits for military members previously covered by the Redux benefit formula (those who entered service on or after August 1, 1986) by converting these members to the HI-3 formula. At the 15 year-of-service mark, these (full-time) members now have the choice of: (1) remaining in HI-3, or (2) electing the Career Status Bonus, which is not paid out of the Military Retirement Fund, and converting to the Redux benefit formula. Those who elect the bonus must commit to remaining continuously in service until completing 20 years or forfeit a portion of the \$30,000. Part-time reservists previously covered by Redux do not have the option of electing the bonus, and so remain under the HI-3 benefit formula. This is referred to as the Career Status Bonus (CSB)/Redux benefit formula. The three different retirement systems currently in effect for members of the uniformed services are conveniently summarized in Table B-1.

P.L. 108-136, enacted November 23, 2003, provides a phase-out of the offset to military retired pay due to receipt of Veterans Affairs (VA) disability compensation for members whose combined disability rating is 50% or greater, effective January 1, 2004. Members retired under disability provisions must have at least 20 years of service. P.L. 108-136 also expands eligibility

under the Combat Related Special Compensation program to include qualified retirees at any combined percentage rating for certain combat-related disabilities compensated by the VA. Through 2003, retired pay earned from DoD for military service was offset by any payment received from Veterans Affairs for a VA-rated disability. These VA benefits were in place of or in combination with DoD retired pay but were not fully additive. Thus the law is commonly referred to as Concurrent Receipt.

Subsequent to P.L. 108-136, a series of legislation has been enacted that increasingly reduces or eliminates the offset to military retired pay due to receipt of VA disability compensation. This is described further in Appendix A.

P.L. 109-364, enacted October 17, 2006, eliminated the 75 percent multiplier cap for retirements exceeding 30 years of service for members retiring on nondisability after January 1, 2007. A member can now retire with a retired pay multiplier greater than 100 percent if their years of service exceed 40 years. The various percentage multipliers by year of service and benefit system are shown in Table B-2.

History of Retired Pay – Reserve Duty

The motivation behind the reserve duty retirement (non-regular service) is to establish a nondisability retirement system to authorize retired pay for service in the reserve components. This provides an incentive for qualified personnel to retain membership and continue training in these components, providing a pool of skilled, trained, and readily available manpower to assist active duty forces in times of national emergency.

Title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (P.L. 80-810) created a nondisability retirement program for reserve personnel. The above motivation was explained as part of the House Report accompanying the legislation. The reserve retirement system remained basically unchanged from the original 1948 legislation until 1993. Those modifications made over that time were more corrective than substantive.

The National Defense Authorization Act for Fiscal Year 1993 (P.L. 102-484) adopted two provisions intended to induce Selected Reserves members to apply for transfer to the retired reserve through temporary special retirement mechanisms. Subsequent legislations authorizes further downsizing of the military during the mid-1990's, which were extended until October 1, 2001.

P.L. 107-314 permanently reduced the required reserve service eligibility year for retired pay from eight years to six years. This law also authorized a 10 percent increase in reserve retired pay, not to exceed 75 percent, for enlisted members credited with extraordinary heroism in the line of duty.

P.L. 110-181, enacted January 28, 2008, reduces the retirement age for a reserve retirement below age 60 by three months for every 90 days of certain active service with a limit

of 10 years. Eligibility for retiree health benefits remains at age 60 even if the eligibility age for retired pay is reduced.

Adjustments – Cost-of-Living

Cost-of-living adjustments provide a mechanism for adjusting retired pay entitlements to compensate for the effects of inflation. The ideal system is one that protects the initial value of pay to insure that members who retire from the military do not have the purchasing power of their pay eroded by inflation.

Prior to 1958, retired pay was generally increased in direct proportion to changes in active duty pay. The practice was discontinued with the act of May 1958 (P.L. 85-422), when it was realized that a single 6 percent cost-of-living increase would cost only \$35 million, as opposed to \$65 million for linking the retired pay to active duty pay. The 6 percent approximated the increase in the cost of living since 1955 when retired pay was last increased. In 1963, a permanent system of increasing retired pay (P.L. 88-132) was based on a formula geared to increases in the cost-of-living, was adopted. In 1965, the adjustment mechanism was modified slightly (P.L. 89-132). This system granted cost-of-living increases whenever the Consumer Price Index (CPI) went up at least 3 percent and remained up for three months. The benefit increase was equal to the percentage rise in the CPI. In 1969 (P.L. 91-179), an additional 1 percent was added to compensate for the fact that five months elapsed between the time that the index increased 3 percent and the time that benefits increased.

Effective March 1977, cost-of-living adjustments (COLAs) were scheduled to occur every six months, on March 1 and September 1. This would be reflected in checks issued those months and the additional 1 percent was eliminated (P.L. 94-440). The cost-of-living increase, effective March 1, was computed by calculating the percentage increase (adjusted to the nearest tenth of a percent) in the CPI from the previous June to the previous December. Similarly, the cost-of-living increase effective September 1 was obtained by calculating the percentage increase in the June CPI over the CPI from the previous December.

In August 1981 (P.L. 97-35), once-a-year cost-of-living increases were implemented by eliminating the September increase. Full annual cost-of-living increases were given in March of each year based on the percentage increase in the CPI between the two previous Decembers.

In August 1982, P.L. 97-253 created a temporary deviation to the calculation and timing of the cost-of-living increase. Consequently, in Fiscal Year (FY) 1983, the increase was delayed until April and the full increase of 3.9 percent was given only to survivors, disabled persons and nondisabled persons over age 61. Nondisabled retirees under age 62 received 3.3 percent instead of 3.9 percent.

P.L. 98-270, enacted in April 1984, eliminated the FY 1984 increase and modified the permanent law. Under the modified system, the COLA equals the percentage increase in the average of the CPIs for July, August, and September over the averaged indexes for the same

three months of the prior year. These increases become effective for entitlements earned in December. P.L. 98-369 directed that entitlements for a particular month should be paid at the beginning of the subsequent month rather than at the end of the month of entitlement and became effective with the December 1984 adjustment.

P.L. 99-348, enacted July 1, 1986, changed the cost-of-living increase for members entering the service after July 31, 1986. Their retiree and survivor benefits are increased annually by the full cost-of-living adjustment minus 1 percent (except if the full adjustment is less than or equal to 1 percent). A one-time catch-up is given on the first day of the month after the *retiree's* 62nd birthday. At this time, the retiree benefit (or survivor benefit if the retiree is deceased) is increased to the amount that would have been payable had full adjustments been made. Annual partial increases continue after this catch-up. For persons entering the service prior to August 1, 1986, full COLAs are still applied to the retiree and survivor benefits. P.L. 106-65 called for full COLAs to be applied to the retiree and survivor benefits of post-July 31, 1986, entrants who decline the CSB/Redux and retire under the HI-3 benefit formula. Retired pay cost-of-living increases from 1958 to the present time are shown in Table B-1. Additional discussion regarding cost-of-living increases can be found in Appendix D.

Adjustments – Basic Pay

Basic pay scale increases are analogous to retired pay cost-of-living increases for the current active duty and drilling reserve population. These increases are typically credited and paid at the beginning of the calendar year. The annual basic pay scale increases are designed to establish a crude comparability with the private sector and American economy in general.

The Act of 1790 provided funds for ‘militia employed in the service of the United States’ payable to ‘the troops of the United States.’ Although the components of the pay system, basic pay plus allowances, have changed throughout its history, the system itself has been remarkably enduring. However, the proliferation of special allowances has caused confusion and complexity surrounding compensation.

The Career Compensation Act of 1949 (P.L. 81-351) revamped the military compensation structure to provide pay that was equitable to personnel yet responsive to the needs of the United States in attracting and retaining the necessary personnel following World War II. The Uniformed Services Pay Act of 1958 (P.L. 85-422) was the beginning of regular basic pay adjustments intended to make personnel pay more competitive.

In the Act of 1967 (P.L. 90-207) Congress adopted new basic pay rate adjustment mechanisms. The adjustments were to be a “comparable increase” to the general schedule compensation for federal classified employees (Civil Service employees). This legislation resulted in a more systematic procedure for increasing basic pay rates as opposed to the prior methods which were solely dependent on Congressional discretion. The military-civilian pay adjustment direct linkage remained in effect until 2000.

The Department of Defense Authorization Act of 1981 (P.L. 96-342) granted personnel substantial basic pay adjustments with the intent of further convergence between military and civilian wages. The legislation also allowed the President greater flexibility in adjusting military compensation by allocating greater increases to “career” members. In the years that followed, Congress expressed dissatisfaction with the pay adjustment mechanisms shown in the military-civilian link. The Senate proposed linking military pay to the Employment Cost Index (ECI) as a method to correct the military-civilian pay inequity. This discussion continued for some years.

Beginning in 2000 (P.L. 106-65), legislative change responded to the military-civilian pay inequity by tying basic pay increases to the ECI plus an additional 0.5 percent for the five years that follow (through FY 2006). After FY 2006, the increases are tied directly to ECI; however, covenants are embedded within the law which gives the President the authority to propose an alternate adjustment. Subsequent legislation used targeted basic pay scale increases to be granted for specific pay grades and ranks in order to meet the necessary retention and recruitment needs. Basic pay scale increases from 1958 to the present time are shown in Table B-2. Additional discussion regarding basic pay scale increases can be found in Appendix D.

Funding of Retirement Benefits

Prior to 1935, the Navy had a pension fund which provided for payments to persons retired for disability whenever there was a sufficient amount in the fund. The income to the fund consisted of the government’s share of the proceeds from the sale of enemy or pirate ships captured by the Navy, and from interest received on fund investments. This fund was abolished in 1935, and the military retirement system moved to an unfunded or “pay-as-you-go” basis. P.L. 98-94 (currently Chapter 74 of Title 10, U.S.C.), signed in September 1983, established a Military Retirement Fund starting October 1, 1984. Under this accrual accounting system, funds are allocated for the individual services via the Department of Defense annually by Congress. These funds are transferred to the Military Retirement Fund in an amount sufficient to cover the expected retirement costs associated with the current active duty force. This system helps to apprise all stakeholders of the total costs of manpower decisions made each year.

As explained by Congress (House Report No. 98-107 – Committee on Armed Services) – p. 225), the reasons for adoption of the Department of Defense Military Retirement Plan were as follows:

“Most retirement plans in the private sector are funded, either partially or fully, and the trend--as a result of the Employee Retirement and Income Security Act (ERISA)--is toward full funding. Security of a retirement plan, *i.e.*, the probability that promised benefits will be paid, is generally related to the method of funding. Full funding provides greater security than partial funding.

Of course, the security of payments from the Federal government is not generally related to the method of funding. From the Federal government’s perspective, the issue of funding is primarily a matter of timing. Should funds be raised by taxing and borrowing when the obligation becomes due, or should funds be set aside through taxing and borrowing when the obligation is incurred?”

This funding law stated that DoD will make normal cost payments into the Fund and the Treasury Department will make payments from general revenues to amortize the unfunded liability. P.L. 99-661, enacted in November 1986, mandated that two separate normal cost percentages (NCPs) be used to compute the normal cost payment of the military retirement system. One NCP is for active-duty personnel and reservists (full-time) and the second NCP is for drilling reservists (part-time). These normal cost payments are designed to be sufficient to pay for the future retirement benefits for a cohort of new entrants. The unfunded liability exists primarily because such payments were not made in the past.

P.L. 108-136, enacted November 2003, required the Department of Treasury to pay the normal cost arising from the increased benefits due to Concurrent Receipt at the beginning of each fiscal year. Beginning with FY 2005, Treasury includes the annual normal cost payment along with the unfunded liability payment in the October 1st contribution.

The original funding law also established an independent three-member DoD Retirement Board of Actuaries, appointed by the President (changed to the Secretary of Defense as part of the 2008 National Defense Authorization Act (P.L. 110-181)). The Board is required to approve methods and assumptions for determining the normal cost and unfunded liability; to review valuations of the military retirement system; to determine the method of amortizing unfunded liabilities; to annually report to the Secretary of Defense; and to report to the President and Congress on the status of the Fund not less than every four years. P.L. 110-181 renamed the Board the "DoD Board of Actuaries," and added oversight of other funds deemed to be necessary by the Secretary of Defense.

TABLE B-1

MILITARY RETIREMENT SYSTEM PROPERTIES
(FOR NONDISABILITY RETIREMENT FROM ACTIVE DUTY)

Benefit System	Final Pay	High-3 (HI-3)	Career Status Bonus (CSB)/Redux
Applies to:	First became member of a uniformed service <u>before September 8, 1980</u>	First became member of a uniformed service <u>on or after September 8, 1980</u> and <u>prior to July 31, 1986</u> , and members joining <u>after July 31, 1986</u> who elect not to accept the Career Status Bonus (CSB) at the 15-year anniversary	First became member of a uniformed service <u>on or after August 1, 1986</u> and elect to accept the Career Status Bonus (CSB) with additional 5-year service obligation
Retired Pay Computation Basis:	Final basic pay rate	Highest 36 months of basic pay rate	Highest 36 months of basic pay rate
Multiplier:	2.5% per year of service	2.5% per year of service	2.5% per year of service less 1% for each year of service less than 30 (restored at age 62)
Cost-of-Living Adjustment Mechanism:	Full CPI-W	Full CPI-W	Full CPI-W minus 1% (one-time catch-up at age 62)
Additional Benefit:	---	---	\$30,000 Career Status Bonus (CSB) payable at 15-year anniversary upon assumption of 5-year obligation to remain on continuous active duty

TABLE B-2

MILITARY RETIREMENT SYSTEM MULTIPLIERS
(FOR NONDISABILITY RETIREMENT FROM ACTIVE DUTY)

Years of Service	Final Pay/Hi-3 Multiplier	CSB/Redux Multiplier	
		Before Age 62	After Age 62
20	50.0 %	40.0 %	50.0 %
21	52.5	43.5	52.5
22	55.0	47.0	55.0
23	57.5	50.5	57.5
24	60.0	54.0	60.0
25	62.5	57.5	62.5
26	65.0	61.0	65.0
27	67.5	64.5	67.5
28	70.0	68.0	70.0
29	72.5	71.5	72.5
30	75.0	75.0	75.0
31	77.5	77.5	77.5
32	80.0	80.0	80.0
33	82.5	82.5	82.5
34	85.0	85.0	85.0
35	87.5	87.5	87.5
36	90.0	90.0	90.0
37	92.5	92.5	92.5
38	95.0	95.0	95.0
39	97.5	97.5	97.5
40	100.0	100.0	100.0
41	102.5	102.5	102.5
42	105.0	105.0	105.0

TABLE B-3

**MILITARY RETIRED PAY COST-OF-LIVING INCREASES
(JUNE 1958 TO PRESENT)**

<u>Date of Increase</u>	<u>Percentage Increase</u>	<u>Cumulative % From Date of Increase</u>
6/1/58	6.0%	717.0%
10/1/63	5.0%	670.8%
9/1/65	4.4%	634.1%
12/1/66	3.7%	603.2%
4/1/68	3.9%	578.1%
2/1/69	4.0%	552.6%
11/1/69	5.3%	527.5%
8/1/70	5.6%	495.9%
6/1/71	4.5%	464.3%
7/1/72	4.8%	440.0%
7/1/73	6.1%	415.3%
1/1/74	5.5%	385.7%
7/1/74	6.3%	360.3%
1/1/75	7.3%	333.1%
8/1/75	5.1%	303.6%
3/1/76	5.4%	284.0%
3/1/77	4.8%	264.3%
9/1/77	4.3%	247.7%
3/1/78	2.4%	233.3%
9/1/78	4.9%	225.5%
3/1/79	3.9%	210.3%
9/1/79	6.9%	198.7%
3/1/80	6.0%	179.4%
9/1/80	7.7%	163.6%
3/1/81	4.4%	144.7%
3/1/82	8.7%	134.4%
4/1/83	3.9% (1)	115.6%
12/1/84	3.5% (2)	107.6%
12/1/85	0.0% (3)	100.5%
12/1/86	1.3%	100.5%
12/1/87	4.2%	98.0%
12/1/88	4.0%	90.0%
12/1/89	4.7%	82.7%
12/1/90	5.4%	74.5%
12/1/91	3.7%	65.5%
12/1/92	3.0%	59.6%
3/1/94	2.6% (4)	55.0%
3/1/95	2.8% (5)	51.1%
3/1/96	2.6% (6)	46.9%
12/1/96	2.9%	43.2%
12/1/97	2.1%	39.2%
12/1/98	1.3%	36.3%
12/1/99	2.4%	34.6%
12/1/00	3.5%	31.4%
12/1/01	2.6%	27.0%
12/1/02	1.4%	23.8%
12/1/03	2.1%	22.0%
12/1/04	2.7%	19.5%
12/1/05	4.1%	16.4%
12/1/06	3.3%	11.8%
12/1/07	2.3%	8.2%
12/1/08	5.8%	5.8%
12/1/09	0.0%	0.0%

(1) Nondisabled retirees under age 62 received 3.3%.

(2) Starting December 1984, entitlements earned in a particular month are paid at the beginning of the next month.

(3) A cost-of-living adjustment of 3.1%, scheduled for 12/1/85, was suspended as a consequence of P.L. 99-177.

(4) Disabled retirees and survivors received 2.6% on 12/1/93.

(5) Disabled retirees and survivors received 2.8% on 12/1/94.

(6) Disabled retirees and survivors received 2.6% on 12/1/95.

TABLE B-4
MILITARY BASIC PAY SCALE INCREASES
(JUNE 1958 TO PRESENT)

<u>Date of Increase</u>	<u>Percentage Increase</u>	<u>Cumulative % From Date of Increase</u>
6/1/58	8.3%	1217.2%
10/1/63	14.2%	1116.3%
9/1/64	2.3%	965.0%
9/1/65	10.4%	941.1%
7/1/66	3.2%	843.0%
10/1/67	5.6%	813.8%
7/1/68	6.9%	765.3%
7/1/69	12.6%	709.5%
1/1/70	8.1%	618.9%
1/1/71	7.9%	565.0%
11/14/71	11.6%	516.3%
1/1/72	7.2%	452.3%
10/1/72	6.7%	415.2%
10/1/73	6.2%	382.8%
10/1/74	5.5%	354.6%
10/1/75	5.0%	330.9%
10/1/76	3.6%	310.4%
10/1/77	6.2%	296.1%
10/1/78	5.5%	273.0%
10/1/79	7.0%	253.6%
10/1/80	11.7%	230.4%
10/1/81	14.3% (1)	195.8%
10/1/82	4.0% (2)	158.8%
1/1/84	4.0% (2)	148.9%
1/1/85	4.0%	139.3%
10/1/85	3.0%	130.1%
1/1/87	3.0%	123.4%
1/1/88	2.0%	116.9%
1/1/89	4.1%	112.6%
1/1/90	3.6%	104.3%
1/1/91	4.1%	97.2%
1/1/92	4.2%	89.4%
1/1/93	3.7%	81.8%
1/1/94	2.2%	75.3%
1/1/95	2.6%	71.5%
1/1/96	2.4%	67.2%
1/1/97	3.0%	63.2%
1/1/98	2.8%	58.5%
1/1/99	3.6%	54.2%
1/1/00	4.8% (3)	48.8%
1/1/01	3.7% (3)	42.0%
1/1/02	4.6% (3)	36.9%
1/1/03	4.1% (3)	30.9%
1/1/04	3.7% (3)	25.7%
1/1/05	3.5%	21.3%
1/1/06	3.1%	17.2%
1/1/07	2.2% (3)	13.6%
1/1/08	3.5%	11.2%
1/1/09	3.9%	7.4%
1/1/10	3.4%	3.4%

(1) Basic pay increases for enlisted personnel ranged from 10% for E-1; 10.7% for E-2, E-3; 13% for E-4; 16.5% for E-5, E-6; and 17% for E-7, E-8, E-9. For officers, the increase was 14.3%.

(2) Except for E-1 with less than 4 months service.

(3) The increases do not include additional targeted pay increases.

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APPENDIX C

VALUATION POPULATION DATA

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DoD Enlisted Average Monthly Active Duty Basic Pay by Active Years of Service and Age for FY2009 Valuation

Table with columns for Age (0-60+), Years of Active Service (0-30+), and Avg. The table contains numerical values representing monthly active duty basic pay for each combination of age and years of service.

Notes: Basic pay figures reflect the January, 2010, increase of 3.4%. Numbers have been adjusted to budget. Age is age nearest birthday as of the end of the fiscal year.

All DoD Active Duty Personnel by Years of Service and Age for FY2009 Valuation

Table with columns for Age (0-60+) and Years of Active Service (0-30+), showing personnel counts for each combination. Includes a 'Total' row at the bottom.

Notes: Numbers have been adjusted to budget. Age is age nearest birthday as of the end of the fiscal year.

Average Age: 29.4

Average YAS: 7.2

164,911 159,629 144,735 135,683 94,558 87,705 73,511 62,484 53,618 48,317 44,949 42,576 39,771 36,177 32,072 31,394 32,688 33,307 30,855 32,861 23,857 17,114 14,457 12,031 8,780 6,504 4,354 3,384 2,494 1,824 2,272 1,480 142

DoD Officers Selected Reserve Personnel by Years of Service and Age for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31
21	73	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	78
22	336	10	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	352
23	750	70	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	829
24	990	139	37	11	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,165
25	982	234	103	33	19	7	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,389
26	1,051	457	214	114	59	12	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,917
27	928	508	340	214	209	70	14	5	1	0	0	0	0	0	0	0	0	0	0	0	0	2,289
28	956	562	383	304	329	167	49	16	13	2	0	0	0	0	0	0	0	0	0	0	0	2,781
29	830	469	403	323	437	299	145	51	28	11	2	1	0	0	0	0	0	0	0	0	0	2,999
30	723	374	351	316	400	285	242	117	50	41	9	0	0	0	0	0	0	0	0	0	0	2,908
31	579	317	365	307	377	252	289	192	119	57	16	9	2	0	0	0	0	0	0	0	0	2,883
32	580	294	266	278	356	311	325	185	166	119	36	16	8	6	0	0	0	0	0	0	0	2,946
33	525	296	248	262	340	275	235	186	196	101	24	15	4	2	3	0	0	0	0	0	0	2,988
34	554	288	278	265	314	297	244	212	173	206	169	65	29	12	1	0	0	0	0	0	0	3,108
35	624	330	278	272	323	313	251	202	194	232	198	141	78	24	11	3	0	0	0	0	0	3,474
36	540	307	295	271	325	247	271	239	199	211	190	177	99	47	14	5	1	0	0	0	0	3,438
37	622	385	316	284	326	282	279	236	193	211	182	137	131	72	24	17	6	2	1	0	0	3,706
38	708	397	364	325	348	297	289	284	219	227	220	199	133	97	48	21	11	3	0	0	0	4,190
39	765	484	492	381	395	377	307	305	243	237	228	208	145	110	74	33	10	10	2	3	0	4,809
40	718	463	476	395	429	325	316	265	229	270	240	214	183	165	75	54	20	17	4	1	1	4,860
41	639	477	455	413	407	306	267	246	238	192	248	210	208	169	91	62	34	7	6	2	2	4,679
42	639	422	416	377	406	358	284	255	195	251	258	239	201	168	96	77	33	20	11	4	4	4,714
43	554	389	434	405	391	382	319	228	252	212	259	257	266	178	157	72	59	24	12	10	8	4,868
44	510	396	378	363	383	373	324	267	239	207	224	231	231	162	118	85	58	38	17	6	13	4,623
45	476	342	400	381	337	350	321	259	258	188	215	234	184	170	119	102	65	39	20	13	19	4,492
46	416	407	315	319	370	323	292	234	234	231	212	177	191	171	119	100	79	52	25	17	17	4,371
47	387	292	262	291	287	282	277	228	246	218	190	190	164	156	114	92	57	35	23	17	22	3,830
48	350	300	213	280	264	251	236	223	188	209	173	196	199	167	120	96	43	48	19	9	23	3,607
49	279	264	188	209	201	192	221	229	179	177	172	161	153	144	97	63	68	34	31	16	22	3,100
50	216	222	165	193	172	207	188	202	178	137	124	131	128	100	109	77	38	44	20	13	20	2,684
51	246	171	152	142	167	154	162	142	137	121	95	134	110	80	96	61	45	26	10	8	20	2,279
52	192	183	146	149	154	150	150	122	112	106	99	85	82	85	51	55	31	26	12	5	15	2,010
53	178	162	143	130	136	145	146	115	92	73	62	67	68	59	52	31	40	16	6	8	10	1,739
54	151	198	134	105	107	124	92	109	82	76	59	52	53	49	39	31	26	30	17	9	8	1,551
55	132	164	111	93	108	108	93	71	71	53	56	41	33	39	30	50	21	12	8	9	12	1,315
56	130	158	143	98	78	89	78	82	57	46	47	45	32	29	30	14	19	12	3	5	11	1,206
57	98	122	109	81	93	74	85	64	60	36	36	32	25	25	19	12	15	12	6	2	6	1,012
58	91	113	106	79	84	64	62	48	35	38	22	28	23	16	19	10	9	6	5	3	1	862
59	83	102	110	86	91	58	54	58	31	21	17	19	18	12	11	5	8	2	3	1	2	792
60	47	67	65	80	49	35	35	29	26	15	15	11	9	13	5	6	6	4	6	0	3	526
61	25	41	45	20	17	23	10	19	11	10	10	5	3	2	3	1	1	2	0	0	1	249
62	21	29	27	17	15	12	10	15	9	1	6	2	3	3	3	2	0	0	0	0	0	175
63+	12	45	31	18	11	12	8	4	4	3	4	4	2	1	2	0	3	1	0	0	0	165
Total	19,747	11,455	9,765	8,689	9,320	7,892	7,022	5,863	4,947	4,641	4,194	3,742	3,209	2,535	1,751	1,241	806	522	267	161	240	108,009

Notes: Numbers have been adjusted to budget. Average Age: 40.5 Average Years of Active Service: 4.9

DoD Enlisted Selected Reserve Personnel by Years of Service and Age for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	12,161	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	26,920	176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	33,333	1,288	30	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	34,177	3,612	265	74	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	30,611	5,638	817	444	179	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	25,530	6,638	1,679	1,257	1,174	139	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	20,756	7,259	2,676	1,989	2,924	641	97	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	16,639	7,134	3,140	2,618	4,004	1,416	544	54	5	0	0	0	0	0	0	0	0	0	0	0	0	0
26	13,822	6,163	3,458	4,170	1,755	1,126	272	31	9	0	0	0	0	0	0	0	0	0	0	0	0	0
27	11,196	5,435	3,416	2,948	4,056	1,621	1,446	537	230	33	11	0	0	0	0	0	0	0	0	0	0	0
28	8,855	4,174	3,066	2,622	3,702	1,702	1,402	650	500	124	17	10	0	0	0	0	0	0	0	0	0	0
29	7,389	3,459	2,459	2,226	3,056	1,388	729	608	608	308	98	15	12	0	0	0	0	0	0	0	0	0
30	6,073	2,877	2,188	1,840	2,636	1,377	1,218	656	666	438	225	63	13	3	0	0	0	0	0	0	0	0
31	5,146	2,331	1,800	1,602	2,334	1,292	989	616	600	490	304	125	31	10	4	0	0	0	0	0	0	0
32	4,372	2,012	1,599	1,443	2,016	1,150	891	583	542	426	305	157	78	32	9	1	0	0	0	0	0	0
33	3,889	1,773	1,386	1,259	1,889	1,088	832	559	510	424	320	172	87	57	24	5	1	0	0	0	0	0
34	3,428	1,616	1,354	1,204	1,699	984	798	570	490	405	290	164	124	93	39	15	2	4	0	0	0	0
35	3,356	1,581	1,297	1,137	1,513	960	792	522	484	418	295	194	174	108	57	22	12	6	2	0	0	0
36	3,157	1,540	1,340	1,051	1,431	927	681	551	456	412	296	236	161	119	71	32	17	5	3	0	0	0
37	3,189	1,654	1,440	1,194	1,418	912	771	570	498	431	364	220	199	118	74	52	20	16	6	2	1	13,149
38	3,269	1,651	1,543	1,324	1,578	956	854	652	567	482	415	340	222	130	101	61	38	24	9	6	4	14,226
39	3,129	1,756	1,575	1,489	1,709	1,137	908	749	623	535	477	374	257	130	108	70	58	32	13	6	5	15,140
40	2,839	1,620	1,428	1,379	1,609	1,125	947	678	592	491	460	340	256	178	118	78	61	22	9	6	8	14,244
41	2,477	1,485	1,266	1,216	1,474	1,049	886	707	586	463	445	310	242	161	110	106	49	33	23	8	10	13,106
42	2,206	1,226	1,166	1,118	1,283	1,015	866	675	544	408	436	318	246	155	109	74	51	23	35	4	13	11,971
43	1,984	1,173	1,046	1,050	1,221	970	810	643	563	440	372	333	236	154	115	88	64	32	24	18	13	11,360
44	1,684	1,109	1,064	1,027	1,064	932	763	636	541	413	410	323	209	175	138	84	76	42	25	11	21	10,747
45	1,484	941	993	982	1,011	880	741	570	512	419	407	371	265	191	138	122	85	37	32	12	21	10,214
46	1,286	925	911	950	946	853	710	600	471	431	418	357	216	162	124	124	71	50	33	11	37	9,813
47	1,119	840	851	842	870	803	641	572	441	383	404	324	286	196	139	114	85	56	27	16	26	9,095
48	1,013	738	709	797	791	637	613	444	347	350	317	278	220	220	162	124	67	49	32	18	28	7,954
49	811	612	645	693	704	620	540	444	344	268	280	252	218	195	166	139	68	45	25	13	26	7,108
50	608	471	524	549	539	567	459	381	292	266	200	225	157	151	127	88	75	46	22	14	16	5,777
51	510	451	490	498	498	493	423	332	234	221	204	135	138	110	97	81	66	37	29	10	26	5,089
52	470	387	419	459	463	450	381	290	222	159	151	149	110	85	81	65	45	35	25	5	13	4,464
53	378	299	379	418	397	390	328	300	201	154	126	129	86	72	67	58	41	33	10	9	16	3,891
54	284	294	336	383	356	363	299	221	181	150	116	121	89	64	56	43	40	31	19	11	8	3,465
55	243	236	285	306	279	301	255	193	146	134	97	76	78	54	35	28	22	24	9	11	9	2,821
56	199	203	272	276	262	236	208	147	129	96	79	58	47	49	24	26	14	14	7	5	8	2,359
57	213	198	267	294	210	201	189	126	113	84	54	42	36	26	23	18	13	20	4	1	6	2,138
58	156	163	264	270	191	197	160	130	94	68	60	42	31	25	20	8	9	11	7	2	8	1,916
59	143	163	238	255	208	164	128	97	70	56	42	27	28	25	12	11	12	5	3	5	1	1,693
60	79	103	133	127	107	88	76	50	40	25	17	21	15	9	8	6	4	5	1	1	1	916
61	9	13	15	15	18	8	7	7	3	4	1	5	0	1	2	1	0	1	0	1	2	113
62	3	9	5	4	5	3	4	1	3	0	1	0	0	0	0	0	0	0	0	0	0	38
63+	1	0	5	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	9
Total	301,137	83,426	50,239	44,578	55,995	31,923	25,176	16,523	13,479	10,418	8,514	6,307	4,602	3,312	2,396	1,750	1,166	739	434	206	327	662,647

Notes: Numbers have been adjusted to budget. Average Age: 30.8 Average Years of Active Service: 2.3

All DoD Selected Reserve Personnel by Years of Service and Age for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	12,161	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	26,920	176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	33,364	1,288	30	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	34,250	3,617	265	74	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	30,947	5,648	820	447	179	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	26,280	6,708	1,684	1,259	1,176	139	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	21,746	7,398	2,713	2,000	2,928	645	97	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	17,631	7,368	3,243	2,651	4,023	1,423	545	54	5	0	0	0	0	0	0	0	0	0	0	0	0	0
26	14,873	6,620	3,672	3,062	4,229	1,767	1,136	272	31	9	0	0	0	0	0	0	0	0	0	0	0	0
27	12,124	5,943	3,756	3,160	4,265	1,691	1,460	542	231	33	11	0	0	0	0	0	0	0	0	0	0	0
28	9,811	4,736	3,449	2,926	4,031	1,869	1,451	666	513	126	17	10	0	0	0	0	0	0	0	0	0	0
29	8,199	3,928	2,862	2,549	3,493	1,815	1,533	780	636	319	100	16	12	0	0	0	0	0	0	0	0	0
30	6,196	3,251	2,539	2,156	3,036	1,662	1,460	773	716	479	234	63	13	3	0	0	0	0	0	0	0	0
31	5,725	2,648	2,165	1,909	2,711	1,544	1,278	808	719	547	320	134	33	10	6	0	0	0	0	0	0	0
32	4,952	2,306	1,865	1,721	2,372	1,461	1,216	768	708	545	341	173	86	38	9	1	0	0	0	0	0	0
33	4,414	2,069	1,634	1,521	2,229	1,363	1,108	794	696	620	421	196	102	61	26	8	1	0	0	0	0	0
34	3,982	1,904	1,632	1,469	2,013	1,281	1,042	782	663	611	459	229	153	105	40	16	2	4	0	0	0	0
35	3,980	1,911	1,575	1,409	1,836	1,273	1,043	724	678	650	493	335	252	132	68	25	12	6	2	0	0	0
36	3,697	1,847	1,635	1,322	1,756	1,174	982	790	655	623	486	413	280	166	85	37	18	5	3	0	0	0
37	3,811	2,039	1,756	1,478	1,744	1,194	1,050	806	691	642	546	357	330	190	98	69	26	18	7	2	1	16,855
38	3,977	2,048	1,967	1,649	1,926	1,253	1,143	835	786	709	635	539	427	247	149	82	49	27	9	6	4	18,416
39	3,894	2,240	2,067	1,870	2,104	1,215	1,054	866	772	705	582	402	240	182	103	68	42	15	9	5	4	19,949
40	3,557	2,083	1,904	1,774	2,038	1,450	1,263	943	821	761	700	554	439	343	193	132	81	39	13	7	9	19,104
41	3,116	1,962	1,721	1,629	1,881	1,355	1,153	953	824	665	683	520	450	330	201	168	83	40	29	10	12	17,785
42	2,845	1,648	1,582	1,495	1,689	1,373	1,150	930	739	659	694	557	447	323	205	151	84	43	46	8	17	16,685
43	2,548	1,562	1,480	1,455	1,612	1,352	1,129	871	815	652	631	590	472	332	272	160	82	57	36	28	21	16,228
44	2,194	1,505	1,442	1,390	1,447	1,305	1,087	903	780	620	634	554	440	337	256	169	134	80	42	17	34	15,370
45	1,960	1,283	1,393	1,363	1,348	1,230	1,062	829	770	607	622	605	449	361	257	224	150	76	52	25	40	14,706
46	1,702	1,332	1,226	1,269	1,316	1,176	1,002	904	705	662	630	534	442	387	281	224	150	102	58	28	54	14,184
47	1,506	1,132	1,113	1,133	1,157	1,085	918	800	687	601	594	514	450	352	253	206	142	91	50	33	48	12,865
48	1,363	1,038	922	1,077	1,055	888	849	667	535	559	490	474	419	387	282	220	110	97	51	27	51	11,561
49	1,090	876	833	902	905	812	761	673	523	445	452	413	371	339	263	202	136	79	56	29	48	10,208
50	824	693	689	742	711	774	647	583	470	403	324	356	285	251	236	165	113	90	42	27	36	8,461
51	756	622	642	640	665	647	585	474	371	342	299	269	248	190	193	148	111	63	39	18	46	7,368
52	662	570	565	608	617	600	531	412	334	265	250	234	192	170	132	120	76	61	37	10	28	6,474
53	556	461	522	548	533	535	474	415	293	227	188	196	154	131	119	89	81	49	16	17	26	5,630
54	435	492	470	488	463	487	391	330	263	226	175	173	142	113	95	74	66	61	36	20	16	5,016
55	375	400	396	399	387	409	348	284	217	187	153	117	111	93	65	78	43	36	17	20	21	4,136
56	329	361	415	374	340	325	286	229	186	142	126	103	79	78	54	40	33	26	10	10	19	3,565
57	311	320	376	375	303	275	274	190	173	120	90	74	61	51	42	30	28	32	10	3	12	3,150
58	247	276	370	349	275	261	222	178	129	106	82	70	54	41	39	18	18	17	12	5	9	2,778
59	226	265	348	341	299	222	182	155	101	77	59	46	46	37	23	16	20	7	6	6	3	2,465
60	126	170	198	207	156	123	111	79	66	40	32	32	24	22	13	12	10	9	7	1	4	1,442
61	34	54	60	35	35	31	17	26	14	14	11	10	3	3	5	2	1	3	0	1	3	362
62	24	38	32	21	20	15	14	16	12	11	7	2	3	3	3	2	0	0	0	0	0	213
63+	13	45	36	19	11	12	9	4	4	3	4	5	2	1	2	0	3	1	0	0	0	174
Total	320,884	94,881	60,004	53,267	65,315	39,815	32,198	22,386	18,426	15,059	12,708	10,049	7,811	5,847	4,147	2,991	1,972	1,261	701	367	567	770,656

Notes: Numbers have been adjusted to budget. Average Age: 32.1 Average Years of Active Service: 2.7

DoD Officers Non-Selected Reserve Personnel With 20 Good Years for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
36	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
37	1	0	0	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	5
38	0	3	8	7	0	2	0	5	0	2	2	0	2	2	2	2	0	0	0	0	0	37
39	12	15	13	19	9	3	9	3	3	0	1	4	6	6	1	1	1	1	0	0	0	106
40	15	32	34	14	15	23	28	12	6	6	8	5	3	8	2	5	5	0	2	0	0	223
41	39	62	53	45	29	42	17	12	14	15	14	14	12	14	11	3	3	5	2	2	0	408
42	34	60	69	61	40	52	42	15	30	36	32	44	34	24	11	8	7	1	1	1	1	603
43	48	56	94	59	51	60	48	34	46	59	70	76	60	42	34	8	14	8	0	4	0	871
44	45	78	110	75	106	60	74	56	61	83	79	81	35	54	21	16	6	4	1	5	1,129	
45	34	139	113	96	116	126	112	83	78	116	100	100	106	72	79	43	19	5	8	1	1,551	
46	64	131	137	128	128	154	159	129	160	151	122	118	104	91	99	57	33	21	9	1	5	2,001
47	46	118	121	100	152	157	169	181	209	153	117	140	115	85	113	52	29	21	15	3	8	2,104
48	62	149	110	93	135	185	188	195	238	177	145	146	158	90	101	62	35	30	7	6	9	2,321
49	51	145	110	94	148	241	218	210	267	215	200	169	154	110	95	58	42	30	8	7	5	2,577
50	72	137	105	102	188	246	227	247	288	246	207	209	147	127	81	69	46	33	17	2	5	2,801
51	57	147	103	116	220	272	237	273	320	243	228	196	194	147	100	92	55	27	15	5	13	3,060
52	71	165	98	128	244	311	296	336	302	247	223	245	232	161	118	106	67	36	9	15	12	3,422
53	55	159	132	171	280	342	308	379	327	290	263	273	236	172	160	113	77	28	12	2	8	3,787
54	69	182	136	180	275	357	322	356	345	269	268	309	236	229	171	109	89	46	16	4	2	3,971
55	83	216	156	173	296	380	348	336	341	276	253	260	228	179	170	106	58	43	17	7	6	3,932
56	83	213	171	215	319	398	394	377	306	255	273	260	260	197	161	83	63	42	21	4	0	4,095
57	106	336	242	257	392	491	456	364	331	268	230	238	248	188	144	119	56	43	26	10	4	4,569
58	103	405	276	309	444	481	430	379	285	263	251	235	237	183	108	82	72	40	18	5	1	4,607
59	108	557	337	393	555	521	459	404	342	294	275	200	168	156	105	106	68	38	14	13	1	5,114
60	59	343	227	272	300	288	239	227	186	139	126	128	100	66	62	53	23	27	7	5	3	2,880
61	2	4	4	8	14	8	7	9	5	1	2	8	2	2	1	0	0	0	0	4	0	81
62	3	0	5	11	11	5	6	4	4	4	3	5	0	1	1	1	0	1	0	0	0	65
63+	11	10	27	38	50	31	15	10	6	10	6	7	1	0	0	1	3	6	1	0	0	233
Total	1,334	3,862	2,991	3,165	4,518	5,236	4,809	4,656	4,500	3,819	3,499	3,469	3,124	2,387	1,984	1,360	881	537	230	102	93	56,556

Notes: Data taken from the actuarial valuation file created by the DoD Office of the Actuary. Average Age: 53.1 Average Years of Active Service: 7.4

Age is age nearest birthday as of the end of the fiscal year.

DoD Enlisted Non-Selected Reserve Personnel With 20 Good Years for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+	
36	1	2	5	1	1	0	2	0	0	2	0	2	1	0	0	0	0	0	0	0	0	1	18
37	2	0	7	2	2	0	4	0	0	0	2	0	4	0	2	0	0	2	0	0	0	4	31
38	12	27	23	23	20	5	12	9	5	11	16	4	0	2	4	2	2	0	0	0	0	0	177
39	35	76	96	73	60	38	30	41	39	24	39	33	28	25	14	2	0	0	0	3	0	2	658
40	48	159	170	178	141	122	89	55	58	44	61	78	56	53	30	11	8	2	3	3	0	1,369	
41	87	304	271	224	253	241	155	135	105	119	129	117	87	78	51	35	23	3	6	6	2	2,431	
42	147	382	354	323	317	379	241	182	154	154	179	144	107	104	75	59	47	13	12	4	2	3,379	
43	164	521	428	384	423	435	355	286	239	199	241	195	143	116	79	65	51	20	12	4	5	4,365	
44	163	571	491	445	607	488	397	280	283	272	319	227	139	169	107	95	69	45	13	1	5	5,186	
45	221	728	507	490	741	750	521	389	370	351	402	327	228	196	135	116	96	38	22	15	5	6,648	
46	203	809	589	557	832	742	614	422	485	420	488	434	312	270	173	137	104	42	14	9	14	7,670	
47	218	932	615	583	895	926	670	507	479	438	522	446	382	247	191	152	114	44	21	8	11	8,381	
48	218	976	566	626	987	930	747	526	540	516	527	438	381	386	257	173	113	41	16	10	19	8,993	
49	243	974	561	606	1,025	1,013	712	530	622	507	509	397	376	387	324	206	115	50	37	6	21	9,221	
50	214	958	549	713	1,149	1,021	751	571	498	432	457	380	309	337	285	208	129	78	48	10	18	9,115	
51	223	968	489	726	1,193	980	813	513	492	469	395	356	276	271	278	218	102	94	24	12	22	8,914	
52	231	1,040	591	751	1,442	1,076	737	528	495	433	461	355	280	262	269	191	156	87	33	7	19	9,444	
53	241	1,243	610	884	1,508	1,055	806	606	423	390	348	281	256	248	194	154	137	90	42	19	26	9,561	
54	257	1,136	687	955	1,426	1,076	771	563	428	397	370	288	253	201	143	121	86	87	40	16	19	9,340	
55	257	1,115	661	1,012	1,426	1,014	689	567	501	384	358	253	249	133	127	101	105	52	31	14	26	9,075	
56	308	1,196	786	1,042	1,414	1,024	741	589	578	476	348	209	246	180	122	106	74	58	30	11	15	9,553	
57	321	1,905	1,272	1,396	1,615	967	807	558	644	497	382	273	205	174	117	79	75	62	24	20	16	11,409	
58	320	2,106	1,373	1,480	1,656	943	746	579	619	488	462	269	192	175	104	53	42	27	13	16	18	11,681	
59	312	2,225	2,055	1,673	1,818	1,106	672	496	540	409	339	266	224	137	111	88	44	40	20	4	31	12,610	
60	161	1,152	1,201	1,025	1,119	657	397	255	311	247	221	123	86	89	39	34	11	5	7	4	6	7,150	
61	3	11	62	14	45	22	18	11	10	6	11	1	1	4	1	0	3	0	0	0	0	1	224
62	8	11	43	21	46	20	3	5	3	9	3	5	5	3	0	2	0	2	0	0	0	0	189
63+	14	40	113	81	113	70	28	26	12	14	10	8	4	2	6	2	2	6	2	0	0	0	553
Total	4,632	21,567	15,175	16,268	22,274	17,100	12,528	9,249	8,933	7,708	7,599	5,909	4,830	4,249	3,238	2,410	1,708	988	473	199	308	167,345	

Notes: Data taken from the actuarial valuation file created by the DoD Office of the Actuary. Average Age: 51.9 Average Years of Active Service: 5.7
 Age is age nearest birthday as of the end of the fiscal year.

All DoD Non-Selected Reserve Personnel With 20 Good Years for FY2009 Valuation

Age	Completed Years Of Active Duty Service																				Total		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+	
36	2	2	5	2	2	0	2	0	0	2	0	2	1	0	0	0	0	0	0	0	0	1	21
37	3	0	7	2	2	0	5	0	0	1	2	1	4	0	2	0	0	2	1	0	0	4	36
38	12	30	31	30	20	7	12	14	5	13	18	4	2	4	6	4	2	0	0	0	0	0	214
39	47	91	109	92	69	41	39	44	42	24	40	37	34	31	15	3	1	0	3	0	0	2	764
40	63	191	204	192	156	145	117	67	64	50	69	83	59	61	32	16	13	2	5	3	0	0	1,592
41	126	366	324	269	282	283	172	147	119	134	143	131	99	92	62	38	26	8	8	8	2	2,839	
42	181	442	423	384	357	431	283	197	184	190	211	188	141	128	86	67	54	14	13	5	3	3,982	
43	212	577	522	443	474	495	403	320	285	298	311	271	203	188	113	73	65	28	12	8	5	5,236	
44	208	649	601	520	713	548	471	336	344	355	398	306	220	204	161	116	85	51	17	2	10	6,315	
45	255	867	620	586	857	876	633	472	448	467	502	427	334	268	214	159	115	43	30	16	10	8,199	
46	267	940	726	685	960	896	773	551	645	571	610	552	416	361	272	194	137	63	23	10	19	9,671	
47	264	1,050	736	683	1,047	1,083	839	688	688	591	639	586	497	332	304	204	143	65	36	11	19	10,485	
48	280	1,125	676	719	1,122	1,115	935	721	778	693	672	584	539	476	358	235	148	71	23	16	28	11,314	
49	294	1,119	671	700	1,173	1,254	930	740	889	722	709	566	530	497	419	264	157	80	45	13	26	11,798	
50	286	1,095	654	815	1,337	1,267	978	818	786	678	664	589	456	464	366	277	175	111	65	12	23	11,916	
51	280	1,115	592	842	1,413	1,252	1,050	786	812	712	623	552	470	418	378	310	157	121	39	17	35	11,974	
52	302	1,205	689	879	1,686	1,387	1,033	864	797	680	684	600	512	423	387	297	223	123	42	22	31	12,866	
53	296	1,402	742	1,055	1,788	1,397	1,114	965	750	680	611	554	492	420	354	267	214	118	54	21	34	13,348	
54	326	1,318	823	1,135	1,701	1,433	1,093	939	773	666	639	597	489	430	314	230	175	133	56	20	21	13,311	
55	340	1,331	817	1,185	1,722	1,394	1,037	903	842	660	611	513	477	312	297	207	163	95	48	21	32	13,007	
56	391	1,409	957	1,257	1,733	1,422	1,135	966	884	731	621	469	506	377	283	189	137	100	51	15	15	13,648	
57	427	2,241	1,514	1,653	2,007	1,458	1,263	942	975	765	612	511	463	362	261	198	131	105	50	30	20	15,978	
58	423	2,511	1,649	1,789	2,100	1,424	1,176	958	904	751	713	504	429	358	212	135	114	67	31	21	19	16,288	
59	420	2,782	2,392	2,066	2,373	1,627	1,131	900	882	703	614	466	392	293	216	194	112	78	34	17	32	17,724	
60	220	1,495	1,428	1,297	1,419	945	636	482	497	386	347	251	186	155	101	87	34	32	14	9	9	10,030	
61	5	15	66	22	59	30	25	20	15	7	13	9	3	6	2	0	3	0	0	4	1	1	305
62	11	11	48	32	57	25	9	9	7	13	6	10	5	4	1	3	0	3	0	0	0	0	254
63+	25	50	140	119	163	101	43	36	18	24	16	15	5	2	6	3	5	12	3	0	0	0	786
Total	5,966	25,429	18,166	19,433	26,792	22,336	17,337	13,905	13,433	11,527	11,098	9,378	7,954	6,636	5,222	3,770	2,589	1,525	703	301	401	223,901	

Notes: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.
 Age is age nearest birthday as of the end of the fiscal year.

Average Age: 52.2

Average Years of Active Service: 6.1

DoD Retired Military Valuation Data as of Year-End FY2009

All Officers

Age	Strength			Average Annual Net Retired Pay			TERRA			CSB		
	Non-Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	TERRA Non-Dis	TERRA Res Ret	TERRA Non-Dis	CSB Non-Dis	CSB Dis	CSB Non-Dis	CSB Dis
16	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
17	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
18	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
19	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
20	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
21	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
22	0	0	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0
23	0	0	2	0	\$10,278	0	0	0	\$10,278	\$0	\$0	\$0
24	0	0	7	0	\$15,355	0	0	0	\$15,355	\$0	\$0	\$0
25	0	1	14	0	\$9,698	0	0	0	\$9,698	\$0	\$0	\$0
26	0	6	12	0	\$12,452	0	0	0	\$12,452	\$0	\$0	\$0
27	0	13	21	0	\$14,194	0	0	0	\$14,194	\$0	\$0	\$0
28	0	19	35	0	\$16,071	0	0	0	\$16,071	\$0	\$0	\$0
29	0	22	36	0	\$15,717	0	0	0	\$15,717	\$0	\$0	\$0
30	0	29	37	0	\$16,961	0	0	0	\$16,961	\$0	\$0	\$0
31	0	25	30	0	\$16,389	0	0	0	\$16,389	\$0	\$0	\$0
32	0	30	36	0	\$15,995	0	0	0	\$15,995	\$0	\$0	\$0
33	0	34	35	0	\$18,194	0	0	0	\$18,194	\$0	\$0	\$0
34	0	41	35	0	\$19,507	0	0	0	\$19,507	\$0	\$0	\$0
35	0	54	35	0	\$20,599	0	0	0	\$20,599	\$0	\$0	\$0
36	1	54	30	0	\$17,782	0	0	0	\$17,782	\$0	\$0	\$0
37	0	56	39	0	\$20,639	0	0	0	\$20,639	\$0	\$0	\$0
38	27	67	34	0	\$13,545	0	0	0	\$13,545	\$18,747	\$23,174	\$34,320
39	121	77	37	0	\$28,797	33	1	0	\$28,797	\$0	\$23,492	\$24,042
40	327	96	26	0	\$29,568	77	0	0	\$29,568	\$0	\$25,397	\$0
41	522	83	40	0	\$30,949	61	7	0	\$30,949	\$0	\$28,433	\$0
42	933	99	34	0	\$33,131	52	5	0	\$33,131	\$11,680	\$23,051	\$21,658
43	1,748	104	32	0	\$34,991	36	2	0	\$34,991	\$31,465	\$24,514	\$35,195
44	2,750	137	26	0	\$36,408	35	2	0	\$36,408	\$33,871	\$24,622	\$33,687
45	3,671	152	24	0	\$37,430	22	0	0	\$37,430	\$35,449	\$25,716	\$24,567
46	4,518	157	18	0	\$37,864	16	3	0	\$37,864	\$36,569	\$26,191	\$0
47	4,980	193	26	0	\$39,716	15	0	0	\$39,716	\$37,170	\$25,157	\$13,969
48	5,557	194	12	0	\$41,121	14	0	0	\$41,121	\$38,845	\$27,201	\$0
49	6,178	177	25	0	\$42,237	11	0	0	\$42,237	\$40,334	\$26,802	\$0
50	6,853	203	13	0	\$43,095	6	2	0	\$43,095	\$41,610	\$25,036	\$0
51	7,499	231	19	0	\$43,205	2	0	0	\$43,205	\$42,454	\$33,114	\$21,522
52	8,380	235	13	0	\$44,125	0	0	0	\$44,125	\$42,576	\$28,625	\$0
53	8,995	238	15	0	\$44,480	0	0	0	\$44,480	\$43,488	\$26,410	\$0
54	9,525	229	13	0	\$44,327	3	1	0	\$44,327	\$43,899	\$26,494	\$12,900
55	9,813	270	8	0	\$45,021	0	0	0	\$45,021	\$43,855	\$36,198	\$0
56	10,204	308	6	0	\$45,244	0	0	0	\$45,244	\$44,450	\$0	\$0
57	10,278	298	6	0	\$45,172	2	0	0	\$45,172	\$44,694	\$26,410	\$0
58	10,230	288	10	0	\$45,121	0	0	0	\$45,121	\$44,607	\$29,911	\$0
59	10,582	321	3	8	\$45,521	0	0	0	\$45,521	\$45,045	\$29,869	\$0
60	11,277	381	3	2,840	\$45,517	0	0	0	\$45,517	\$45,321	\$29,926	\$16,863
61	12,123	395	4	7,709	\$45,108	0	0	0	\$45,108	\$46,717	\$35,928	\$0
62	13,085	536	3	8,728	\$45,464	86	0	0	\$45,464	\$46,717	\$35,928	\$0
63	13,998	639	1	9,563	\$46,262	221	0	0	\$46,262	\$47,492	\$36,197	\$15,801
64	9,753	482	0	6,818	\$46,655	129	59	0	\$46,655	\$47,930	\$32,859	\$15,197
65	9,866	492	0	6,829	\$46,798	86	44	0	\$46,798	\$47,146	\$32,507	\$14,736
66	10,076	470	0	6,467	\$46,785	76	38	0	\$46,785	\$46,785	\$33,828	\$16,183
67	9,948	462	0	6,440	\$46,504	65	42	0	\$46,504	\$46,889	\$36,889	\$15,896
68	8,742	369	0	5,231	\$46,080	40	32	0	\$46,080	\$46,504	\$35,818	\$13,488
69	8,891	376	0	4,701	\$46,037	17	34	0	\$46,037	\$46,483	\$36,453	\$12,027
70	8,914	315	0	4,411	\$46,374	13	34	0	\$46,374	\$46,037	\$37,202	\$14,199
										\$20,745	\$42,838	\$14,116

DoD Retired Military Valuation Data as of Year-End FY2009

All Officers

Age	Non Disabled			Perm Disabled			Temp Disabled			Reserve Retired			Average Annual Net Retired Pay			TERA		CSB	
	Age	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	TERA Non-Dis	TERA Res Ret	TERA Non-Dis	CSB Non-Dis	CSB Dis	Total	Reserve Retired	TERA Non-Dis	TERA Res Ret	CSB Non-Dis	CSB Dis		
71	8,563	306	0	4,430	13,299	9	42	0	0	0	\$19,975	\$37,259	\$44,919	\$13,960	\$0	\$0	\$0		
72	8,164	284	0	4,307	12,755	11	35	0	0	0	\$19,379	\$37,877	\$41,597	\$13,844	\$0	\$0	\$0		
73	7,805	278	0	4,103	12,186	10	18	0	0	0	\$19,273	\$37,887	\$35,322	\$12,648	\$0	\$0	\$0		
74	7,683	280	0	3,902	11,865	8	18	0	0	0	\$18,888	\$38,301	\$37,575	\$13,189	\$0	\$0	\$0		
75	6,055	281	0	4,015	12,338	7	17	0	0	0	\$18,806	\$39,253	\$36,746	\$11,268	\$0	\$0	\$0		
76	7,723	251	0	3,692	11,666	6	10	0	0	0	\$19,144	\$39,958	\$45,206	\$11,888	\$0	\$0	\$0		
77	7,790	382	0	3,801	11,873	6	7	0	0	0	\$18,727	\$40,230	\$41,644	\$16,384	\$0	\$0	\$0		
78	7,385	333	0	3,957	11,675	5	6	0	0	0	\$17,894	\$39,854	\$44,641	\$15,463	\$0	\$0	\$0		
79	7,313	302	0	4,194	11,809	1	1	0	0	0	\$17,494	\$39,752	\$26,472	\$23,949	\$0	\$0	\$0		
80	6,573	330	0	3,954	10,857	1	5	0	0	0	\$17,155	\$39,642	\$41,028	\$15,366	\$0	\$0	\$0		
81	5,320	290	0	3,460	9,070	1	4	0	0	0	\$17,055	\$39,998	\$34,104	\$17,583	\$0	\$0	\$0		
82	3,827	220	0	2,427	6,474	1	1	0	0	0	\$17,659	\$41,451	\$24,840	\$18,180	\$0	\$0	\$0		
83	3,100	208	0	2,251	5,559	2	1	0	0	0	\$17,347	\$40,861	\$49,607	\$23,892	\$0	\$0	\$0		
84	3,293	220	0	2,587	6,100	0	0	0	0	0	\$16,615	\$40,510	\$0	\$0	\$0	\$0	\$0		
85	3,634	338	0	3,138	7,110	0	0	0	0	0	\$16,523	\$39,262	\$0	\$11,351	\$0	\$0	\$0		
86	3,642	464	0	3,195	7,301	0	0	0	0	0	\$15,719	\$38,096	\$0	\$0	\$0	\$0	\$0		
87	3,535	517	0	3,255	7,307	0	0	0	0	0	\$15,671	\$37,102	\$0	\$0	\$0	\$0	\$0		
88	3,852	601	0	3,241	7,694	0	1	0	0	0	\$15,833	\$37,514	\$0	\$9,960	\$0	\$0	\$0		
89	3,372	623	0	2,967	6,962	0	0	0	0	0	\$16,454	\$36,360	\$0	\$0	\$0	\$0	\$0		
90	2,872	567	0	2,433	5,872	0	0	0	0	0	\$17,751	\$37,422	\$0	\$0	\$0	\$0	\$0		
91	2,239	420	0	2,025	4,684	0	0	0	0	0	\$18,748	\$36,795	\$0	\$0	\$0	\$0	\$0		
92	1,585	361	0	1,495	3,441	0	0	0	0	0	\$19,009	\$35,897	\$0	\$0	\$0	\$0	\$0		
93	1,057	242	0	1,060	2,359	0	0	0	0	0	\$19,618	\$36,583	\$0	\$0	\$0	\$0	\$0		
94	785	172	0	728	1,685	0	0	0	0	0	\$20,305	\$35,999	\$0	\$0	\$0	\$0	\$0		
95	448	93	0	485	1,026	0	0	0	0	0	\$21,309	\$36,107	\$0	\$0	\$0	\$0	\$0		
96	270	70	0	298	638	0	0	0	0	0	\$21,382	\$35,044	\$0	\$0	\$0	\$0	\$0		
97	141	50	0	174	365	0	0	0	0	0	\$21,001	\$34,612	\$0	\$0	\$0	\$0	\$0		
98	102	22	0	103	227	0	0	0	0	0	\$21,029	\$34,131	\$0	\$0	\$0	\$0	\$0		
99	55	21	0	81	157	0	0	0	0	0	\$20,340	\$32,323	\$0	\$0	\$0	\$0	\$0		
100	25	8	0	51	84	0	0	0	0	0	\$19,306	\$27,168	\$0	\$0	\$0	\$0	\$0		
101	23	4	0	26	53	0	0	0	0	0	\$15,940	\$29,905	\$0	\$0	\$0	\$0	\$0		
102	13	2	0	10	25	0	0	0	0	0	\$15,817	\$37,658	\$0	\$0	\$0	\$0	\$0		
103	4	2	0	7	13	0	0	0	0	0	\$16,070	\$33,282	\$0	\$0	\$0	\$0	\$0		
104	2	1	0	5	8	0	0	0	0	0	\$15,674	\$20,827	\$0	\$0	\$0	\$0	\$0		
105	2	2	0	0	3	0	0	0	0	0	\$49,224	\$50,564	\$0	\$0	\$0	\$0	\$0		
106	3	1	0	2	6	0	0	0	0	0	\$12,576	\$36,424	\$0	\$0	\$0	\$0	\$0		
107	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
108	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
109	1	0	0	1	2	0	0	0	0	0	\$10,657	\$30,191	\$0	\$0	\$0	\$0	\$0		
110	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total	360,521	17,909	851	145,606	524,887	11,792	783	398	26	0	\$19,825	\$38,890	\$28,055	\$15,118	\$24,629	\$24,919	\$0		
60+	236,929	13,368	11	145,598	395,906	1,586	783	0	0	0	\$19,824	\$37,790	\$32,729	\$15,118	\$0	\$0	\$0		
62+	213,529	12,592	4	135,049	361,174	971	631	0	0	0	\$19,660	\$37,787	\$34,154	\$14,565	\$0	\$0	\$0		
65+	176,693	10,935	0	109,940	297,568	367	391	0	0	0	\$19,082	\$38,133	\$36,273	\$14,114	\$0	\$0	\$0		

Notes: Age is retiree's current age nearest birthday at end of fiscal year.
 60+ is total for ages 60 and over.
 62+ is total for ages 62 and over.
 65+ is total for ages 65 and over.
 Includes only retirees receiving payment from DoD.
 Temporary Early Retirement Act (TERA) retirees and payments are shown for informational purposes only.
 Career Status Bonus (CSB) retirees and payments are shown for informational purposes only.
 TERA and CSB numbers and payments are included in the appropriate categories.
 Pay amounts do not include the 12/1/09 cost of living increase of 0.0%.

DoD Retired Military Valuation Data as of Year-End FY2009

All Enlisted

Age	Strength			Average Annual Net Retired Pay			Reserve			TERRA			CSB		
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	TERRA Non-Dis	TERRA Res Ret	CSB Non-Dis	CSB Dis	Total	TERRA Non-Dis	TERRA Res Ret	CSB Non-Dis	CSB Dis	
16	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	
17	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	
18	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	
19	0	2	28	30	88	0	0	0	0	\$8,697	\$0	\$0	\$0	\$0	
20	0	5	84	89	231	0	0	0	0	\$7,837	\$0	\$0	\$0	\$0	
21	0	23	208	231	681	0	0	0	0	\$7,715	\$0	\$0	\$0	\$0	
22	0	60	355	415	959	0	0	0	0	\$7,685	\$0	\$0	\$0	\$0	
23	0	103	567	670	1,627	0	0	0	0	\$7,688	\$0	\$0	\$0	\$0	
24	2	176	690	868	2,488	0	0	0	0	\$7,334	\$0	\$0	\$0	\$0	
25	1	218	749	968	3,016	0	0	0	0	\$7,320	\$0	\$12,950	\$0	\$0	
26	0	278	681	959	3,016	0	0	0	0	\$7,026	\$0	\$0	\$0	\$0	
27	0	291	659	950	2,911	0	0	0	0	\$7,260	\$0	\$0	\$0	\$0	
28	0	278	627	905	2,727	0	0	0	0	\$7,425	\$0	\$0	\$0	\$0	
29	0	367	555	922	2,887	0	0	0	0	\$7,276	\$0	\$0	\$0	\$0	
30	1	330	515	846	2,681	0	0	0	0	\$7,506	\$0	\$0	\$0	\$0	
31	0	337	419	756	2,178	0	0	0	0	\$7,058	\$0	\$0	\$0	\$0	
32	0	341	347	688	1,717	0	0	0	0	\$7,594	\$0	\$0	\$0	\$0	
33	0	370	347	717	1,717	0	0	0	0	\$7,319	\$0	\$0	\$0	\$0	
34	0	331	272	603	1,322	0	0	0	0	\$7,181	\$0	\$0	\$0	\$0	
35	0	395	278	673	1,731	0	0	0	0	\$7,341	\$0	\$0	\$0	\$0	
36	1	379	201	581	1,613	0	0	0	0	\$7,121	\$0	\$14,382	\$0	\$16,165	
37	0	413	222	635	1,277	0	0	0	0	\$7,034	\$0	\$0	\$0	\$13,907	
38	577	480	220	1,277	3,856	0	0	0	0	\$11,995	\$0	\$15,001	\$0	\$10,393	
39	3,073	569	214	3,856	17,178	0	0	0	0	\$15,085	\$0	\$14,323	\$0	\$11,971	
40	6,295	590	173	7,048	2,731	0	0	0	0	\$16,151	\$0	\$14,056	\$0	\$15,121	
41	9,508	629	178	10,315	2,657	0	0	0	0	\$17,298	\$0	\$14,086	\$0	\$14,837	
42	13,253	652	151	14,056	1,997	0	0	0	0	\$18,331	\$0	\$14,094	\$0	\$15,871	
43	17,207	803	132	18,142	1,288	0	0	0	0	\$19,008	\$0	\$14,103	\$0	\$16,406	
44	20,755	914	111	21,760	936	0	0	0	0	\$19,378	\$0	\$13,828	\$0	\$14,208	
45	25,011	1,009	108	26,128	732	0	0	0	0	\$19,661	\$0	\$13,799	\$0	\$19,611	
46	28,361	1,077	97	29,535	549	0	0	0	0	\$19,679	\$0	\$14,078	\$0	\$16,399	
47	31,307	1,191	80	32,578	412	0	0	0	0	\$19,747	\$0	\$13,895	\$0	\$16,511	
48	33,936	1,206	80	35,222	305	0	0	0	0	\$19,938	\$0	\$13,853	\$0	\$16,282	
49	35,737	1,229	84	37,050	199	0	0	0	0	\$19,884	\$0	\$13,637	\$0	\$19,271	
50	35,903	1,275	63	37,241	155	0	0	0	0	\$19,913	\$0	\$13,961	\$0	\$20,766	
51	35,412	1,244	51	36,707	112	0	0	0	0	\$19,873	\$0	\$13,120	\$0	\$20,294	
52	34,968	1,353	47	36,368	86	0	0	0	0	\$19,760	\$0	\$13,396	\$0	\$15,709	
53	33,740	1,383	28	35,151	63	0	0	0	0	\$19,735	\$0	\$12,803	\$0	\$21,222	
54	32,979	1,452	40	34,471	43	0	0	0	0	\$19,780	\$0	\$13,070	\$0	\$18,883	
55	32,794	1,537	33	34,364	2,290	0	0	0	0	\$19,814	\$0	\$13,300	\$0	\$13,000	
56	31,842	1,608	22	33,472	1,598	0	0	0	0	\$19,837	\$0	\$13,686	\$0	\$13,046	
57	31,802	1,717	22	33,541	1,151	0	0	0	0	\$20,060	\$0	\$12,586	\$0	\$12,586	
58	29,235	1,683	23	30,941	6	0	0	0	0	\$20,119	\$0	\$13,835	\$0	\$0	
59	28,133	1,960	15	30,113	712	0	0	0	0	\$20,370	\$26,417	\$14,282	\$0	\$0	
60	28,655	2,361	13	37,296	545	0	0	0	0	\$18,575	\$14,695	\$14,695	\$0	\$0	
61	29,983	2,682	12	16,436	454	0	0	0	0	\$17,075	\$14,885	\$14,885	\$0	\$0	
62	29,199	2,819	7	17,941	49,966	0	0	0	0	\$17,073	\$15,282	\$15,282	\$0	\$0	
63	28,988	2,464	4	17,943	49,399	0	0	0	0	\$17,154	\$15,811	\$15,811	\$0	\$0	
64	20,263	1,623	1	12,618	34,505	0	0	0	0	\$19,890	\$16,601	\$16,601	\$0	\$0	
65	20,846	1,452	0	11,719	34,017	0	0	0	0	\$17,612	\$16,871	\$16,871	\$0	\$0	
66	22,590	1,285	0	11,263	35,138	0	0	0	0	\$17,867	\$17,069	\$17,069	\$0	\$0	
67	24,585	1,250	0	10,749	36,584	0	0	0	0	\$18,131	\$17,121	\$17,121	\$0	\$0	
68	22,956	1,102	0	8,580	32,638	0	0	0	0	\$18,271	\$17,900	\$17,900	\$0	\$0	
69	22,232	996	0	7,473	30,701	0	0	0	0	\$18,644	\$18,644	\$18,644	\$0	\$0	
70	22,117	841	0	7,347	30,305	0	0	0	0	\$18,333	\$20,261	\$20,261	\$0	\$0	

DoD Retired Military Valuation Data as of Year-End FY2009

All Enlisted

Age	Strength				Average Annual Net Retired Pay				Average Annual Net Retired Pay					
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	TERA Non-Dis	TERA Res Ret	CSB Non-Dis	CSB Dis	Total	TERA Non-Dis	TERA Res Ret	CSB Non-Dis	CSB Dis
71	23,293	872	0	7,295	31,460	31	132	0	0	\$16,085	\$0	\$8,894	\$18,596	\$5,652
72	24,977	880	0	7,210	33,067	14	149	0	0	\$16,270	\$0	\$8,737	\$18,909	\$5,001
73	24,544	800	0	6,880	32,224	10	121	0	0	\$16,362	\$0	\$8,904	\$19,235	\$5,033
74	24,109	800	0	6,567	31,476	3	136	0	0	\$16,237	\$0	\$8,919	\$19,407	\$5,856
75	22,502	856	0	5,771	29,129	0	76	0	0	\$16,597	\$0	\$9,179	\$19,643	\$5,472
76	20,608	888	0	4,780	26,276	1	67	0	0	\$16,181	\$0	\$9,510	\$20,083	\$5,524
77	20,236	1,031	0	4,636	25,903	0	3	0	0	\$15,843	\$0	\$9,403	\$20,181	\$5,448
78	19,343	1,140	0	4,612	25,095	0	16	0	0	\$14,949	\$0	\$9,225	\$20,056	\$8,675
79	19,610	1,201	0	4,387	25,198	1	1	0	0	\$15,616	\$0	\$9,146	\$20,012	\$4,642
80	17,985	1,157	0	3,529	22,371	0	0	0	0	\$16,054	\$0	\$9,276	\$20,151	\$0
81	13,785	924	0	2,807	17,516	0	0	0	0	\$16,802	\$0	\$9,351	\$20,176	\$0
82	10,906	711	0	1,983	13,600	0	1	0	0	\$17,351	\$0	\$9,600	\$20,182	\$5,724
83	8,043	492	0	1,704	10,239	0	0	0	0	\$18,408	\$0	\$9,540	\$19,698	\$0
84	6,678	414	0	1,509	8,601	0	0	0	0	\$18,299	\$0	\$9,644	\$19,302	\$0
85	5,953	365	0	1,449	7,767	0	0	0	0	\$19,982	\$0	\$9,497	\$19,336	\$0
86	5,053	311	0	1,172	6,536	0	0	0	0	\$19,371	\$0	\$9,517	\$19,282	\$0
87	4,175	263	0	957	5,395	0	0	0	0	\$22,009	\$0	\$9,438	\$19,259	\$0
88	3,634	200	0	904	4,738	0	0	0	0	\$22,114	\$0	\$9,540	\$19,042	\$0
89	2,851	152	0	661	3,664	0	0	0	0	\$22,759	\$0	\$9,907	\$19,519	\$0
90	2,349	126	0	524	2,999	0	0	0	0	\$24,278	\$0	\$10,434	\$19,599	\$0
91	1,535	100	0	367	2,002	0	0	0	0	\$25,491	\$0	\$10,605	\$19,403	\$0
92	1,064	55	0	291	1,410	0	0	0	0	\$26,314	\$0	\$10,466	\$19,183	\$0
93	638	38	0	150	826	0	0	0	0	\$24,608	\$0	\$10,622	\$18,882	\$0
94	414	30	0	110	554	0	0	0	0	\$20,254	\$0	\$10,898	\$18,426	\$0
95	277	18	0	83	378	0	0	0	0	\$23,722	\$0	\$11,504	\$18,921	\$0
96	147	5	0	49	201	0	0	0	0	\$16,709	\$0	\$12,005	\$17,192	\$0
97	86	2	0	30	118	0	0	0	0	\$18,978	\$0	\$12,017	\$18,376	\$0
98	45	2	0	13	60	0	0	0	0	\$29,148	\$0	\$9,276	\$16,873	\$0
99	23	3	0	4	30	0	0	0	0	\$19,304	\$0	\$6,468	\$15,677	\$0
100	14	3	0	7	24	0	0	0	0	\$16,842	\$0	\$7,145	\$15,343	\$0
101	11	1	0	2	14	0	0	0	0	\$744	\$0	\$14,359	\$15,853	\$0
102	6	1	0	2	9	0	0	0	0	\$5,112	\$0	\$8,178	\$14,200	\$0
103	4	0	0	1	5	0	0	0	0	\$0	\$0	\$6,552	\$19,200	\$0
104	8	0	0	0	8	0	0	0	0	\$0	\$0	\$0	\$0	\$0
105	3	0	0	0	3	0	0	0	0	\$0	\$0	\$0	\$0	\$0
106	1	0	0	0	1	0	0	0	0	\$0	\$0	\$0	\$0	\$0
107	0	1	0	0	1	0	0	0	0	\$6,576	\$0	\$0	\$0	\$0
108	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
109	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
110	0	1	0	0	1	0	0	0	0	\$17,988	\$0	\$0	\$0	\$0
Total	1,107,857	62,966	9,813	198,787	1,379,423	40,813	3,345	13,942	269	\$11,515	\$9,657	\$9,615	\$18,941	\$6,263
60+	556,024	32,718	37	198,782	787,561	2,440	3,345	0	0	\$13,805	\$22,097	\$9,614	\$18,604	\$6,263
62+	498,386	27,675	12	176,079	702,152	1,441	2,803	0	0	\$14,537	\$22,397	\$9,533	\$18,700	\$6,204
65+	419,936	20,769	0	127,577	568,282	523	1,697	0	0	\$16,010	\$0	\$9,349	\$19,066	\$6,009

Notes: Age is retiree's current age nearest birthday at end of fiscal year.
 60+ is total for ages 60 and over.
 62+ is total for ages 62 and over.
 65+ is total for ages 65 and over.
 Includes only retirees receiving payment from DoD.
 Temporary Early Retirement Act (TERA) retirees and payments are shown for informational purposes only.
 Career Status Bonus (CSB) retirees and payments are shown for informational purposes only.
 TERA and CSB numbers and payments are included in the appropriate categories.
 Pay amounts do not include the 12/1/09 cost of living increase of 0.0%.

DoD Retired Military Valuation Data as of Year-End FY2009

All DoD

Age	Strength				Average Annual Net Retired Pay				Reserve				CSB		CSB Dis
	Non Disabled	Perm Disabled	Temp Disabled	Total	Non Disabled	Perm Disabled	Temp Disabled	Total	Non-Dis	Res Ret	Non-Dis	Res Ret	Non-Dis	Res Ret	
16	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	0	2	28	30	0	0	0	\$8,697	\$8,169	\$0	\$0	\$0	\$0	\$0	\$0
20	0	5	84	89	0	0	0	\$6,275	\$7,930	\$0	\$0	\$0	\$0	\$0	\$0
21	0	23	208	231	0	0	0	\$6,190	\$7,884	\$0	\$0	\$0	\$0	\$0	\$0
22	0	60	355	415	0	0	0	\$6,592	\$7,870	\$0	\$0	\$0	\$0	\$0	\$0
23	0	103	569	672	0	0	0	\$5,276	\$8,134	\$0	\$0	\$0	\$0	\$0	\$0
24	2	176	697	875	0	1	0	\$5,227	\$7,917	\$0	\$0	\$0	\$0	\$0	\$0
25	1	219	763	983	0	0	0	\$5,571	\$7,853	\$0	\$0	\$0	\$0	\$0	\$0
26	0	284	693	977	0	0	0	\$4,930	\$8,012	\$0	\$0	\$0	\$0	\$0	\$0
27	0	304	680	984	0	0	0	\$5,454	\$8,383	\$0	\$0	\$0	\$0	\$0	\$0
28	0	297	662	959	0	0	0	\$5,803	\$8,702	\$0	\$0	\$0	\$0	\$0	\$0
29	0	389	591	980	0	0	0	\$5,154	\$9,312	\$0	\$0	\$0	\$0	\$0	\$0
30	1	359	552	912	0	0	0	\$5,751	\$9,387	\$0	\$0	\$0	\$0	\$0	\$0
31	0	362	449	811	0	0	0	\$5,366	\$9,337	\$0	\$0	\$0	\$0	\$0	\$0
32	0	371	383	754	0	0	0	\$5,922	\$10,257	\$0	\$0	\$0	\$0	\$0	\$0
33	0	404	378	782	0	0	0	\$6,341	\$9,893	\$0	\$0	\$0	\$0	\$0	\$0
34	0	372	307	679	0	0	0	\$6,029	\$10,488	\$0	\$0	\$0	\$0	\$0	\$0
35	0	449	313	762	0	0	0	\$5,849	\$11,633	\$0	\$0	\$0	\$0	\$0	\$0
36	2	433	231	666	0	1	0	\$6,331	\$10,916	\$0	\$0	\$0	\$0	\$0	\$0
37	0	469	261	730	0	0	0	\$6,004	\$11,898	\$0	\$0	\$0	\$0	\$0	\$0
38	3,194	646	254	4,091	0	0	0	\$6,543	\$12,163	\$0	\$0	\$0	\$0	\$0	\$0
39	6,622	676	199	7,497	0	0	0	\$6,727	\$11,940	\$0	\$0	\$0	\$0	\$0	\$0
40	10,030	712	218	10,960	0	0	0	\$7,068	\$13,331	\$0	\$0	\$0	\$0	\$0	\$0
41	14,186	751	185	15,122	2	0	0	\$7,408	\$15,047	\$0	\$0	\$0	\$0	\$0	\$0
42	18,955	907	184	20,026	44	0	0	\$9,195	\$15,721	\$0	\$0	\$0	\$0	\$0	\$0
43	23,505	1,051	137	24,693	185	0	0	\$9,293	\$15,777	\$0	\$0	\$0	\$0	\$0	\$0
44	28,682	1,161	132	29,975	380	0	0	\$9,632	\$17,074	\$0	\$0	\$0	\$0	\$0	\$0
45	32,879	1,234	115	34,228	754	0	0	\$9,807	\$16,846	\$0	\$0	\$0	\$0	\$0	\$0
46	36,287	1,384	106	37,777	1,114	0	0	\$10,404	\$17,990	\$0	\$0	\$0	\$0	\$0	\$0
47	39,493	1,400	92	40,985	2,287	0	0	\$11,091	\$16,615	\$0	\$0	\$0	\$0	\$0	\$0
48	41,915	1,406	109	43,430	3,119	0	0	\$10,789	\$19,797	\$0	\$0	\$0	\$0	\$0	\$0
49	42,756	1,478	76	44,310	4,217	0	0	\$10,705	\$21,088	\$0	\$0	\$0	\$0	\$0	\$0
50	42,911	1,475	70	44,456	5,077	0	0	\$11,102	\$21,681	\$0	\$0	\$0	\$0	\$0	\$0
51	43,348	1,588	60	44,996	5,695	0	0	\$11,670	\$21,817	\$0	\$0	\$0	\$0	\$0	\$0
52	42,835	1,621	43	44,299	5,949	0	0	\$12,148	\$23,272	\$0	\$0	\$0	\$0	\$0	\$0
53	42,504	1,681	53	44,238	4,562	0	0	\$12,695	\$19,734	\$0	\$0	\$0	\$0	\$0	\$0
54	42,807	1,807	41	44,455	3,727	0	0	\$12,621	\$19,575	\$0	\$0	\$0	\$0	\$0	\$0
55	42,046	1,916	28	43,990	2,847	0	0	\$13,573	\$20,414	\$0	\$0	\$0	\$0	\$0	\$0
56	42,080	2,015	28	44,123	2,099	0	0	\$13,573	\$23,799	\$0	\$0	\$0	\$0	\$0	\$0
57	39,465	1,971	33	41,469	1,624	0	0	\$13,582	\$22,862	\$0	\$0	\$0	\$0	\$0	\$0
58	38,715	2,281	18	41,027	1,162	0	0	\$13,468	\$22,081	\$0	\$0	\$0	\$0	\$0	\$0
59	39,932	2,742	16	41,797	894	0	0	\$12,501	\$26,045	\$0	\$0	\$0	\$0	\$0	\$0
60	41,106	3,077	16	44,344	720	0	0	\$11,946	\$23,433	\$0	\$0	\$0	\$0	\$0	\$0
61	42,284	3,355	10	46,669	642	0	0	\$12,376	\$19,814	\$0	\$0	\$0	\$0	\$0	\$0
62	42,986	3,103	5	47,506	555	0	0	\$13,661	\$30,768	\$0	\$0	\$0	\$0	\$0	\$0
63	30,016	2,105	1	19,436	325	0	0	\$15,123	\$15,100	\$0	\$0	\$0	\$0	\$0	\$0
64	30,712	1,944	0	18,548	229	0	0	\$16,183	\$14,550	\$0	\$0	\$0	\$0	\$0	\$0
65	32,666	1,755	0	17,730	197	0	0	\$17,461	\$14,273	\$0	\$0	\$0	\$0	\$0	\$0
66	34,533	1,732	0	17,189	148	0	0	\$18,328	\$14,191	\$0	\$0	\$0	\$0	\$0	\$0
67	31,698	1,471	0	13,811	96	0	0	\$18,193	\$13,699	\$0	\$0	\$0	\$0	\$0	\$0
68	31,123	1,372	0	12,174	44,669	58	0	\$20,288	\$13,699	\$0	\$0	\$0	\$0	\$0	\$0
69	31,031	1,156	0	11,758	43,945	33	0	\$21,076	\$13,423	\$0	\$0	\$0	\$0	\$0	\$0
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DoD Retired Military Valuation Data as of Year-End FY2009

All DoD

Age	Non Disabled			Perm Disabled			Temp Disabled			Reserve Retired			Strength			Tera Non-Dis			Tera Res Ret			CSB Non-Dis			CSB Dis						
	Age	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	Tera Non-Dis	Tera Res Ret	CSB Non-Dis	CSB Dis	285	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
71	31,856	1,178	0	11,725	44,759	40	174	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
72	33,141	1,164	0	11,517	45,822	25	184	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
73	32,349	1,078	0	10,983	44,410	20	139	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
74	31,792	1,080	0	10,469	43,341	11	154	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
75	30,557	1,124	0	9,786	41,467	7	93	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
76	28,331	1,139	0	8,472	37,942	7	77	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
77	28,026	1,313	0	8,437	37,776	8	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
78	26,728	1,473	0	8,569	36,770	5	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
79	26,923	1,503	0	8,581	37,007	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
80	24,258	1,487	0	7,483	33,228	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
81	19,105	1,214	0	6,267	26,586	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
82	14,733	931	0	4,410	20,074	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
83	11,143	700	0	3,955	15,798	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
84	9,971	634	0	4,096	14,701	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
85	9,587	703	0	4,587	14,877	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
86	8,695	775	0	4,367	13,837	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
87	7,710	780	0	4,212	12,702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
88	7,486	801	0	4,145	12,432	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
89	6,223	775	0	3,628	10,626	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
90	5,221	693	0	2,957	8,871	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
91	3,774	520	0	2,392	6,686	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
92	2,649	416	0	1,786	4,851	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
93	1,695	280	0	1,210	3,185	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
94	1,199	202	0	838	2,239	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
95	725	111	0	568	1,404	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
96	417	75	0	347	839	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
97	227	52	0	204	483	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
98	147	24	0	116	287	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
99	78	24	0	85	187	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
100	39	11	0	58	108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
101	34	5	0	28	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
102	19	3	0	12	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
103	8	2	0	6	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
104	10	1	0	5	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
105	5	0	0	1	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
106	4	1	0	106	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
107	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
109	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
110	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1,468,378	80,875	10,664	344,393	1,904,310	52,605	4,128	14,340	285	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
60+	792,953	46,086	48	344,380	1,183,467	4,026	4,128	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
62+	711,915	40,267	16	311,128	1,063,326	2,412	3,434	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65+	596,629	31,704	0	237,517	865,850	890	2,088	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes: Age is retiree's current age nearest birthday at end of fiscal year.
 60+ is total for ages 60 and over.
 62+ is total for ages 62 and over.
 65+ is total for ages 65 and over.
 Includes only retirees receiving payment from DoD.
 Temporary Early Retirement Act (TERA) retirees and payments are shown for informational purposes only.
 Career Status Bonus (CSB) retirees and payments are shown for informational purposes only.
 TERA and CSB numbers and payments are included in the appropriate categories.
 Pay amounts do not include the 12/7/09 cost of living increase of 0.0%.

DoD Survivor Valuation Data as of Year-End FY2009

Age	SBP	RCSBP	Strength		Average Annual Net Survivor Pay		Total						
			Minimum Income	Death on Active Duty	SBP	RCSBP		Minimum Income	Death on Active Duty	RSFPP	Total		
0	1	0	0	0	17	0	18	\$54,384	\$0	\$0	\$6,107	\$0	\$8,789
1	0	0	0	0	56	0	56	\$0	\$0	\$0	\$6,529	\$0	\$6,529
2	0	0	0	0	103	0	103	\$0	\$0	\$0	\$6,940	\$0	\$6,940
3	2	0	0	0	203	0	203	\$7,920	\$0	\$0	\$6,945	\$0	\$6,955
4	5	0	0	0	231	0	236	\$7,134	\$0	\$0	\$7,256	\$0	\$7,254
5	7	2	0	0	277	0	286	\$4,950	\$3,975	\$0	\$6,918	\$0	\$6,849
6	17	1	0	0	326	0	344	\$7,358	\$6,024	\$0	\$6,526	\$0	\$6,566
7	22	0	0	0	278	0	300	\$9,213	\$0	\$0	\$7,004	\$0	\$7,166
8	38	0	0	0	306	0	344	\$6,197	\$0	\$0	\$6,268	\$0	\$6,260
9	52	1	0	0	313	0	366	\$9,227	\$4,000	\$0	\$6,789	\$0	\$7,128
10	59	1	0	0	272	0	332	\$6,391	\$19,980	\$0	\$6,660	\$0	\$6,652
11	66	3	0	0	253	0	320	\$6,844	\$3,589	\$0	\$6,692	\$0	\$6,694
12	91	2	0	0	207	0	300	\$6,832	\$4,677	\$0	\$6,975	\$0	\$6,916
13	94	6	0	0	188	1	289	\$7,204	\$6,138	\$0	\$6,306	\$3,122	\$6,584
14	91	17	0	0	190	0	298	\$7,758	\$4,963	\$0	\$7,800	\$0	\$7,625
15	137	10	0	0	173	0	320	\$7,603	\$4,375	\$0	\$6,970	\$0	\$7,160
16	143	26	0	0	154	0	323	\$8,052	\$4,454	\$0	\$7,314	\$0	\$7,411
17	169	13	0	0	147	0	329	\$9,414	\$3,141	\$0	\$7,501	\$0	\$8,312
18	129	15	0	0	79	0	223	\$10,688	\$4,407	\$0	\$8,050	\$0	\$9,331
19	102	14	0	0	39	0	155	\$10,579	\$5,763	\$0	\$8,388	\$0	\$9,593
20	100	11	0	0	29	0	140	\$10,281	\$3,556	\$0	\$9,051	\$0	\$9,498
21	110	6	0	0	19	0	135	\$12,389	\$11,106	\$0	\$10,611	\$0	\$12,082
22	74	4	0	0	12	0	90	\$12,202	\$4,674	\$0	\$11,075	\$0	\$11,717
23	33	1	0	0	2	0	36	\$10,271	\$3,096	\$0	\$7,764	\$0	\$9,933
24	20	4	0	0	4	0	28	\$15,134	\$3,977	\$0	\$8,766	\$0	\$12,630
25	20	3	0	0	5	0	28	\$14,754	\$5,640	\$0	\$3,802	\$0	\$11,822
26	26	4	0	0	4	0	34	\$12,307	\$3,642	\$0	\$3,425	\$0	\$10,713
27	30	2	0	0	5	0	27	\$12,013	\$1,860	\$0	\$4,020	\$0	\$9,781
28	32	3	0	0	12	1	48	\$11,108	\$10,500	\$0	\$8,167	\$1,596	\$10,137
29	24	11	0	0	18	3	56	\$10,177	\$4,229	\$0	\$7,047	\$6,653	\$7,814
30	24	2	0	0	37	0	63	\$11,563	\$7,866	\$0	\$5,801	\$0	\$8,061
31	32	4	0	0	38	1	75	\$11,142	\$3,420	\$0	\$7,332	\$10,644	\$8,793
32	24	5	0	0	27	1	57	\$12,621	\$3,074	\$0	\$6,260	\$2,088	\$8,586
33	27	8	0	0	70	1	106	\$10,094	\$3,756	\$0	\$6,089	\$852	\$6,883
34	28	2	0	0	70	3	103	\$9,576	\$7,632	\$0	\$6,483	\$1,627	\$7,204
35	42	9	0	0	48	1	100	\$11,363	\$8,051	\$0	\$6,474	\$4,824	\$8,653
36	49	6	0	0	41	5	101	\$10,627	\$7,586	\$0	\$6,201	\$1,733	\$8,209
37	46	18	0	0	108	9	181	\$10,564	\$6,735	\$0	\$6,245	\$2,344	\$7,198
38	58	17	0	0	52	6	133	\$10,639	\$5,524	\$0	\$5,987	\$3,612	\$7,849
39	75	14	0	0	60	0	149	\$12,347	\$4,848	\$0	\$7,805	\$0	\$9,813
40	88	27	0	0	105	6	226	\$11,805	\$4,763	\$0	\$8,179	\$1,583	\$9,008
41	77	29	0	0	72	15	193	\$11,796	\$5,391	\$0	\$8,429	\$5,539	\$9,091
42	118	31	0	0	88	6	243	\$12,936	\$6,245	\$0	\$8,549	\$1,636	\$10,215
43	147	37	0	0	121	13	318	\$11,586	\$5,181	\$0	\$9,054	\$3,219	\$9,535
44	180	44	0	0	83	2	309	\$11,041	\$6,193	\$0	\$7,413	\$2,485	\$9,321
45	214	56	0	0	87	8	365	\$11,249	\$6,073	\$0	\$7,755	\$2,752	\$9,436
46	260	86	0	0	93	15	454	\$11,470	\$6,057	\$0	\$9,989	\$1,906	\$9,825
47	264	88	0	0	57	13	422	\$10,797	\$6,581	\$0	\$11,675	\$3,981	\$9,827
48	349	118	0	0	70	23	560	\$11,458	\$6,172	\$0	\$11,878	\$3,533	\$10,071
49	471	155	0	0	74	30	730	\$11,617	\$6,347	\$0	\$12,043	\$3,363	\$10,202
50	438	148	0	0	43	12	641	\$11,166	\$6,075	\$0	\$12,980	\$3,662	\$9,972
51	504	173	0	0	51	17	745	\$10,776	\$6,473	\$0	\$13,231	\$2,022	\$9,745
52	629	233	0	0	50	32	944	\$11,524	\$6,249	\$0	\$11,661	\$3,563	\$9,959
53	672	302	0	0	62	37	1,073	\$11,644	\$7,025	\$0	\$12,708	\$3,631	\$10,129
54	759	284	0	0	50	10	1,103	\$11,685	\$6,396	\$0	\$15,875	\$4,673	\$10,450
55	911	361	0	0	50	5	1,327	\$11,536	\$6,733	\$0	\$12,791	\$5,985	\$10,256
56	1,016	375	0	0	47	18	1,456	\$11,872	\$6,816	\$0	\$14,060	\$3,180	\$10,533
57	1,104	490	0	0	44	15	1,653	\$11,484	\$6,369	\$0	\$13,478	\$4,144	\$9,954
58	1,210	614	0	0	45	8	1,877	\$11,631	\$6,226	\$0	\$10,827	\$2,074	\$9,803
59	1,410	671	1	0	55	8	2,145	\$11,967	\$6,732	\$7,933	\$12,529	\$3,060	\$10,308

DoD Survivor Valuation Data as of Year-End FY2009

Age	SBP	RCSBP	Strength		Average Annual Net Survivor Pay		SBP	RCSBP	Minimum Income	Death on Active Duty	RSFPP	Total	SBP	RCSBP	Minimum Income	Death on Active Duty	RSFPP	Total
			Minimum Income	Death on Active Duty	Minimum Income	Death on Active Duty												
60	1,610	756	0	47	12	2,425	\$12,167	\$6,404	\$0	\$13,956	\$3,278	\$10,361						
61	1,858	979	1	31	15	2,884	\$11,937	\$6,740	\$7,106	\$12,617	\$3,406	\$10,134						
62	2,138	1,149	0	51	10	3,348	\$12,123	\$6,848	\$0	\$11,778	\$2,713	\$10,283						
63	2,548	1,293	1	46	8	3,896	\$12,430	\$6,873	\$7,933	\$12,670	\$2,549	\$10,444						
64	2,198	1,038	0	32	9	3,277	\$12,330	\$6,862	\$0	\$8,425	\$4,512	\$10,538						
65	2,691	1,227	1	39	13	3,971	\$12,384	\$7,014	\$5,759	\$10,488	\$1,788	\$10,670						
66	3,178	1,353	0	42	12	4,584	\$12,462	\$6,862	\$0	\$8,406	\$1,738	\$10,745						
67	3,650	1,561	0	52	22	5,285	\$12,276	\$6,986	\$0	\$10,389	\$2,267	\$10,653						
68	3,910	1,566	0	46	17	5,539	\$12,267	\$6,922	\$0	\$8,387	\$2,449	\$10,694						
69	4,116	1,629	1	50	32	5,828	\$12,348	\$6,984	\$7,933	\$7,693	\$2,156	\$10,752						
70	4,702	1,751	1	50	40	6,544	\$12,661	\$6,904	\$7,933	\$8,208	\$1,540	\$11,018						
71	5,142	1,930	4	46	40	7,162	\$12,903	\$6,965	\$7,752	\$8,508	\$1,827	\$11,210						
72	5,746	1,947	3	50	58	7,804	\$12,857	\$6,970	\$7,458	\$11,759	\$2,344	\$11,301						
73	5,989	2,042	4	72	123	8,230	\$12,963	\$7,033	\$7,301	\$10,064	\$2,219	\$11,318						
74	6,700	2,316	7	54	130	9,207	\$13,246	\$7,084	\$6,808	\$10,305	\$2,004	\$11,515						
75	7,056	2,377	3	66	208	9,710	\$13,222	\$7,100	\$7,473	\$11,047	\$2,277	\$11,472						
76	6,991	2,353	3	80	261	9,688	\$13,705	\$7,212	\$6,653	\$11,660	\$2,076	\$11,796						
77	7,416	2,518	2	73	346	10,355	\$13,955	\$7,269	\$6,388	\$11,333	\$2,058	\$11,912						
78	7,487	2,714	2	68	327	10,598	\$14,479	\$7,494	\$6,930	\$11,690	\$2,534	\$12,302						
79	7,520	2,641	1	67	432	10,661	\$14,628	\$7,695	\$7,933	\$12,077	\$2,521	\$12,403						
80	7,317	2,752	3	48	417	10,537	\$14,702	\$7,573	\$6,909	\$11,837	\$2,225	\$12,331						
81	7,373	2,917	7	45	487	10,829	\$15,109	\$7,711	\$7,123	\$15,558	\$2,690	\$12,554						
82	7,380	2,973	8	41	519	10,921	\$15,340	\$8,056	\$7,532	\$11,892	\$2,453	\$12,726						
83	7,545	3,266	5	44	568	11,428	\$16,043	\$8,249	\$8,449	\$13,274	\$2,669	\$13,137						
84	7,736	3,333	8	51	592	11,720	\$16,745	\$8,359	\$7,706	\$14,910	\$2,929	\$13,648						
85	7,902	3,563	5	48	652	12,170	\$17,085	\$8,632	\$4,658	\$13,632	\$3,170	\$13,846						
86	7,849	3,639	9	41	716	12,254	\$17,666	\$8,667	\$7,116	\$14,955	\$3,289	\$14,137						
87	7,076	3,468	2	31	694	11,271	\$17,975	\$8,915	\$3,080	\$10,956	\$3,012	\$14,244						
88	6,532	3,384	9	33	644	10,602	\$18,346	\$8,250	\$7,257	\$13,284	\$3,269	\$14,501						
89	5,255	2,835	5	29	603	8,727	\$18,689	\$8,590	\$7,035	\$15,406	\$3,430	\$14,751						
90	4,074	2,382	9	11	468	6,944	\$18,828	\$9,622	\$7,031	\$11,447	\$3,517	\$14,611						
91	3,001	1,845	6	12	344	5,208	\$18,669	\$10,044	\$6,534	\$16,863	\$3,299	\$14,580						
92	2,195	1,461	8	6	252	3,922	\$18,731	\$10,095	\$7,658	\$13,612	\$2,817	\$14,461						
93	1,619	1,031	2	4	207	2,863	\$19,179	\$10,155	\$7,093	\$12,924	\$3,115	\$14,713						
94	1,163	777	4	3	170	2,117	\$19,325	\$10,277	\$7,191	\$9,744	\$3,699	\$14,713						
95	844	580	1	4	108	1,517	\$18,755	\$10,468	\$7,933	\$19,353	\$3,097	\$14,575						
96	624	384	3	3	94	1,108	\$18,173	\$10,454	\$7,993	\$14,336	\$2,636	\$14,141						
97	396	292	6	2	81	777	\$20,030	\$10,616	\$7,879	\$11,088	\$3,929	\$14,697						
98	278	179	1	0	44	502	\$17,679	\$10,391	\$5,433	\$0	\$2,500	\$13,725						
99	155	120	1	0	41	317	\$19,961	\$9,795	\$7,933	\$0	\$3,028	\$13,885						
100	100	86	4	1	39	230	\$17,364	\$10,602	\$8,773	\$14,376	\$3,510	\$12,324						
101	68	55	1	0	19	143	\$18,362	\$10,185	\$3,316	\$0	\$2,477	\$13,029						
102	32	32	2	0	11	77	\$19,732	\$10,059	\$7,933	\$0	\$3,351	\$13,065						
103	21	10	0	0	8	39	\$19,207	\$9,130	\$0	\$0	\$2,505	\$13,197						
104	9	15	2	0	2	28	\$9,632	\$8,882	\$7,933	\$0	\$3,426	\$8,665						
105	5	8	0	0	1	14	\$18,142	\$9,930	\$0	\$0	\$1,188	\$12,238						
106	4	3	0	0	2	9	\$25,398	\$11,564	\$0	\$0	\$4,686	\$16,184						
107	2	1	0	0	1	4	\$15,006	\$10,536	\$0	\$0	\$5,280	\$11,457						
108	2	1	1	0	0	4	\$18,264	\$8,268	\$7,933	\$0	\$0	\$13,182						
109	2	0	1	0	0	3	\$20,274	\$0	\$7,933	\$0	\$0	\$16,160						
Total	192,115	81,079	148	7,336	10,224	290,902	\$14,796	\$7,953	\$7,206	\$8,556	\$2,889	\$12,309						
60+	179,205	76,512	147	1,518	9,899	267,281	\$15,050	\$8,046	\$7,201	\$11,574	\$2,873	\$12,570						
65+	175,737	74,777	146	1,440	9,872	261,972	\$15,110	\$8,080	\$7,202	\$11,474	\$2,872	\$12,618						
65+	168,853	71,297	145	1,311	9,845	251,451	\$15,227	\$8,139	\$7,197	\$11,494	\$2,871	\$12,709						

Notes: Age is survivor's current age nearest birthday at end of fiscal year.
 60+ is total for ages 60 and over.
 62+ is total for ages 62 and over.
 65+ is total for ages 65 and over.
 Includes only survivors receiving payment from DoD.
 Survivors receiving payment under SBP and RSFPP are counted twice.
 Two-life survivors are given by the age of the adult survivor.
 Children of the same deceased member receiving separate benefit payments are counted individually.
 RCSBP includes all reserve survivors, whether or not the reserve retiree elected RCSBP.
 Pay amounts do not include the 12/1/09 cost of living increase of 0.0%.
 Amounts do not include increased survivor benefits as part of Special Survivor Indemnity Allowance (NSAA 2008 and Public Law 111-31).
 The liability calculated in this valuation, however, reflects the increased benefits.

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APPENDIX D

ECONOMIC ASSUMPTIONS

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Interest Rate.....	D-3
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ECONOMIC ASSUMPTIONS

In August, 2009, the DoD Board of Actuaries adopted the following economic assumptions for use in the valuation as of September 30, 2009: the rate of inflation (CPI) is assumed to be 3.00 percent per year; the investment return is 5.75 percent per year; and the basic pay scale increases are 3.75 percent per year. As background for determining the economic assumptions, the Board receives presentations by economists and actuaries and is provided with extensive historical data on inflation, interest rates, and wage growth. The Board also considers what other federal retirement systems are assuming. Table D-1 shows the DoD Board of Actuaries' long-term economic assumptions by valuation year since the Fund's inception (1984).

The comparisons to Civil Service and Social Security in this appendix are not meant to imply an expectation that all three systems should use the same assumptions. They are different in terms of the trust funds themselves and the programs financed by the trust funds.

Inflation

The CPI-W, one of the consumer price indexes published by the Bureau of Labor Statistics, is emphasized as an inflation measure since it is used in calculating military retired pay cost-of-living increases. The CPI-W measures the average price change for Urban Wage Earners and Clerical Workers and covers approximately 32 percent of the U.S population. (The CPI-W is a subset of the broader CPI-U measure which computes the average price change for All Urban Consumers and covers approximately 87 percent of the U.S. population). The CPI-W is the common index used to make cost-of-living adjustments for labor contracts.

Table D-2 shows the average annual CPI-W changes over various periods of time since 1930. Different periods experienced different rates of change. The average annual CPI change during successive 30-year periods since World War II has risen from 3.79 percent for the period ending in 1975 to 5.20 percent for the period ending in 1995. This reflects the high inflation during the 1970s. The average annual CPI change during the current 34-year period ending in 2009 is 3.97 percent.

The DoD assumption for CPI is reasonably consistent with what is used in other parts of the government. In its 2009 report, the Civil Service Retirement System (CSRS) assumes a 3.50 percent CPI increase. The Trustees of the Social Security Administration (SSA) in their 2009 Annual Report made projections under three alternative sets of assumptions. Their intermediate assumption for CPI was 2.8 percent (other assumptions: low cost – 1.8 percent; high cost – 3.8 percent). The Board has noted that in certain respects, the effect of the CPI on the valuation is relatively minor in a system where retirement benefits are fully indexed and expressed as a percentage of payroll.

Interest Rate

The Board analyzes Tables D-3 and D-4, as well as other material presented at the DoD Board of Actuaries annual meeting, when setting the interest assumption. The Board focuses on real interest rates. To simplify discussion, the real interest rate is defined as the difference between the nominal interest rate and the CPI. Other things being equal, a lower element of risk in an investment will give a lower real interest rate. Because the Military Retirement Fund must be invested in obligations of the U.S. Government, a highly secure investment, the real interest rates are expected to be relatively low. As noted in the “Assets” section in the main text, the Fund is currently heavily investing in Treasury Inflation-Protected Securities (TIPS). TIPS allow the investor/institution to lock in the real interest rate for the given period of time.

The Board examines past real interest rates that would have been earned by the types of public debt securities in which the Fund is invested. The Board recognizes the importance of selecting a real interest rate that would prevail on average over a long period of time and that would not unduly weight recent experience or expected results during the near-term future.

Table D-3 depicts the average real yield rates on new purchases of the Fund. Because the Fund was established in 1984, the DoD Office of the Actuary compiled a Composite Series to simulate what new purchases would have yielded in the past.

Table D-4 shows the average real Military Retirement Fund effective yield. The effective yield calculation uses a “dollar-weighted yield,” which is computed by dividing the investment income by the average amount of principal invested throughout the year. Since the Fund’s inception, the average annual real yield is 5.17 percent.

After analyzing past trends of government trust fund earnings, 2.75 percent was adopted as the assumed rate of real interest. Since 3.00 percent had been adopted as the inflation rate, the assumed nominal rate of interest is 5.75 percent.

It is relevant to note the real interest rates being assumed by the other two major public benefit systems. The SSA Trustees used an intermediate ultimate real interest rate assumption of 2.9 percent in their 2009 report (other assumptions: low cost – 3.6 percent; high cost – 2.1 percent). The Board of Actuaries of the CSRS used a 2.75 percent real interest rate assumption in its 2009 valuation.

Wage Growth

For the salary increase assumption, recent historical data is used as well as forecasts for the population at large. The Career Compensation Act of 1949 revamped the military compensation structure to provide an equitable pay and allowance system. Associated with this change was a large basic pay increase designed to establish rough comparability with the private sector. Additionally, the Army and Air Force Vitalization and Retirement Equalization Act of 1948 established for the first time a uniform voluntary retirement system authority among all

branches of Service. The reserve retirement program was also established at this time. These two Acts provided the start of the modern-day compensation structure designed to attract and retain the number of Service members needed. In the analysis of basic pay scale increases, the Board looked at all data from this point forward.

The Military Pay Comparability Act of 2003 ensures that military pay increases are comparable to private sector pay growth, as measured by the Employment Cost Index (ECI) – Wages and Salaries index on a 15-month lag. Covenants are embedded within the act which give the President the authority to propose an alternate basic pay adjustment. This Act specifically referenced fiscal years through 2006. However, Congress has continued to use the basic framework of the Act in the subsequent fiscal years.

Table D-5 displays real military basic pay increases over various periods of time during the post-World War II era. From the early 1950s to the early 1970s, the average annual real military pay increase was approximately 1.79 percent. From the early 1950s to the present, the increase has averaged approximately 1.00 percent a year. Since the Vietnam War (~1970), annual real pay increases have averaged only 0.61 percent. (There was negative real pay growth in the late 1970s and late 1980s as well as numerous years since 2005.)

In making its recommendation for the real rate of the annual basic pay scale increase, the Board assumed that future general pay increases in the military would not deviate much from pay increases in the private sector. In this light, the Board adopted a real basic pay growth assumption of 0.75 percent, leading to a nominal growth of 3.75 percent. The Board of Actuaries of the CSRS assumed 0.75 percent real wage growth for its 2009 valuation. The Social Security Trustees' 2009 report had an intermediate ultimate assumption for real wage growth of 1.1 percent (other assumptions: low cost – 1.7 percent; high cost – 0.5 percent). (For the Military Retirement System and CSRS, wage increase relates to “across-the-board salary increase,” whereas for Social Security, wage increase generally relates to “total wage increase.”)

TABLE D-1

DOD BOARD OF ACTUARIES' LONG-TERM ECONOMIC ASSUMPTIONS

Fiscal Year	Inflation (1)	Interest (2)	Salary Growth (3)	Real Interest (4)	Real Salary (5)
1984	5.00%	6.60%	6.20%	1.60%	1.20%
1985	5.00	6.60	6.20	1.60	1.20
1986	5.00	6.60	6.20	1.60	1.20
1987	5.00	6.60	6.20	1.60	1.20
1988	5.00	7.00	5.75	2.00	0.75
1989	5.00	7.00	5.75	2.00	0.75
1990	5.00	7.00	5.75	2.00	0.75
1991	5.00	7.50	5.50	2.50	0.50
1992	5.00	7.50	5.50	2.50	0.50
1993	5.00	7.50	5.50	2.50	0.50
1994	4.00	6.75	4.50	2.75	0.50
1995	4.00	6.75	4.50	2.75	0.50
1996	3.50	6.50	4.00	3.00	0.50
1997	3.50	6.50	4.00	3.00	0.50
1998	3.50	6.50	4.00	3.00	0.50
1999	3.00	6.25	3.50	3.25	0.50
2000	3.00	6.25	3.50	3.25	0.50
2001	3.00	6.25	3.50	3.25	0.50
2002	3.00	6.25	3.50	3.25	0.50
2003	3.00	6.25	3.75	3.25	0.75
2004	3.00	6.25	3.75	3.25	0.75
2005	3.00	6.25	3.75	3.25	0.75
2006	3.00	6.00	3.75	3.00	0.75
2007	3.00	6.00	3.75	3.00	0.75
2008	3.00	5.75	3.75	2.75	0.75
2009	3.00	5.75	3.75	2.75	0.75

NOTES:

- (1) Board Assumption
- (2) Board Assumption
- (3) Board Assumption
- (4) = (2) - (1)
- (5) = (3) - (1)

TABLE D-2
AVERAGE CONSUMER PRICE INDEX (CPI-W) INCREASES

	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	
FROM PERIOD CORRESPONDING TO END OF:																								
TO END OF:																								
1935	-3.04																							
1940	-1.34	0.38																						
1945	0.81	2.79	5.25																					
1950	2.22	4.03	5.91	6.57																				
1955	2.06	3.37	4.39	3.96	1.43																			
1960	2.07	3.12	3.82	3.35	1.77	2.12																		
1965	1.96	2.82	3.32	2.84	1.63	1.73	1.33																	
1970	2.28	3.07	3.52	3.18	2.35	2.65	2.92	4.54																
1975	2.79	3.54	4.00	3.79	3.24	3.70	4.23	5.71	6.90															
1980	3.41	4.16	4.64	4.55	4.22	4.79	5.46	6.88	8.07	9.24														
1985	3.45	4.12	4.55	4.46	4.16	4.62	5.13	6.10	6.63	6.50	3.82													
1990	3.49	4.10	4.48	4.40	4.13	4.52	4.93	5.66	5.95	5.63	3.87	3.91												
1995	3.45	4.01	4.34	4.25	4.00	4.32	4.64	5.20	5.34	4.95	3.56	3.42	2.94											
2000	3.37	3.88	4.18	4.08	3.84	4.11	4.36	4.80	4.85	4.44	3.28	3.09	2.69	2.44										
2001	3.36	3.86	4.16	4.06	3.82	4.08	4.32	4.74	4.77	4.37	3.24	3.06	2.68	2.46	2.60									
2002	3.34	3.83	4.11	4.01	3.77	4.02	4.25	4.65	4.67	4.26	3.16	2.96	2.57	2.31	2.00	1.40								
2003	3.32	3.80	4.08	3.98	3.74	3.98	4.20	4.58	4.59	4.18	3.11	2.92	2.54	2.29	2.03	1.75	2.10							
2004	3.31	3.79	4.06	3.96	3.72	3.95	4.16	4.53	4.53	4.13	3.10	2.90	2.55	2.33	2.20	2.07	2.40	2.70						
2005	3.32	3.79	4.06	3.96	3.72	3.96	4.16	4.52	4.52	4.13	3.14	2.96	2.65	2.51	2.58	2.57	2.96	3.40	4.10					
2006	3.32	3.78	4.05	3.95	3.72	3.94	4.14	4.49	4.49	4.10	3.14	2.98	2.69	2.58	2.70	2.72	3.05	3.37	3.70	3.30				
2007	3.31	3.76	4.02	3.92	3.69	3.91	4.10	4.44	4.43	4.04	3.11	2.95	2.67	2.56	2.64	2.65	2.90	3.10	3.23	2.80	2.30			
2008	3.34	3.79	4.05	3.95	3.73	3.95	4.14	4.47	4.46	4.10	3.20	3.07	2.84	2.80	3.03	3.09	3.38	3.63	3.87	3.79	4.04	5.80		
2009	3.30	3.74	3.99	3.89	3.66	3.87	4.05	4.37	4.35	3.97	3.09	2.94	2.69	2.60	2.69	2.70	2.89	3.02	3.08	2.83	2.67	2.86	0.00	

All figures are average annual percentage increases.

Source of CPI-W indices: Bureau of Labor Statistics.

*** CPI-W SERIES: DECEMBER TO DECEMBER INCREASES FROM 1930 TO 1984;
ACTUAL COST-OF-LIVING ADJUSTMENTS GIVEN TO MILITARY RETIREES BEGINNING FISCAL YEAR 1985.
- MRF COLAS ARE CALCULATED AS THE INCREASE FROM 3RD QUARTER TO 3RD QUARTER.

TABLE D-3

AVERAGE REAL YIELD RATES ON NEW PURCHASES***

	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008		
FROM DECEMBER 31 OF:																									
TO DECEMBER 31 OF:																									
1935	6.51																								
1940	4.31	2.17																							
1945	1.72	-0.59	-3.28																						
1950	0.15	-1.88	-3.85	-4.41																					
1955	0.32	-1.17	-2.25	-1.73	1.02																				
1960	0.52	-0.64	-1.33	-0.67	1.25	1.48																			
1965	0.82	-0.10	-0.55	0.15	1.71	2.06	2.64																		
1970	0.88	0.10	-0.24	0.38	1.62	1.82	1.99	1.34																	
1975	0.77	0.08	-0.22	0.30	1.27	1.34	1.29	0.62	-0.10																
1980	0.64	0.01	-0.25	0.19	0.97	0.96	0.83	0.24	-0.30	-0.51															
1985	1.32	0.81	0.66	1.17	1.99	2.15	2.29	2.20	2.49	3.81	8.31														
1990	1.62	1.19	1.09	1.59	2.37	2.56	2.74	2.77	3.13	4.22	6.67	5.06													
1995	1.72	1.33	1.26	1.73	2.43	2.61	2.77	2.79	3.09	3.90	5.41	3.99	2.93												
2000	1.84	1.49	1.43	1.87	2.52	2.69	2.84	2.87	3.12	3.78	4.88	3.76	3.12	3.31											
2001	1.82	1.47	1.41	1.84	2.48	2.64	2.78	2.80	3.04	3.65	4.67	3.56	2.88	2.85	0.55										
2002	1.82	1.47	1.42	1.84	2.46	2.62	2.75	2.77	2.99	3.58	4.53	3.44	2.78	2.67	1.08	1.61									
2003	1.81	1.47	1.42	1.83	2.44	2.59	2.72	2.73	2.94	3.50	4.39	3.32	2.66	2.50	1.16	1.47	1.33								
2004	1.80	1.47	1.42	1.82	2.42	2.56	2.69	2.69	2.90	3.42	4.26	3.22	2.57	2.37	1.20	1.42	1.33	1.33							
2005	1.80	1.47	1.42	1.82	2.41	2.55	2.67	2.67	2.86	3.36	4.16	3.14	2.51	2.30	1.31	1.50	1.46	1.53	1.72						
2006	1.81	1.48	1.43	1.83	2.41	2.54	2.66	2.66	2.84	3.33	4.08	3.10	2.49	2.30	1.46	1.64	1.65	1.76	1.98	2.24					
2007	1.81	1.50	1.45	1.84	2.40	2.54	2.65	2.65	2.83	3.30	4.02	3.06	2.48	2.30	1.58	1.79	1.90	1.90	2.09	2.28	2.32				
2008	1.81	1.50	1.45	1.83	2.39	2.52	2.63	2.63	2.80	3.24	3.93	3.00	2.43	2.24	1.58	1.73	1.75	1.83	1.96	2.04	1.94	1.56			
2009	1.81	1.50	1.45	1.83	2.38	2.51	2.61	2.61	2.78	3.21	3.86	2.98	2.41	2.23	1.63	1.76	1.78	1.86	1.97	2.03	1.96	1.77	1.99		

All figures are average annual percentages.

Source: Office of the Actuary, Office of Personnel Management; Office of the Actuary, Department of Defense

***Real yields for non-TIPS securities are computed as the nominal yield at purchase offset by inflation in the year of purchase. For TIPS securities, the real yield is known and constant throughout the life of the security.

*** COMPOSITE SERIES: TREASURY LONG TERM SECURITIES WITH REMAINING MATURITIES OF 10 OR MORE YEARS FROM 1931 TO 1941; AVERAGE OF TREASURY LONG TERM AND TREASURY 3-5 YEARS REMAINING MATURITY FROM 1941 TO 1961; SPECIAL TREASURY CERTIFICATES (CSRS) FROM 1962 TO 1984; MILITARY RETIREMENT SYSTEM TRUST FUND NEW INVESTMENTS BEGINNING WITH 1985

TABLE D-4

AVERAGE REAL MILITARY RETIREMENT FUND EFFECTIVE YIELD ***

FROM PERIOD CORRESPONDING TO END OF FISCAL YEAR:	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
TO END OF FISCAL YEAR:																											
1985		14.27																									
1986		12.32	10.41																								
1987		10.35	8.45	6.52																							
1988		9.31	7.71	6.38	6.24																						
1989		8.47	7.06	5.97	5.70	5.15																					
1990		7.76	6.50	5.55	5.22	4.72	4.29																				
1991		7.49	6.40	5.62	5.39	5.11	5.09	5.90																			
1992		7.34	6.38	5.73	5.57	5.40	5.48	6.08	6.27																		
1993		7.22	6.37	5.81	5.69	5.58	5.69	6.16	6.29	6.32																	
1994		7.07	6.30	5.80	5.70	5.61	5.70	6.05	6.10	6.02	5.72																
1995		6.96	6.26	5.81	5.72	5.64	5.73	6.02	6.05	5.97	5.80	5.87															
1996		6.84	6.19	5.78	5.70	5.63	5.70	5.94	5.94	5.86	5.71	5.71	5.54														
1997		6.80	6.20	5.83	5.76	5.70	5.77	5.99	6.00	5.95	5.85	5.90	5.91	6.29													
1998		6.81	6.26	5.92	5.87	5.83	5.90	6.11	6.14	6.12	6.08	6.17	6.26	6.63	6.97												
1999		6.73	6.21	5.89	5.84	5.80	5.87	6.05	6.07	6.04	5.99	6.04	6.09	6.27	6.26	5.56											
2000		6.58	6.09	5.78	5.73	5.68	5.73	5.88	5.88	5.83	5.76	5.76	5.74	5.79	5.63	4.96	4.37										
2001		6.50	6.03	5.75	5.69	5.65	5.69	5.82	5.81	5.76	5.69	5.69	5.66	5.68	5.53	5.05	4.80	5.23									
2002		6.45	6.01	5.74	5.69	5.65	5.69	5.81	5.80	5.75	5.69	5.69	5.66	5.68	5.56	5.21	5.09	5.45	5.68								
2003		6.29	5.86	5.60	5.54	5.50	5.52	5.62	5.59	5.53	5.45	5.42	5.37	5.34	5.19	4.83	4.65	4.74	4.50	3.34							
2004		6.10	5.69	5.43	5.37	5.31	5.33	5.40	5.36	5.29	5.19	5.14	5.06	5.00	4.82	4.46	4.25	4.21	3.88	2.99	2.64						
2005		5.87	5.47	5.22	5.14	5.08	5.07	5.13	5.07	4.98	4.87	4.79	4.69	4.59	4.38	4.02	3.76	3.64	3.25	2.45	2.01	1.39					
2006		5.72	5.33	5.08	5.01	4.94	4.92	4.96	4.90	4.81	4.69	4.60	4.49	4.39	4.18	3.83	3.59	3.46	3.11	2.48	2.19	1.97	2.55				
2007		5.57	5.19	4.95	4.87	4.80	4.78	4.81	4.74	4.64	4.52	4.43	4.31	4.20	3.99	3.67	3.43	3.30	2.98	2.45	2.23	2.09	2.45				
2008		5.35	4.98	4.74	4.65	4.57	4.54	4.56	4.48	4.37	4.24	4.14	4.00	3.88	3.66	3.34	3.09	2.93	2.61	2.11	1.86	1.67	1.76	1.37	0.40		
2009		5.17	4.81	4.57	4.48	4.40	4.36	4.37	4.28	4.17	4.03	3.92	3.79	3.65	3.44	3.12	2.88	2.71	2.40	1.95	1.71	1.53	1.57	1.24	0.70	0.99	

All figures are average annual percentages.

Source: Office of the Actuary, Department of Defense

*** THE EFFECTIVE YIELD CALCULATION USES A "DOLLAR-WEIGHTED YIELD". "DOLLAR-WEIGHTED YIELDS" ARE COMPUTED BY TAKING THE INVESTMENT INCOME OVER THE AVERAGE AMOUNT OF PRINCIPAL INVESTED THROUGHOUT THE YEAR.

TABLE D-5
AVERAGE REAL MILITARY PERSONNEL BASIC PAY INCREASES

	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	
FROM DECEMBER 31 OF:																							
1930	N/A																						
1935	N/A																						
1940	N/A	N/A																					
1945	N/A	N/A	N/A																				
1950	N/A	N/A	N/A	-2.21																			
1955	N/A	N/A	N/A	-0.48	1.28																		
1960	N/A	N/A	N/A	-0.49	0.39	-0.50																	
1965	N/A	N/A	N/A	0.58	1.52	3.84																	
1970	N/A	N/A	N/A	0.97	1.79	3.21	2.58																
1975	N/A	N/A	N/A	1.31	2.03	3.14	2.80	3.02															
1980	N/A	N/A	N/A	0.79	1.30	1.76	1.08	0.34	-2.26														
1985	N/A	N/A	N/A	0.93	1.39	1.79	1.28	0.85	-0.21	1.89													
1990	N/A	N/A	N/A	0.77	1.14	1.40	0.92	0.51	-0.32	0.67	-0.53												
1995	N/A	N/A	N/A	0.70	1.03	0.99	0.78	0.42	-0.22	0.47	-0.23	0.08											
2000	N/A	N/A	N/A	0.73	1.03	1.01	0.82	0.54	0.05	0.63	0.22	0.59	1.11										
2001	N/A	N/A	N/A	0.76	1.05	1.03	0.86	0.58	0.12	0.69	0.32	0.72	1.25	1.95									
2002	N/A	N/A	N/A	0.79	1.08	1.06	0.90	0.64	0.21	0.78	0.46	0.88	1.45	2.31	2.66								
2003	N/A	N/A	N/A	0.80	1.09	1.07	0.92	0.67	0.26	0.82	0.52	0.93	1.47	2.06	2.11	1.57							
2004	N/A	N/A	N/A	0.80	1.09	1.07	0.92	0.68	0.28	0.81	0.53	0.92	1.39	1.74	1.67	1.17	0.78						
2005	N/A	N/A	N/A	0.77	1.05	1.02	0.87	0.63	0.24	0.74	0.46	0.79	1.15	1.19	1.00	0.46	-0.09	-0.96					
2006	N/A	N/A	N/A	0.74	1.01	0.98	0.82	0.58	0.19	0.67	0.39	0.68	0.95	0.81	0.59	0.07	-0.42	-1.01	-1.07				
2007	N/A	N/A	N/A	0.75	1.01	0.99	0.83	0.60	0.22	0.69	0.42	0.70	0.97	0.86	0.68	0.29	-0.02	-0.29	0.05	1.17			
2008	N/A	N/A	N/A	0.71	0.96	0.93	0.77	0.53	0.16	0.60	0.32	0.56	0.75	0.53	0.33	-0.06	-0.38	-0.67	-0.57	-0.32	-1.80		
2009	N/A	N/A	N/A	0.75	1.00	0.98	0.83	0.61	0.26	0.70	0.45	0.71	0.94	0.84	0.70	0.43	0.24	0.13	0.41	0.90	0.77	3.40	

All figures are average annual percentage increases.
Excludes annual targeted increases.

Source: House Armed Services Committee publication, Title 37, United States Code (Pay and Allowances of the Uniformed Services).

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APPENDIX E

NORMAL COST WEIGHTING FACTORS

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NORMAL COST WEIGHTING FACTORS

There are three different retirement benefit formulas that apply to three populations within the military retirement system. (See Appendix A for a discussion of *Final Pay*, *High-3*, and *CSB/Redux* benefit formulas.) A single normal cost percentage (NCP) for the entire population is obtained by weighting the NCP for each retirement group by its expected percentage of payroll in the relevant year.

In order to continue to budget for NCPs well in advance of the valuation date, the DoD Board of Actuaries decided to create a set of projected weighting factors. The relative stability of past experience indicates that this method gives reasonably accurate results.

Since the composite NCP developed at year-end is implemented each month during the next fiscal year, the weighting factors reflect mid-year experience. For example, when determining the percentage of the payroll during year t allocated to people who entered in year $t-1$ or later, linear interpolation between 6 percent and 14 percent is used to obtain 10 percent at mid-year (see the far right column of Table E-1). These mid-year interpolated percentages of payroll are shown in Table 5 of the main text.

Current rates were created using 1987 through 1991 data. Table E-1 displays the active duty basic payroll percentage distribution by completed years of service at the end of each of these fiscal years, as well as average distributions for the two periods, 1982-1987 and 1987-1991. The 1982-1987 period is shown for comparability.

TABLE E-1

**ACTIVE DUTY BASIC PAYROLL PERCENTAGE DISTRIBUTION
BY COMPLETED YEARS OF SERVICE**

Completed Years of Service	Percentage of Payroll on:					Average Percent 1982-1987	Average Percent 1987-1991
	9/30/87	9/30/88	9/30/89	9/30/90	9/30/91		
0	7%	7%	7%	6%	5%	8%	6%
1 or less	15	15	14	13	11	17	14
2 or less	24	23	22	21	19	25	22
3 or less	32	31	30	28	27	33	29
4 or less	37	36	35	34	32	39	35
5 or less	43	42	41	39	37	44	40
6 or less	47	46	45	44	42	49	45
7 or less	52	51	50	48	47	53	50
8 or less	56	55	54	53	51	57	54
9 or less	60	59	58	57	55	61	58
10 or less	64	63	62	60	59	64	62
11 or less	67	66	66	64	63	67	65
12 or less	70	70	69	68	66	72	69
13 or less	73	73	72	72	70	73	72
14 or less	76	76	75	75	74	76	75
15 or less	79	79	78	78	77	79	78
16 or less	82	82	82	81	81	82	81
17 or less	85	85	85	84	84	85	85
18 or less	88	88	88	88	87	88	88
19 or less	91	91	91	91	90	91	91
20 or less	93	93	93	93	93	93	93
21 or less	94	94	94	94	94	94	94
22 or less	96	96	96	96	95	95	96
23 or less	96	96	97	97	97	96	97
24 or less	97	97	97	98	98	97	97
25 or less	98	98	98	98	98	98	98
26 or less	99	99	99	99	99	99	99
27 or less	99	99	99	99	99	99	99
28 or less	99	99	99	99	99	99	99
29 or less	100	100	100	100	100	100	100
TOTAL FORCE	100	100	100	100	100	100	100

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APPENDIX F

VALUATION PROGRAM PARAMETERS DESCRIPTION

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VALUATION PROGRAM PARAMETERS

GORGO is the computer program used to compute the aggregate entry-age normal cost percentage and the unfunded liability. In addition to being affected by the external rates, GORGO has a number of internal parameters which affect its results. These parameters are generally summaries of recent experience. Examples include the rates of election of the Survivor Benefit Plan and member-spouse age differences.

Public Law 108-136 ('Concurrent Receipt') requires additional breakouts of some parameters in order to calculate the DoD and Treasury normal cost components. Subsequent legislation required further breakouts.

A description of the various valuation program parameters by population is given in Table F-1. Numerical values are also shown for selected items.

TABLE F-1

DESCRIPTION OF THE MAJOR VALUATION PROGRAM PARAMETERS

Economic Factors

<u>Item</u>	<u>Description/Value</u>
1) Salary Increase	A parameter for each of the next ten fiscal years specifies the annual percentage increase in basic pay for the active duty and reserve members. An 11th parameter specifies the percentage increase for all subsequent years. The value for the current valuation is 3.75%.
2) CPI (Inflation)	A parameter for each of the next nine fiscal years specifies the annual inflation (Consumer Price Index - CPI) rate for that year. A tenth parameter specifies the inflation rate for all subsequent years. The value for the current valuation is 3%.
3) Interest Rate	A parameter for each of the next nine fiscal years specifies the annual interest rate for that year. A tenth parameter specifies the interest rate for all subsequent years. The value for the current valuation is 5.75%.

Active Duty

<u>Item</u>	<u>Description/Value</u>
1) Member Election of Spouse or Spouse/Child SBP Coverage	This gives the percentage of members by age and officer/enlisted status who have elected spouse or spouse/child coverage under the Survivor Benefit Plan (SBP).

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
2) Full Offsets	<p>A member who is disabled may waive all or part of his or her retired pay to receive benefits from the Veterans Administration (VA). Furthermore, a member who decides to convert his or her military service to receive a federal civilian retirement also waives his or her right to a military pension. These amounts are not included when computing normal costs or unfunded liabilities. The percent of retired pay of new retirees that is fully offset is given by officer/enlisted status, and type of retirement (disability/nondisability). Disability status is given further by those with over and under 20 years of service.</p>
3) Partial VA Offsets	<p>It is possible to have part of DoD retired pay offset by VA compensation. The parameter is defined as the percent of retired pay out of the total paid new retirees. They are given by officer/enlisted status, and disability/nondisability status. Disability status is given further by those with over and under 20 years of service.</p>
4) Disability Factor	<p>When an active duty member is disabled and receives DoD disability retirement, his retired pay is based on a minimum (30%), a maximum, and a disability rating. The maximum is given by the conditions discussed in Appendix A regarding Disability Retirement. These are combined into a single officer/enlisted factor, expressed as a percentage of basic pay, or High-3, and given by length of service and type of retirement (temporary disability/permanent disability).</p>

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
5) Percent Active Duty with Beneficiary	When a member dies from a Service-connected disability or on active duty, any surviving spouse is eligible for Dependency and Indemnity Compensation (DIC) from the Veterans Administration. In addition, if the member dies in the line of duty or after completing 20 years of service, the surviving spouse is eligible for an SBP annuity from DoD which would bring the total amount of the benefit up to 55% of the member's retired pay. The excess of the SBP annuity over DIC comes from the Military Retirement Fund. If no spouse is present, the benefit passes on to an eligible child. If both spouse and eligible child are present then, under certain tax provisions, it is advantageous for the spouse to pass the benefits to the child. Thus, it is necessary to estimate the percent of active duty members with beneficiaries. The percentages are given by officer/enlisted status, and further allocated by spouse/child.
6) Reduction Factors for SBP	Premium amounts, as a percent of retired pay, by age and officer/enlisted status.
7) Rounding Assumptions for Partially Completed Years of Service	When retired pay is computed, years of service are rounded down to the nearest completed month. An assumption must be made for the computation. The value for the current valuation is 0.017.
8) CSB/Redux election proportion	The proportion of members who elect CSB/Redux. For the unfunded liability valuation, the proportion varies by entry year and officer/enlisted status. For the normal cost (new entrant) valuation, the proportion for the current valuation is 15%. This value is essentially a representative rate needed to approximate the floating proportions used in the unfunded liability valuation.

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
9) Initial Annual Pay of 16-year-old Active Duty Officer	This value is used to allocate a portion of part-time benefits to full-time in normal cost valuations, thus linking the radices and pay of full- and part-time members. The value for the current valuation is \$34,149.
10) Accumulated Value of Partial Pay And Disability Retirements in the First Year of Service	This amount is used to properly align the decrement rates with the assumption, in a normal cost run, of a new entrant cohort starting with zero years of service.

Reserve

<u>Item</u>	<u>Description/Value</u>
1) Blow-Up Factors for the Selected Reserve Transferring to Inactive Duty With 20 Good Years	Ratio of Individual Ready Reserve (IRR), Inactive National Guard (ING), and Standby Reserve to every Selected Reserve transferring to inactive duty with 20 good years. This is given by officer/enlisted status, age, and years of active service.
2) Blow-Up Factors for Reserves Transferring to Retired Pay Status	Ratio of IRR, ING, Standby Reserve, and other Reserve to every known Reserve transferring to retired pay status. This is given by officer/enlisted status, age, and years of active service.
3) Adjustment to Blow-Up Factors For Reserves	An additional adjustment to Item 2 (above) is made to the person blow-up factors to better align the total number of retirees due to the modeling changes necessitated by NDAA 2008. This is given by officer/enlisted status.
4) Ratio of Net to Gross Retired Pay For Reserves	This is the ratio of reserve net retired pay to gross retired pay. This is given by officer/enlisted status, age, and years of active service.

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
5) Proportion of Points Based on Active Service	This amount is used to prorate the part of the reserve normal cost that should be paid for as a part of the active duty normal cost. This is given by officer/enlisted status, and years of active service.
6) Mean Age of Reservists Age 63 And Older	This is needed because a small portion of eligible reservists don't retire by age 63. It is given by officer/enlisted status. The values for the current valuation are (Officer: 65.8; Enlisted: 64.4).
7) Reserve New Entrants	Reserve new entrants per 100,000 active duty new entrants. This includes only the reservists who show up on the file for the first time with less than a full year of active duty service. The value for the current valuation is 20,912.
8) Reserve Points Earned	<u>Selected Reserve:</u> Average annual points earned for pay are given by officer/enlisted status, age, and years of active service. <u>Non-Selected Reserve with 20 or more Good Years:</u> Average career total points for retirement are given by officer/enlisted status, age, and years of active service.
9) Reserve Points Adjustment	A small adjustment is made to Reserve Points Earned to reflect the increase in the Inactive Duty Training (IDT) points from 90 to 130 as enacted in NDAA 2008. The adjustment used in the valuation is 1.00225.
10) Initial Annual Pay of 25-year-old Selected Reserve member	This value is used to set an initial pay for a part-time member in a normal cost run. The value for the current valuation is \$42,490.

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
11) Reserve Retirement Age FYs	An assumption is made to reflect the number of years, on average, reservists retire early due to performing certain active service, per NDAA 2008. An average reduction of two years (age 58) was assumed. Fiscal years are needed to phase into this earlier retirement over time. The transition to an average retirement age of 59 is assumed to occur in 2013, and the transition to age 58 is assumed to occur in 2028. See also page K-11.

Retiree

<u>Item</u>	<u>Description/Value</u>
1) Retired Pay Adjustment Factors	Retired pay of current retirees is adjusted for VA compensation, SBP offset changes, and other effects during the year. They are given by officer/enlisted status, disability/nondisability, and whether or not the member has elected SBP spouse or spouse/child coverage.
2) Retired Pay Adjustment to Members With SBP Spouse Coverage	These factors capture the observation that mortality is generally lower for those spouses attached to living retirees as opposed to survivors of deceased retirees. Rather than develop an additional set of mortality rates, the survivor death rates (Appendix I) are adjusted with these factors. This impacts retirees with SBP spouse coverage. The factors are given by active/reserve, and officer/enlisted status.

TABLE F-1 (continued)

Survivor

<u>Item</u>	<u>Description/Value</u>
1) Member-Survivor Age Difference	When a member dies, a survivor is assumed to be a certain number of years younger (or older) than the member. This is given by active/reserve, officer/enlisted status, type of retirement (i.e., nondisability, temporary disability, permanent disability), and type of survivor (i.e., spouse, child, insurable interest).
2) SBP Base-over-Net	Under SBP the retiree may elect an amount less than his or her gross retired pay as a base in computing the survivor annuity. Base amounts can also exceed net retired pay because of factors that reduce gross retired pay to net. This is expressed as a percentage of net retired pay and is given by age, officer/enlisted status, and type of retirement (disability/nondisability/reserve). Additional adjustments are made to the factors as part of Concurrent Receipt.
3) RSFPP Benefit-over-Net	For RSFPP (Retired Servicemen's Family Protection Plan), this gives the ratio of the survivor payment to the net amount of retired pay.
4) Reservists' Election of RCSBP	Proportion of reservists who have elected the Reserve Component Survivor Benefit Plan (RCSBP) by immediate and deferred annuity, age, and officer/enlisted status.
5) Partial DIC Offsets	The percent of survivor pay of new survivors whose pay is partially offset by DIC. They are given by the member's active/reserve status.
6) Full DIC Offsets	The percent of survivor pay of new survivors whose pay is fully offset by DIC. They are given by the member's active/reserve status.

TABLE F-1 (continued)

<u>Item</u>	<u>Description/Value</u>
7) Rates for Electing SBP Options	Given that a member elects SBP, there is still a choice of options: spouse only, child only, spouse and child, or insurable interest (some other designated beneficiary in the absence of a spouse or child). These are expressed as ratios to those electing spouse only or spouse/child coverage, and are given by age, officer/enlisted status, and type of retirement (disability/nondisability/reserve).
8) Rates for Election of RSFPP Options	Given that a member elected an RSFPP option, there was a choice of options: spouse only, child only, or spouse and child. These are expressed as ratios to those electing spouse only or spouse/child coverage, and are given by age and officer/enlisted status.
9) Survivor Pay Adjustment Factors	Survivor pay of current survivors is adjusted for changes in DIC and other effects during the year.
10) DIC Base Amount	Monthly amount by which DoD annuitant pay is offset by DIC. Future values are indexed to CPI. The first-year value for the current valuation is \$1,154.

APPENDIX G

ACTIVE DUTY RATES

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ACTIVE DUTY RATE DESCRIPTION

The active duty rates consist principally of decrement rates related to the probabilities of a member leaving a category of Military Service for a specific cause. In addition, they include a new entrant distribution, a set of reentrant ratios, and ratios for promotion and merit pay increases.

The active duty decrement rates are used to project active duty deaths, temporary and permanent disability retirements, nondisability retirements, and withdrawals (i.e., other active duty losses). In addition, the active duty decrements include rates of transfer between officer and enlisted status. The death rates are given by age nearest birthday for officers and enlistees separately. The remaining decrement rates are given by completed years of active service for officers and enlistees separately. The formulas used to derive the active duty rates are given on page G-3. The fiscal years on which various rates are based are given on page G-4. The experience period was selected such that the sum of the active force size changes for the included periods was near zero. Because of the large number of cases available and the need to avoid smoothing through real discontinuities, the nondisability retirement and withdrawal rates were not graduated (smoothed). The remaining rates were separated into ranges where assumptions of continuity were reasonable. Except for a few of these ranges where means or ungraduated rates were used, the remaining rates were smoothed using Whittaker-Henderson graduations.

A reentrant is defined as someone who is on active duty at year end, who was not on active duty a year earlier, and who is not a new entrant. The reentrant ratios give the expected number of reentrants per year, per active member, in each cell. The cells are defined by length of active service and by officer/enlisted status.

The new entrant distribution gives the percentages of new entrants to the military by age and by officer/enlisted status. This distribution is only used in the normal cost (new entrant) valuation and the open-group projection.

The promotion and merit increase scales (PAMS) give the expected annual percentage increase in pay regardless of whether or not there are across-the-board increases in the active duty pay table. The PAMS do not include adjustments for inflation or productivity increases. They are defined by length of service, by entry age, and by officer/enlisted status. The PAMS were created by first arraying the average pay for each entry along a dimension of increasing years of service. The PAMS were then computed by dividing the average pay at the next year of service by the average pay at the current year of service.

ACTIVE DUTY RATE FORMULAS

ACTIVE DEATH (by age nearest birthday)

$$\frac{\text{Deaths during year}}{\text{[Number at beginning of year - } \frac{1}{2} \text{ (withdrawals + nondisability retirements during year)]}}$$

NONDISABILITY RETIREMENT (by completed years of service)

$$\frac{\text{New retirees during year}}{\text{Number at beginning of year}}$$

TEMPORARY DISABILITY RETIREMENT (by completed years of service)

$$\frac{\text{New temporary disabilities during year}}{\text{[Number at beginning of year - } \frac{1}{2} \text{ (withdrawals + nondisability retirements during year)]}}$$

PERMANENT DISABILITY RETIREMENT (by completed years of service)

$$\frac{\text{New permanent disabilities during year}}{\text{[Number at beginning of year - } \frac{1}{2} \text{ (withdrawals + nondisability retirements during year)]}}$$

WITHDRAWAL (by completed years of service)

$$\frac{\text{Withdrawals during year}}{\text{Number at beginning of year}}$$

REENTRANT RATIOS (by completed years of service)

$$\frac{\text{Number reentering during year}}{\text{Number at beginning of year}}$$

PERCENTAGE DISTRIBUTION OF NEW ENTRANTS (by age nearest birthday)

$$\frac{\text{New entrants during year}}{\text{Total new entrants}}$$

PAYGRADE TRANSFER (by completed years of service)

$$\frac{\text{Transfers to category during year}}{\text{[Number at beginning of year - } \frac{1}{2} \text{ (withdrawals + nondisability retirements during year)]}}$$

PROMOTION AND MERIT SCALES (by entry age and completed years of service)

$$\frac{\text{Average basic pay at next year of service}}{\text{Average basic pay at current year of service}}$$

SUMMARY OF YEARS ON WHICH ACTIVE DUTY RATES ARE BASED

By Fiscal Year

RATE	<u>1982-1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Death		X	X	X	X	X	X	X	X	X	X
Nondisability Retirement	X								X	X	X
Temporary Disability Retirement	X								X	X	X
Permanent Disability Retirement	X								X	X	X
Withdrawal	X								X	X	X
Reentrant Ratios	X								X	X	X
New Entrant Distribution	X								X	X	X
Paygrade Transfer	X								X	X	X
Promotion and Merit Scales	X								X	X	X

DEATH RATES FOR NONRETIRED MILITARY

(AGE NEAREST BIRTHDAY)

Age	Officer	Enlisted
16	0.00026	0.00058
17	0.00028	0.00064
18	0.00031	0.00068
19	0.00032	0.00069
20	0.00033	0.00066
21	0.00035	0.00065
22	0.00037	0.00062
23	0.00046	0.00058
24	0.00053	0.00054
25	0.00059	0.00051
26	0.00064	0.00051
27	0.00065	0.00049
28	0.00063	0.00047
29	0.00060	0.00047
30	0.00055	0.00047
31	0.00052	0.00048
32	0.00048	0.00048
33	0.00045	0.00047
34	0.00043	0.00047
35	0.00042	0.00048
36	0.00040	0.00049
37	0.00040	0.00051
38	0.00038	0.00054
39	0.00037	0.00056
40	0.00036	0.00060
41	0.00037	0.00063
42	0.00037	0.00067
43	0.00039	0.00070
44	0.00042	0.00074
45	0.00046	0.00079
46	0.00050	0.00084
47	0.00055	0.00090
48	0.00060	0.00099
49	0.00065	0.00109
50	0.00070	0.00121
51	0.00074	0.00135
52	0.00080	0.00152
53	0.00086	0.00170
54	0.00093	0.00188
55	0.00106	0.00217
56	0.00120	0.00246
57	0.00137	0.00283
58	0.00158	0.00324
59	0.00178	0.00365
60	0.00200	0.00410

Note: These death rates should not be compared to other published rates or used for other purposes without examining the exposure formula used in the derivation.

**NONDISABILITY, TEMPORARY DISABILITY &
PERMANENT DISABILITY RETIREMENT RATES**

OFFICERS (BY COMPLETED YEARS OF SERVICE)

<u>Years of Service</u>	<u>Non-disability</u>	<u>Temporary Disability ***</u>	<u>Permanent Disability ***</u>
0	0.00000	0.00051	0.00012
1	0.00000	0.00087	0.00009
2	0.00000	0.00099	0.00011
3	0.00000	0.00115	0.00016
4	0.00000	0.00130	0.00017
5	0.00000	0.00129	0.00018
6	0.00000	0.00128	0.00033
7	0.00000	0.00126	0.00032
8	0.00000	0.00124	0.00032
9	0.00000	0.00121	0.00033
10	0.00000	0.00118	0.00032
11	0.00000	0.00115	0.00031
12	0.00000	0.00111	0.00031
13	0.00000	0.00107	0.00031
14	0.00000	0.00103	0.00033
15	0.00000	0.00098	0.00038
16	0.00000	0.00094	0.00046
17	0.00000	0.00089	0.00056
18	0.00000	0.00084	0.00065
19	0.24055	0.00275	0.00145
20	0.21309	0.00306	0.00186
21	0.16279	0.00226	0.00170
22	0.14225	0.00266	0.00161
23	0.14163	0.00313	0.00190
24	0.13776	0.00272	0.00182
25	0.17677	0.00319	0.00158
26	0.18520	0.00541	0.00261
27	0.21555	0.00462	0.00194
28	0.20353	0.00501	0.00339
29	0.47452	0.00795	0.00459
30	0.38848	0.01134	0.00630
31	0.29656	0.00848	0.00446
32	0.26316	0.00848	0.00446
33	0.26941	0.00848	0.00446
34	1.00000	0.00848	0.00446

*** The increase in disability rates shown between 18 and 19 years of service may be due to the removal of the 30% disability rating minimum for members with 20 years of service. The tax advantages accorded disability retired pay described in Appendix A may result in members choosing disability over nondisability retirements.

Example: Nine completed years of service could include anything from 9.0 to 9.999 years of service. The associated rate applied to the number of people at the beginning of the year in the category will produce the expected number of occurrences during the following year.

**NONDISABILITY, TEMPORARY DISABILITY &
PERMANENT DISABILITY RETIREMENT RATES**

ENLISTED (BY COMPLETED YEARS OF SERVICE)

Years of Service	Non-disability	Temporary Disability ***	Permanent Disability ***
0	0.00000	0.00124	0.00008
1	0.00000	0.00184	0.00018
2	0.00000	0.00219	0.00025
3	0.00000	0.00262	0.00031
4	0.00000	0.00233	0.00038
5	0.00000	0.00236	0.00044
6	0.00000	0.00239	0.00051
7	0.00000	0.00240	0.00058
8	0.00000	0.00241	0.00064
9	0.00000	0.00242	0.00071
10	0.00000	0.00241	0.00078
11	0.00000	0.00240	0.00089
12	0.00000	0.00238	0.00090
13	0.00000	0.00234	0.00093
14	0.00000	0.00230	0.00090
15	0.00000	0.00225	0.00113
16	0.00000	0.00218	0.00127
17	0.00000	0.00211	0.00135
18	0.00000	0.00202	0.00141
19	0.41610	0.00737	0.00423
20	0.30413	0.00699	0.00486
21	0.26512	0.00548	0.00375
22	0.23263	0.00589	0.00381
23	0.26045	0.00507	0.00361
24	0.16114	0.00504	0.00328
25	0.29534	0.00578	0.00320
26	0.24573	0.00644	0.00357
27	0.25008	0.00730	0.00401
28	0.20681	0.00752	0.00562
29	0.73967	0.01515	0.00751
30	0.58234	0.02688	0.01132
31	0.42527	0.02243	0.00303
32	0.52915	0.02243	0.00303
33	0.36341	0.02243	0.00303
34	1.00000	0.02243	0.00303

*** The increase in disability rates shown between 18 and 19 years of service may be due to the removal of the 30% disability rating minimum for members with 20 years of service. The tax advantages accorded disability retired pay described in Appendix A may result in members choosing disability over nondisability retirements.

Example: Nine completed years of service could include anything from 9.0 to 9.999 years of service. The associated rate applied to the number of people at the beginning of the year in the category will produce the expected number of occurrences during the following year.

**WITHDRAWAL, REENTRANT, AND NET LOSS RATES
FOR ACTIVE DUTY PERSONNEL**

OFFICERS (BY COMPLETED YEARS OF SERVICE)

<u>Years of Service</u>	<u>Withdrawal</u>	<u>Reentrant ***</u>	<u>Net Loss</u>
0	0.02174	0.11396	-0.09222
1	0.02292	0.02737	-0.00445
2	0.08449	0.02111	0.06338
3	0.11869	0.02417	0.09452
4	0.10029	0.01435	0.08594
5	0.09043	0.01306	0.07737
6	0.09615	0.01156	0.08459
7	0.08380	0.00997	0.07383
8	0.07228	0.00839	0.06389
9	0.05860	0.00694	0.05166
10	0.06714	0.00568	0.06146
11	0.05605	0.00469	0.05136
12	0.03763	0.00400	0.03363
13	0.02325	0.00366	0.01959
14	0.01663	0.00252	0.01411
15	0.01056	0.00221	0.00835
16	0.00783	0.00205	0.00578
17	0.00547	0.00193	0.00354
18	0.00242	0.00174	0.00068
19	0.00000	0.00139	-0.00139
20	0.00000	0.00151	-0.00151
21	0.00000	0.00157	-0.00157
22	0.00000	0.00161	-0.00161
23	0.00000	0.00164	-0.00164
24	0.00000	0.00169	-0.00169
25	0.00000	0.00180	-0.00180
26	0.00000	0.00199	-0.00199
27	0.00000	0.00231	-0.00231
28	0.00000	0.00278	-0.00278
29	0.00000	0.00344	-0.00344
30	0.00000	0.00658	-0.00658
31	0.00000	0.00455	-0.00455
32	0.00000	0.00779	-0.00779
33	0.00000	0.00737	-0.00737
34	0.00000	0.00000	0.00000

*** The reentrant (and all other) rates are developed for valuation purposes to be consistent with the data sources used in the valuation. For example, high reentrant rates for members with zero completed years of service at the beginning of the year reflect members showing up on the valuation data files with one completed year of service at year end, who were not on the data files at the beginning of the year, and who were not new entrants. To the extent the valuation data files exclude these members from the zero-completed-years-of-service cell, use of this reentrant rate is appropriate for the valuation projection. However, this "valuation focus" of the rates should be considered if using them for other purposes, e.g., to estimate the probability a given individual will remain on active duty from zero to one or more completed years of service.

Example: Nine completed years of service could include anything from 9.0 to 9.999 years of service. The associated rate applied to the number of people at the beginning of the year in the category will produce the expected number of occurrences during the following year.

**WITHDRAWAL, REENTRANT, AND NET LOSS RATES
FOR ACTIVE DUTY PERSONNEL**

ENLISTED (BY COMPLETED YEARS OF SERVICE)

<u>Years of Service</u>	<u>Withdrawal</u>	<u>Reentrant ***</u>	<u>Net Loss</u>
0	0.10365	0.02826	0.07539
1	0.11686	0.00610	0.11076
2	0.23581	0.01688	0.21893
3	0.38351	0.03133	0.35218
4	0.14331	0.01289	0.13042
5	0.16240	0.01066	0.15174
6	0.12406	0.00886	0.11520
7	0.12101	0.00797	0.11304
8	0.09350	0.00682	0.08668
9	0.09044	0.00544	0.08500
10	0.05784	0.00412	0.05372
11	0.05054	0.00320	0.04734
12	0.04103	0.00246	0.03857
13	0.02841	0.00191	0.02650
14	0.02716	0.00155	0.02561
15	0.01682	0.00141	0.01541
16	0.01168	0.00115	0.01053
17	0.00825	0.00106	0.00719
18	0.00410	0.00116	0.00294
19	0.00000	0.00129	-0.00129
20	0.00000	0.00155	-0.00155
21	0.00000	0.00141	-0.00141
22	0.00000	0.00129	-0.00129
23	0.00000	0.00117	-0.00117
24	0.00000	0.00112	-0.00112
25	0.00000	0.00108	-0.00108
26	0.00000	0.00104	-0.00104
27	0.00000	0.00087	-0.00087
28	0.00000	0.00066	-0.00066
29	0.00000	0.00043	-0.00043
30	0.00000	0.00165	-0.00165
31	0.00000	0.00289	-0.00289
32	0.00000	0.00438	-0.00438
33	0.00000	0.00484	-0.00484
34	0.00000	0.00000	0.00000

*** The reentrant (and all other) rates are developed for valuation purposes to be consistent with the data sources used in the valuation. For example, high reentrant rates for members with zero completed years of service at the beginning of the year reflect members showing up on the valuation data files with one completed year of service at year end, who were not on the data files at the beginning of the year, and who were not new entrants. To the extent the valuation data files exclude these members from the zero-completed-years-of-service cell, use of this reentrant rate is appropriate for the valuation projection. However, this "valuation focus" of the rates should be considered if using them for other purposes, e.g., to estimate the probability a given individual will remain on active duty from zero to one or more completed years of service.

Example: Nine completed years of service could include anything from 9.0 to 9.999 years of service. The associated rate applied to the number of people at the beginning of the year in the category will produce the expected number of occurrences during the following year.

PERCENTAGE DISTRIBUTION OF NEW ENTRANTS
(AGE NEAREST BIRTHDAY)

<u>Age</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>
16	0.00000	0.00000	0.00000
17	0.00000	0.00137	0.00137
18	0.00000	0.13096	0.13096
19	0.00000	0.26062	0.26062
20	0.00002	0.19630	0.19632
21	0.00025	0.11244	0.11268
22	0.01331	0.07001	0.08333
23	0.01974	0.04755	0.06729
24	0.01169	0.03352	0.04520
25	0.00581	0.02349	0.02930
26	0.00466	0.01621	0.02087
27	0.00363	0.01124	0.01487
28	0.00238	0.00823	0.01060
29	0.00174	0.00556	0.00731
30	0.00142	0.00379	0.00521
31	0.00107	0.00283	0.00390
32	0.00081	0.00210	0.00291
33	0.00063	0.00167	0.00230
34	0.00052	0.00132	0.00185
35	0.00043	0.00116	0.00159
36	0.00028	0.00031	0.00059
37	0.00018	0.00003	0.00021
38	0.00015	0.00000	0.00015
39	0.00012	0.00000	0.00012
40	0.00010	0.00000	0.00010
41	0.00007	0.00000	0.00007
42	0.00005	0.00000	0.00005
43	0.00004	0.00000	0.00004
44	0.00004	0.00000	0.00004
45	0.00002	0.00000	0.00002
46	0.00003	0.00000	0.00003
47	0.00001	0.00000	0.00001
48	0.00001	0.00000	0.00001
49	0.00002	0.00000	0.00002
50	0.00001	0.00000	0.00001
51	0.00001	0.00000	0.00001
52	0.00001	0.00000	0.00001
53	0.00001	0.00000	0.00001
54	0.00001	0.00000	0.00001
55	0.00001	0.00000	0.00001
Total	0.06928	0.93072	1.00000

PAYGRADE TRANSFER RATES

STATUS (BY COMPLETED YEARS OF SERVICE)

Years of Service	Officer to Enlisted	Enlisted to Officer
0	0.00065	0.00286
1	0.00015	0.00095
2	0.00007	0.00092
3	0.00021	0.00119
4	0.00021	0.00189
5	0.00013	0.00223
6	0.00021	0.00298
7	0.00020	0.00383
8	0.00020	0.00522
9	0.00019	0.00613
10	0.00019	0.00646
11	0.00066	0.00645
12	0.00101	0.00646
13	0.00084	0.00609
14	0.00133	0.00483
15	0.00163	0.00366
16	0.00184	0.00256
17	0.00088	0.00164
18	0.00021	0.00104
19	0.00011	0.00089
20	0.00009	0.00109
21	0.00004	0.00103
22	0.00002	0.00085
23	0.00000	0.00107
24	0.00000	0.00056
25	0.00000	0.00009
26	0.00000	0.00004
27	0.00000	0.00005
28	0.00000	0.00000
29	0.00000	0.00000
30	0.00000	0.00000
31	0.00000	0.00000
32	0.00000	0.00000
33	0.00000	0.00000
34	0.00000	0.00000

Example: Nine completed years of service could include anything from 9.0 to 9.999 years of service. The associated rate applied to the number of people at the beginning of the year in the category will produce the expected number of occurrences during the following year.

PROMOTION AND MERIT BASIC PAY INCREASE SCALES

OFFICERS (BY ENTRY AGE)

Years of Service	Entry Age										
	16	17	18	19	20	21	22	23	24	25	26
1	1.03656	1.05729	1.03212	1.04051	1.07881	1.01973	1.01632	1.05119	1.08460	1.08186	1.04890
2	1.03402	1.04832	1.03935	0.96974	1.07870	1.12459	1.26496	1.26033	1.24352	1.21682	1.13529
3	1.02791	1.03945	1.05405	1.09507	1.13306	1.20597	1.16529	1.14780	1.13233	1.12196	1.08016
4	1.01870	1.03310	1.04832	1.01865	1.07210	1.08776	1.13644	1.12337	1.10273	1.08816	1.06222
5	1.00652	1.03070	1.02039	1.04591	1.04430	1.02778	1.02407	1.03071	1.03715	1.03840	1.03463
6	1.00531	1.03233	1.07014	1.04859	1.04473	1.04517	1.04732	1.04019	1.03569	1.04211	1.05273
7	1.01681	1.03603	1.01641	1.02092	1.01127	1.00924	1.00477	1.01492	1.02382	1.02651	1.02292
8	1.04039	1.03938	1.06356	1.05894	1.04260	1.03777	1.04668	1.03939	1.03479	1.03941	1.04042
9	1.05710	1.04123	1.01924	1.01942	1.01754	1.01307	1.00883	1.01524	1.02001	1.01999	1.01914
10	1.06990	1.03747	1.05330	1.04675	1.03808	1.03596	1.04793	1.04082	1.03558	1.03668	1.03431
11	1.07035	1.03579	1.02005	1.02406	1.02610	1.02217	1.03079	1.05043	1.05894	1.04667	1.03007
12	1.06003	1.05924	1.05883	1.05400	1.04952	1.04560	1.08627	1.07250	1.08872	1.05135	1.03951
13	1.03719	1.02168	1.02404	1.02786	1.02387	1.02226	1.00978	1.01624	1.01992	1.02128	1.01878
14	1.01606	1.03718	1.05825	1.05429	1.04503	1.03684	1.03261	1.02839	1.02542	1.02614	1.02671
15	0.99086	1.02867	1.02601	1.02525	1.02457	1.02288	1.01205	1.01422	1.01865	1.02084	1.02163
16	0.98367	1.04994	1.04202	1.03797	1.03712	1.03554	1.03902	1.03957	1.03749	1.03391	1.03256
17	0.98885	1.02400	1.02242	1.02627	1.02376	1.02328	1.02846	1.02863	1.02640	1.02721	1.02267
18	1.00578	1.04194	1.05046	1.04617	1.04277	1.03690	1.03372	1.02825	1.02466	1.02499	1.02696
19	1.01503	1.02256	1.02481	1.02469	1.02026	1.01532	1.00719	1.00965	1.01111	1.01355	1.01537
20	1.02430	1.04826	1.04012	1.03386	1.03114	1.03662	1.04083	1.03839	1.03982	1.04255	1.04404
21	1.04144	1.01905	1.02177	1.02039	1.01899	1.01842	1.03662	1.04326	1.04294	1.03930	1.03172
22	1.06035	1.03169	1.02830	1.02744	1.02804	1.03886	1.05863	1.05586	1.05158	1.04696	1.03382
23	1.08278	1.02651	1.01825	1.02002	1.02043	1.02198	1.03042	1.02856	1.02746	1.02959	1.02231
24	1.08200	1.03249	1.02749	1.02507	1.03111	1.02990	1.03055	1.02610	1.02432	1.02284	1.01899
25	1.06956	1.02669	1.01847	1.02305	1.02069	1.02266	1.01399	1.02021	1.02401	1.02127	1.01131
26	1.04973	1.03237	1.03505	1.03740	1.03242	1.03299	1.04794	1.03840	1.03261	1.02557	1.02222
27	1.04291	1.02463	1.02249	1.02125	1.01976	1.01506	1.01608	1.01371	1.01014	1.01150	1.00833
28	1.04386	1.02604	1.02339	1.02146	1.02148	1.01764	1.02344	1.02634	1.02950	1.02909	1.02052
29	1.04615	1.02415	1.02334	1.02445	1.01572	1.02514	1.02014	1.02277	1.01701	1.01546	1.00632
30	1.05028	1.04989	1.05199	1.05865	1.05962	1.05889	1.06842	1.06720	1.05689	1.05411	1.03009
31	1.05150	1.03493	1.04864	1.03840	1.01722	1.02477	1.06766	1.07356	1.04909	1.07934	1.01814
32	1.04821	1.03707	1.04082	1.01656	1.00942	1.01971	1.05436	1.04647	1.02833	1.05565	1.02998
33	1.04498	1.03718	1.02946	1.02088	1.00419	1.02683	1.02587	1.03480	1.03211	1.02991	1.02400
34	1.04533	1.03724	1.01437	1.01567	1.02744	0.96309	0.92090	0.93946	0.98040	0.98519	1.03209

Note: The number that appears, for example, in the column marked '20' and the row marked '2' is the ratio of basic pay at two years of service to basic pay at one year of service for a member who entered at age 20.

PROMOTION AND MERIT BASIC PAY INCREASE SCALES

ENLISTED (BY ENTRY AGE)

Years of Service	Entry Age										
	16	17	18	19	20	21	22	23	24	25	26
1	1.12956	1.13723	1.15470	1.13372	1.11242	1.10706	1.10275	1.09678	1.09254	1.09085	1.09448
2	1.08928	1.10939	1.11241	1.10788	1.10531	1.10544	1.10661	1.10776	1.10803	1.10807	1.10800
3	1.06307	1.10374	1.10092	1.09931	1.09777	1.09743	1.09551	1.09254	1.09111	1.09045	1.08758
4	1.05206	1.09977	1.08223	1.07117	1.06612	1.06548	1.06470	1.06464	1.06410	1.06387	1.06608
5	1.04302	1.03505	1.03299	1.04023	1.04197	1.04105	1.04118	1.04146	1.04319	1.04344	1.04612
6	1.05951	1.08642	1.07884	1.06827	1.06512	1.06591	1.06696	1.06667	1.06642	1.06654	1.06458
7	1.02633	1.02840	1.03003	1.03843	1.04084	1.03997	1.03928	1.03912	1.03757	1.03679	1.03711
8	1.04314	1.09798	1.08616	1.07539	1.07034	1.07003	1.06976	1.06912	1.06896	1.06963	1.06408
9	1.02614	1.02033	1.02143	1.02738	1.03006	1.02982	1.02905	1.02853	1.02871	1.02804	1.02811
10	1.02079	1.05706	1.05762	1.05112	1.05035	1.05035	1.05009	1.04964	1.04824	1.04815	1.04583
11	1.02251	1.01916	1.01776	1.02172	1.02386	1.02412	1.02283	1.02319	1.02255	1.02387	1.02321
12	1.02971	1.06938	1.06065	1.05275	1.04925	1.04670	1.04484	1.04409	1.04289	1.04265	1.04071
13	1.03347	1.01937	1.01960	1.02284	1.02366	1.02358	1.02344	1.02280	1.02269	1.02297	1.02134
14	1.03365	1.04581	1.04139	1.03726	1.03633	1.03442	1.03366	1.03191	1.03209	1.03079	1.02885
15	1.03386	1.01407	1.02029	1.02291	1.02315	1.02385	1.02292	1.02375	1.02296	1.02303	1.02275
16	1.03990	1.03895	1.03746	1.03527	1.03438	1.03249	1.03201	1.03146	1.02943	1.02876	1.02533
17	1.04955	1.01382	1.01991	1.02226	1.02252	1.02387	1.02261	1.02204	1.02157	1.02093	1.01904
18	1.05587	1.04723	1.04426	1.04096	1.03946	1.03585	1.03398	1.03303	1.03108	1.02970	1.02684
19	1.05598	1.01590	1.01691	1.01773	1.01717	1.01735	1.01780	1.01856	1.01801	1.01914	1.01759
20	1.05247	1.05240	1.05664	1.05868	1.06148	1.06542	1.06978	1.06935	1.07336	1.07435	1.08112
21	1.05033	1.04450	1.03818	1.03820	1.03754	1.03682	1.03966	1.04163	1.04026	1.04468	1.04425
22	1.05009	1.06337	1.06441	1.05930	1.05721	1.05627	1.05658	1.05584	1.05803	1.05221	1.05264
23	1.04897	1.02824	1.02847	1.03218	1.03409	1.03569	1.03568	1.03426	1.03527	1.03790	1.03253
24	1.04593	1.05261	1.05720	1.05640	1.05796	1.06008	1.05676	1.05598	1.05851	1.05768	1.05450
25	1.04217	1.02409	1.02578	1.03011	1.03072	1.02676	1.02683	1.02382	1.02654	1.03177	1.03018
26	1.03739	1.08931	1.08580	1.08422	1.08223	1.07719	1.07653	1.07674	1.06942	1.05638	1.05093
27	1.03330	1.01970	1.02171	1.02171	1.02120	1.02444	1.02822	1.02530	1.02687	1.03616	1.02585
28	1.03115	1.01512	1.02270	1.02432	1.02492	1.02495	1.02681	1.02550	1.02064	1.02170	1.03343
29	1.02918	1.01785	1.01133	1.01454	1.01610	1.01612	1.01482	1.01384	1.01045	1.01360	1.01353
30	1.02739	1.04582	1.05735	1.04444	1.03769	1.03887	1.03468	1.03082	1.03605	1.02841	1.02329
31	1.02431	1.01148	1.00957	1.00450	1.00388	1.01366	0.99826	1.01036	1.00781	1.01808	1.04089
32	1.02054	1.01520	1.00748	1.00614	1.00568	1.00079	1.02942	1.01675	1.01729	1.01785	1.01901
33	1.01673	1.01787	1.00401	0.99493	1.01491	1.02591	1.01305	1.01510	1.01675	1.01902	1.01846
34	1.01298	1.01829	1.04189	1.05548	1.03147	1.01762	1.01126	1.01368	1.01646	1.02128	1.05343

Note: The number that appears, for example, in the column marked '20' and the row marked '2' is the ratio of basic pay at two years of service to basic pay at one year of service for a member who entered at age 20.

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APPENDIX H

RESERVE RATES

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RESERVE RATES DESCRIPTION

The explicit projection of the reserves is a difficult task due to the complexity of the reserve career, evolving changes in how the reserves are used, and vagaries of the reserve data which is comprised of input from multiple reserve components. Reserves may have numerous breaks in service prior to attaining retirement eligibility. Also, Selected Reserves usually transfer to the Non-Selected Reserves before the retirement benefit is received. Below is a description of the rates used in the reserve valuation process.

The reserve rates consist of (1) separation rates (retirement, transfer, etc), (2) column-transfer rates, (3) the distribution of new entrants or reenrants into the Selected Reserve, (4) a table that shows the timing of when new entrants or reenrants enter, and (5) ratios for promotion and merit pay.

The data for the rates were taken from the Reserve Component Common Personnel Data System (RCCPDS) files as of September 30 for the years 1997 through 2001. A summary of the years on which various rates are based is given on page H-6. Other appendices in this report show the rate derivations via formulas. This is not the case for the reserve rates, but can be furnished upon request if needed.

The separation rates (1) give the probability that a member in a given status at the beginning of the fiscal year leaves the status during the fiscal year. Separation rates from the Selected Reserve, shown on pages H-7 and H-8, include standard losses, transfers to active duty, discharge, and death. A transfer of a Selected Reservist from officer to enlisted status or vice versa is treated as a separation combined with an instantaneous reenrante. They do not include transfers to non-Selected Reserves with 20 good years, or retirement. Separations from the Selected Reserve to the non-Selected Reserve with 20 good years are shown on pages H-9 and H-10. Separation rates from the non-Selected Reserve with 20 good years, shown on pages H-11 and H-12, include transfer to Selected Reserve, death, discharge, and file corrections and timing delays. They do not include transfer to retirement status. Separations from the Selected Reserve and non-Selected Reserves with 20 good years to retirement are shown on pages H-13 and H-14, respectively. The separation rates are given by age of reservist, number of years of active duty service, and whether the reservist is an officer or enlistee.

Due to Section 647 of NDAA 2008 (P.L. 110-181) the rates shown on pages H-7 through H-14 apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

Column-transfer rates (2) give the rate at which a member will accrue enough active service to move from one completed years of total active federal military service column to the next as a result of active duty for special work, mobilizations, summer camp, and initial active duty for training. These rates are shown on pages H-15 and H-16.

In most cases the separation rates are not smoothed (graduated). However, cells with numerators of fewer than 20 cases were combined with other cells or smoothed by fitting equations to the data using weighted-least-squares regression. The column-transfer rates are smoothed over all ages and years of active service using weighted-least-squares regression.

The distribution of new entrants and reenrants into the Selected Reserve (3) is used for both open group and closed group projections. This distribution gives the proportion of entrants by officer/enlisted status, age nearest birthday, and completed years of active duty service. The cell count for the complete table, including both officers and enlisted, is 100,000. For this purpose, a new entrant or reenrant is defined as someone who was actively on the RCCPDS file at the end of a fiscal year, but not at the beginning. The entrant/reenrant distribution is shown on pages H-17 and H-18.

The timing table (4) has the same dimensions as the entrant/reenrant distribution and operates in concordance with it. Every cell of the timing table has an integer representing the year in which persons in that cell enter the military. This table is shown on pages H-19 and H-20. Application of the table depends on the type of projection (Open Group, Normal Cost, or Closed Group). A detailed explanation is described further below.

The promotion and merit increase scales (PAMS) (5) give the expected annual percentage increase in pay independent of the across-the-board increases in the active duty pay scale. The PAMS do not include adjustments for inflation or productivity increases. The current PAMS are based on cross-sectional data, and are listed on pages H-21 and H-22. They are defined by length of active service, by age, and by officer/enlisted status. The PAMS were computed by dividing the average pay at age (x+1) by the average pay at the age (x) for a given year of active service. Cells based on few observations were combined with other cells.

The following is a detailed explanation of the timing table application in open group, normal cost, and closed group projections.

Open Group

In an open group projection, new entrants and reenrants are used to bring the part-time Selected Reserve up to DoD Comptroller-provided projected strengths in future years. For an open group run, all cells of the entrant/reenrant distribution are treated equally. For example, if the needed number of new entrants and reenrants equals 150,000 for some future year, the number brought in corresponding to each cell of the entrant/reenrant distribution would be $(n_{ij} / 100,000) \times 150,000$, where n_{ij} is the cell count for row i and column j of the entrant/reenrant distribution. In this example, we would bring in 333 (1.5 x 222) officers aged 29 with under a year of service.

Normal Cost

For normal cost runs, part of an entering cohort first goes to active duty or an ROTC program, but later shows up as a new entrant to the part-time Selected Reserves. In addition, some leave the part-time Selected Reserves and later show up as a reentrant.

This process is simulated in the normal cost run by having the new or reentrant Reservists corresponding to each cell of the timing table show up only when appropriate. In a normal cost run, all cells of the entrant/reentrant distribution will enter only once. Some cells enter the first year. Some cells enter the second year, and so on. Every cell enters, but no cell enters more than once.

The timing table is used to determine when various cells enter in a normal cost run. For example, 23-year-old officers with less than a year of active service are expected to enter the fourth year of the projection. Similarly, 56-year-old officers with 5 years of active service enter in the thirty-first year of the projection. The latter would most likely be reentrants, and the former, new entrants.

The new entrant/reentrant distribution does not distinguish between new entrants and reentrants. They represent people who are in the part-time Selected Reserves at the end of the fiscal year who were not there at the beginning. This is also true for the timing table. The one exception is that cases with a value of 1 are always new entrants. However, there are new entrants that have spent some time on active duty who show up in the same cells which also include reentrants.

The multiplier (or radix) for a normal cost run in one sense does not matter, because the present value of benefits and the present value of salary change proportionately with it. However, part of the Reserve retirements are paid for with the active duty normal cost, since part of the Reserve retirement is attributable to active duty service. For this reason the radix for part-time and full-time normal costs must be calibrated, so that in the steady state the part-time population is the proper size relative to the active duty force. The present value of Reserve retirement attributable to active duty service may then simply be added to the present value of retirement benefits attributable to active duty service. For the current valuation, this calibration results in 75,823 new entrants/reentrants to the Selected Reserves each year for every 100,000 new entrants to active duty. The portion of the 75,823 that are new entrants to the military is 20,912; this then is the Reserve normal cost radix. This radix is determined by allocating 75,823 according to the entrant/reentrant distribution and choosing the cells for which the value of the timing table equals 1. Thus, throughout the course of the normal cost projection, a total of 75,823 enter (or reenter) the Selected Reserve, 20,912 of whom enter the military for the first time as Selected Reservists.

Closed Group

Closed-group runs form the basis for the calculation of the actuarial liability and exclude anyone who enters the military for the first time after the valuation date. For closed group runs, no new entrants or reentrants are brought in for cells with a value of 1 in the timing table. Doing so would effectively bring in a cohort whose first military service began after the date of the valuation. For cells whose value is 2, no new entrants or reentrants are brought in after the end of the first year, for the same reason. For cells whose value is 3, no new entrants or reentrants are brought in after the end of the second year, and so on. For closed group runs the value for a cell is one larger than the number of future cohorts to be brought in.

In addition to the above timing logic, a “multiplier” is needed to determine the number of entrants/reentrants to the Selected Reserve each year. None of these entrants/reentrants represent people entering the military for the first time; rather, they represent people transferring from active duty or people (veterans) reentering the Selected Reserves after a break in service, including members who were in the census at the beginning of the projection. The multiplier for closed group runs is set equal to the projected first year losses from the Selected Reserve. The assumption is that if new entrants to the military were included, roughly a constant population is maintained. The entrants are brought in to the Selected Reserve according to the entrant/reentrant distribution. For example, if the multiplier were 150,000, the number brought in to a Selected Reserve cell in a given year of the projection is $(n_{ij} / 100,000) \times 150,000$, where n_{ij} is the cell count for row i and column j of the entrant/reentrant distribution. Again, however, note that bringing in the entrants/reentrants is subject to the aforementioned timing table value restrictions in order to be consistent with closed-group requirements. For example, if the first-year losses were 150,000, the end-of-first-year entrants/reentrants would be approximately 109,000, determined using the $(n_{ij} / 100,000) \times 150,000$ formula for every cell that has a value greater than 1 in the timing table. For each future year in the projection, the number of entrants/reentrants would get progressively smaller, as fewer cells would qualify, based upon the corresponding value of the timing table.

The timing table is based on a data element in the Reserve file called DIEUS, date of initial entry to uniformed services. The values represented in the timing table cells are the average number of fiscal years (or partial fiscal years) between the DIEUS date and the date of the end of the fiscal year in which they entered (or reentered). For example, if the timing table were based on one fiscal year of data and all the cases in a cell had a DIEUS date that fell in the fiscal year being studied, the timing table value for that cell would be 1. If all the cases entered (according to DIEUS) in the fiscal year that preceded the fiscal year being studied, the timing table value for that cell would be 2. In reality, some of the people in a timing table cell may have entered in different fiscal years. However, for simulation purposes, we assume everyone in a particular cell of the timing table enters in the same fiscal year.

SUMMARY OF YEARS ON WHICH RESERVE RATES ARE BASED

By Fiscal Year

<u>RATE</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Separation	X	X	X	X	
Column-Transfer		X	X	X	X
New Entrant/Reentrant Distribution	X	X	X	X	
Timing Table	X	X	X	X	
Promotion and Merit Scales	X	X	X	X	

Officer Selected Reserve Transfer to Non-Selected Reserve Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
37	0.000	0.003	0.005	0.005	0.004	0.006	0.006	0.003	0.012	0.006	0.011	0.009	0.017	0.036	0.010	0.090	0.105	0.098	0.107	0.082	0.100
38	0.001	0.003	0.005	0.005	0.004	0.006	0.006	0.013	0.013	0.006	0.011	0.009	0.017	0.036	0.010	0.090	0.105	0.098	0.107	0.082	0.100
39	0.002	0.011	0.005	0.005	0.017	0.020	0.006	0.010	0.019	0.006	0.011	0.009	0.017	0.036	0.010	0.090	0.105	0.098	0.107	0.082	0.100
40	0.006	0.017	0.007	0.005	0.019	0.018	0.006	0.019	0.020	0.021	0.011	0.009	0.017	0.036	0.010	0.090	0.105	0.098	0.107	0.082	0.100
41	0.004	0.018	0.027	0.016	0.022	0.029	0.016	0.033	0.026	0.027	0.020	0.027	0.034	0.036	0.010	0.090	0.105	0.098	0.107	0.082	0.100
42	0.005	0.017	0.031	0.029	0.026	0.042	0.030	0.035	0.049	0.043	0.031	0.027	0.041	0.039	0.035	0.090	0.105	0.098	0.107	0.082	0.100
43	0.004	0.025	0.047	0.032	0.044	0.060	0.067	0.065	0.064	0.079	0.065	0.056	0.050	0.057	0.057	0.090	0.105	0.098	0.107	0.082	0.100
44	0.007	0.037	0.046	0.037	0.043	0.059	0.073	0.086	0.088	0.093	0.080	0.060	0.066	0.072	0.068	0.090	0.105	0.098	0.107	0.082	0.100
45	0.009	0.033	0.045	0.036	0.051	0.058	0.083	0.084	0.095	0.097	0.086	0.098	0.103	0.084	0.115	0.090	0.105	0.098	0.107	0.082	0.100
46	0.012	0.049	0.048	0.052	0.060	0.069	0.075	0.098	0.067	0.074	0.096	0.083	0.093	0.091	0.109	0.090	0.105	0.098	0.107	0.082	0.100
47	0.012	0.059	0.061	0.044	0.061	0.060	0.070	0.089	0.096	0.062	0.072	0.105	0.088	0.066	0.097	0.090	0.105	0.098	0.107	0.082	0.100
48	0.019	0.074	0.061	0.056	0.071	0.076	0.079	0.093	0.087	0.095	0.107	0.091	0.074	0.107	0.097	0.090	0.105	0.098	0.107	0.082	0.100
49	0.019	0.107	0.085	0.096	0.101	0.115	0.119	0.130	0.144	0.117	0.138	0.088	0.126	0.151	0.125	0.090	0.105	0.098	0.107	0.082	0.100
50	0.027	0.116	0.120	0.101	0.127	0.137	0.135	0.154	0.140	0.137	0.190	0.159	0.145	0.168	0.150	0.090	0.105	0.098	0.107	0.082	0.100
51	0.017	0.110	0.117	0.113	0.128	0.153	0.163	0.142	0.172	0.137	0.151	0.184	0.191	0.182	0.188	0.090	0.105	0.098	0.107	0.082	0.100
52	0.027	0.100	0.123	0.097	0.156	0.142	0.173	0.189	0.185	0.133	0.194	0.205	0.205	0.207	0.231	0.090	0.105	0.098	0.107	0.082	0.100
53	0.026	0.096	0.105	0.113	0.156	0.153	0.164	0.181	0.180	0.170	0.182	0.187	0.184	0.196	0.098	0.090	0.105	0.098	0.107	0.082	0.100
54	0.018	0.083	0.109	0.109	0.141	0.150	0.169	0.204	0.133	0.206	0.222	0.255	0.238	0.255	0.200	0.090	0.105	0.098	0.107	0.082	0.100
55	0.036	0.102	0.116	0.106	0.112	0.176	0.143	0.232	0.181	0.234	0.207	0.215	0.239	0.385	0.082	0.090	0.105	0.098	0.107	0.082	0.100
56	0.028	0.069	0.102	0.109	0.123	0.112	0.149	0.139	0.146	0.064	0.064	0.064	0.064	0.064	0.082	0.090	0.105	0.098	0.107	0.082	0.100
57	0.027	0.089	0.101	0.080	0.085	0.151	0.143	0.108	0.137	0.064	0.064	0.064	0.064	0.064	0.082	0.090	0.105	0.098	0.107	0.082	0.100
58	0.028	0.066	0.097	0.083	0.085	0.120	0.167	0.149	0.140	0.064	0.064	0.064	0.064	0.064	0.082	0.090	0.105	0.098	0.107	0.082	0.100
59	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.064	0.064	0.064	0.064	0.082	0.090	0.105	0.098	0.107	0.082	0.100
60	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006
61	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006
62	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006
>62	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) the rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

* Includes separations to non-Selected Reserves with 20 or more good years.

Enlisted Selected Reserve Transfer to Non-Selected Reserve Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
37	0.001	0.007	0.005	0.002	0.004	0.005	0.004	0.006	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
38	0.005	0.023	0.011	0.011	0.014	0.013	0.018	0.011	0.020	0.020	0.021	0.018	0.022	0.016	0.009	0.009	0.009	0.009	0.009	0.009	0.009
39	0.009	0.033	0.032	0.024	0.023	0.037	0.032	0.030	0.036	0.037	0.036	0.033	0.039	0.043	0.022	0.018	0.018	0.018	0.018	0.018	0.018
40	0.010	0.041	0.034	0.033	0.032	0.045	0.047	0.039	0.049	0.049	0.050	0.047	0.043	0.042	0.052	0.035	0.041	0.018	0.018	0.018	0.018
41	0.014	0.044	0.048	0.042	0.043	0.050	0.042	0.056	0.051	0.052	0.062	0.059	0.052	0.059	0.055	0.060	0.049	0.023	0.023	0.023	0.023
42	0.010	0.043	0.042	0.052	0.052	0.047	0.045	0.048	0.056	0.065	0.055	0.053	0.058	0.070	0.073	0.068	0.047	0.047	0.047	0.047	0.047
43	0.015	0.045	0.048	0.052	0.052	0.061	0.056	0.054	0.074	0.074	0.082	0.072	0.062	0.071	0.063	0.060	0.054	0.054	0.054	0.054	0.054
44	0.019	0.054	0.056	0.055	0.059	0.066	0.066	0.068	0.079	0.085	0.102	0.074	0.083	0.069	0.097	0.069	0.069	0.069	0.069	0.069	0.069
45	0.022	0.057	0.058	0.064	0.064	0.066	0.061	0.067	0.082	0.076	0.097	0.094	0.076	0.078	0.075	0.075	0.075	0.075	0.075	0.075	0.075
46	0.025	0.063	0.068	0.069	0.068	0.075	0.077	0.075	0.079	0.101	0.109	0.112	0.085	0.073	0.078	0.078	0.078	0.078	0.078	0.078	0.078
47	0.024	0.065	0.072	0.074	0.072	0.073	0.067	0.070	0.089	0.119	0.081	0.090	0.096	0.101	0.093	0.093	0.093	0.093	0.093	0.093	0.093
48	0.023	0.070	0.070	0.071	0.077	0.085	0.073	0.076	0.096	0.098	0.118	0.095	0.117	0.133	0.112	0.112	0.112	0.112	0.112	0.112	0.112
49	0.032	0.076	0.074	0.081	0.085	0.073	0.070	0.083	0.091	0.104	0.084	0.093	0.124	0.104	0.105	0.105	0.105	0.105	0.105	0.105	0.105
50	0.035	0.079	0.076	0.081	0.080	0.075	0.070	0.084	0.099	0.096	0.116	0.116	0.123	0.109	0.109	0.109	0.109	0.109	0.109	0.109	0.109
51	0.036	0.079	0.082	0.082	0.089	0.080	0.079	0.083	0.087	0.107	0.092	0.097	0.106	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
52	0.039	0.085	0.080	0.088	0.096	0.102	0.091	0.106	0.119	0.107	0.112	0.132	0.149	0.096	0.096	0.096	0.096	0.096	0.096	0.096	0.096
53	0.036	0.080	0.082	0.089	0.095	0.097	0.115	0.104	0.102	0.134	0.092	0.162	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113
54	0.050	0.097	0.107	0.094	0.102	0.122	0.114	0.134	0.141	0.172	0.119	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151
55	0.058	0.107	0.121	0.115	0.112	0.179	0.185	0.154	0.170	0.169	0.169	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
56	0.063	0.109	0.113	0.109	0.126	0.139	0.111	0.129	0.153	0.170	0.135	0.176	0.176	0.176	0.176	0.176	0.176	0.176	0.176	0.176	0.176
57	0.055	0.114	0.134	0.107	0.126	0.152	0.116	0.131	0.149	0.149	0.122	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199
58	0.082	0.113	0.130	0.119	0.134	0.157	0.135	0.122	0.174	0.185	0.236	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160
59	0.033	0.082	0.067	0.085	0.092	0.119	0.119	0.086	0.133	0.094	0.107	0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.102
60	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
61	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
62	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
>62	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) the rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

* Includes separations to non-Selected Reserves with 20 or more good years.

Officer Non-Selected Reserve with 20 Good Years Non-Retirement Separation Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
37	0.318	0.206	0.164	0.153	0.143	0.063	0.043	0.026	0.022	0.104	0.071	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
38	0.318	0.206	0.164	0.153	0.143	0.063	0.043	0.026	0.022	0.104	0.071	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
39	0.318	0.206	0.164	0.153	0.143	0.063	0.043	0.026	0.022	0.104	0.071	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
40	0.318	0.106	0.164	0.153	0.136	0.063	0.043	0.026	0.022	0.104	0.071	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
41	0.220	0.069	0.164	0.097	0.105	0.063	0.077	0.026	0.022	0.085	0.119	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
42	0.127	0.105	0.095	0.096	0.073	0.046	0.061	0.046	0.032	0.044	0.096	0.051	0.084	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
43	0.127	0.063	0.066	0.087	0.048	0.045	0.044	0.040	0.043	0.041	0.072	0.053	0.048	0.078	0.049	0.047	0.025	0.180	0.032	0.043	0.028
44	0.154	0.078	0.029	0.048	0.064	0.033	0.046	0.035	0.049	0.044	0.021	0.035	0.047	0.062	0.104	0.047	0.025	0.180	0.032	0.043	0.028
45	0.061	0.051	0.077	0.076	0.058	0.040	0.035	0.035	0.040	0.049	0.028	0.028	0.028	0.051	0.084	0.047	0.025	0.180	0.032	0.043	0.028
46	0.141	0.052	0.046	0.041	0.048	0.032	0.041	0.017	0.032	0.032	0.036	0.040	0.029	0.041	0.064	0.047	0.025	0.151	0.032	0.043	0.028
47	0.097	0.045	0.049	0.058	0.040	0.029	0.032	0.033	0.031	0.019	0.018	0.021	0.039	0.036	0.056	0.056	0.025	0.027	0.032	0.043	0.028
48	0.072	0.035	0.059	0.042	0.034	0.022	0.022	0.015	0.015	0.020	0.014	0.034	0.049	0.026	0.047	0.053	0.025	0.027	0.032	0.043	0.028
49	0.069	0.031	0.036	0.034	0.025	0.027	0.021	0.012	0.029	0.014	0.010	0.020	0.016	0.021	0.043	0.014	0.025	0.027	0.032	0.043	0.028
50	0.047	0.024	0.027	0.030	0.026	0.016	0.023	0.016	0.021	0.014	0.011	0.011	0.015	0.021	0.039	0.014	0.025	0.027	0.032	0.043	0.028
51	0.055	0.021	0.031	0.028	0.024	0.019	0.013	0.012	0.012	0.014	0.012	0.010	0.013	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
52	0.047	0.014	0.021	0.015	0.021	0.012	0.010	0.008	0.018	0.012	0.008	0.011	0.012	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
53	0.038	0.023	0.020	0.016	0.012	0.013	0.011	0.011	0.010	0.013	0.008	0.010	0.005	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
54	0.032	0.026	0.014	0.011	0.010	0.008	0.008	0.008	0.010	0.012	0.009	0.008	0.005	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
55	0.044	0.024	0.020	0.012	0.013	0.011	0.007	0.009	0.007	0.012	0.011	0.007	0.005	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
56	0.020	0.023	0.014	0.009	0.006	0.011	0.007	0.009	0.007	0.017	0.011	0.006	0.005	0.009	0.011	0.014	0.025	0.027	0.032	0.043	0.028
57	0.029	0.014	0.011	0.012	0.006	0.008	0.009	0.010	0.007	0.011	0.012	0.006	0.005	0.009	0.011	0.024	0.025	0.027	0.032	0.043	0.028
58	0.031	0.018	0.014	0.007	0.008	0.010	0.007	0.008	0.010	0.011	0.048	0.006	0.005	0.009	0.023	0.021	0.025	0.027	0.032	0.043	0.028
59	0.157	0.108	0.124	0.110	0.090	0.091	0.083	0.077	0.074	0.088	0.084	0.081	0.114	0.099	0.105	0.098	0.064	0.080	0.174	0.043	0.028
60	0.077	0.083	0.045	0.036	0.016	0.019	0.161	0.023	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
61	0.266	0.338	0.347	0.296	0.191	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239	0.239
62	0.266	0.477	0.327	0.376	0.205	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216	0.216
>62	0.455	0.460	0.470	0.318	0.219	0.267	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241	0.241

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) the rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

* Includes separations from non-Selected Reserves with 20 or more good years, except for paid retirement.

Enlisted Non-Selected Reserve with 20 Good Years Non-Retirement Separation Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
37	0.165	0.174	0.144	0.274	0.172	0.057	0.112	0.066	0.039	0.086	0.031	0.072	0.044	0.069	0.062	0.194	0.052	0.069	0.122	0.185	0.130
38	0.175	0.123	0.144	0.246	0.113	0.057	0.168	0.066	0.039	0.086	0.031	0.072	0.044	0.069	0.062	0.194	0.052	0.069	0.122	0.185	0.130
39	0.182	0.104	0.103	0.090	0.055	0.057	0.110	0.111	0.082	0.086	0.031	0.072	0.044	0.069	0.062	0.194	0.052	0.069	0.122	0.185	0.130
40	0.175	0.072	0.050	0.095	0.071	0.049	0.052	0.068	0.054	0.050	0.031	0.072	0.044	0.069	0.062	0.215	0.052	0.069	0.122	0.185	0.130
41	0.103	0.070	0.047	0.094	0.051	0.044	0.031	0.034	0.027	0.043	0.033	0.041	0.044	0.062	0.062	0.174	0.052	0.069	0.122	0.185	0.130
42	0.099	0.062	0.044	0.066	0.042	0.038	0.034	0.030	0.037	0.046	0.036	0.036	0.044	0.054	0.062	0.038	0.052	0.069	0.122	0.185	0.130
43	0.101	0.051	0.034	0.056	0.036	0.023	0.029	0.040	0.035	0.030	0.020	0.036	0.043	0.050	0.062	0.038	0.052	0.069	0.122	0.185	0.130
44	0.078	0.040	0.033	0.047	0.031	0.024	0.032	0.047	0.036	0.029	0.020	0.032	0.033	0.042	0.064	0.038	0.052	0.069	0.122	0.185	0.130
45	0.054	0.032	0.037	0.045	0.024	0.027	0.036	0.024	0.028	0.026	0.019	0.026	0.026	0.043	0.064	0.038	0.052	0.069	0.122	0.185	0.130
46	0.047	0.025	0.027	0.043	0.021	0.016	0.023	0.027	0.014	0.014	0.026	0.034	0.022	0.053	0.065	0.080	0.052	0.069	0.122	0.185	0.130
47	0.049	0.023	0.035	0.037	0.025	0.026	0.024	0.024	0.013	0.022	0.010	0.035	0.019	0.029	0.057	0.028	0.052	0.069	0.122	0.185	0.130
48	0.048	0.020	0.034	0.038	0.019	0.019	0.028	0.014	0.010	0.017	0.012	0.017	0.020	0.062	0.047	0.028	0.052	0.069	0.122	0.185	0.130
49	0.053	0.016	0.031	0.033	0.021	0.015	0.028	0.021	0.018	0.014	0.017	0.018	0.024	0.045	0.040	0.028	0.052	0.069	0.122	0.185	0.130
50	0.033	0.016	0.031	0.028	0.016	0.015	0.020	0.018	0.018	0.016	0.020	0.019	0.020	0.045	0.034	0.028	0.052	0.069	0.122	0.185	0.130
51	0.038	0.021	0.025	0.029	0.019	0.016	0.024	0.022	0.019	0.014	0.023	0.020	0.014	0.027	0.016	0.028	0.052	0.069	0.122	0.185	0.130
52	0.044	0.017	0.027	0.030	0.018	0.014	0.017	0.020	0.010	0.010	0.012	0.017	0.020	0.031	0.016	0.052	0.052	0.069	0.122	0.185	0.130
53	0.042	0.022	0.025	0.027	0.012	0.011	0.023	0.020	0.015	0.022	0.021	0.014	0.013	0.034	0.016	0.022	0.052	0.069	0.122	0.185	0.130
54	0.048	0.019	0.021	0.032	0.017	0.012	0.014	0.016	0.014	0.013	0.020	0.019	0.016	0.023	0.016	0.022	0.052	0.069	0.122	0.185	0.130
55	0.046	0.024	0.022	0.027	0.016	0.014	0.015	0.022	0.010	0.019	0.023	0.021	0.027	0.022	0.016	0.022	0.052	0.069	0.122	0.185	0.130
56	0.044	0.024	0.023	0.030	0.016	0.009	0.013	0.019	0.014	0.012	0.023	0.025	0.025	0.029	0.016	0.022	0.052	0.069	0.122	0.185	0.130
57	0.033	0.026	0.022	0.024	0.015	0.012	0.014	0.022	0.007	0.022	0.026	0.019	0.024	0.027	0.029	0.038	0.052	0.069	0.122	0.185	0.130
58	0.030	0.035	0.028	0.027	0.018	0.010	0.013	0.018	0.012	0.015	0.031	0.013	0.026	0.026	0.066	0.091	0.052	0.069	0.122	0.185	0.130
59	0.145	0.133	0.120	0.120	0.096	0.083	0.099	0.098	0.107	0.093	0.076	0.130	0.093	0.143	0.102	0.143	0.109	0.069	0.122	0.185	0.130
60	0.077	0.065	0.059	0.048	0.022	0.021	0.039	0.034	0.029	0.030	0.025	0.028	0.035	0.046	0.233	0.074	0.100	0.100	0.100	0.100	0.100
61	0.314	0.358	0.209	0.263	0.184	0.176	0.352	0.415	0.456	0.365	0.365	0.365	0.365	0.365	0.365	0.365	0.365	0.365	0.365	0.365	0.365
62	0.396	0.392	0.415	0.349	0.242	0.215	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355	0.355
>62	0.437	0.521	0.419	0.477	0.221	0.121	0.253	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) the rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

* Includes separations from non-Selected Reserves with 20 or more good years, except for paid retirement.

Officer Selected Reserve Retirement Rates

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
59	0.203	0.220	0.243	0.264	0.281	0.296	0.308	0.317	0.323	0.327	0.328	0.326	0.321	0.313	0.303	0.289	0.273	0.254	0.233	0.208	0.181
60	0.473	0.570	0.605	0.631	0.653	0.672	0.690	0.706	0.721	0.735	0.749	0.762	0.774	0.785	0.797	0.807	0.818	0.828	0.838	0.848	0.857
61	0.139	0.159	0.202	0.226	0.240	0.249	0.252	0.253	0.250	0.246	0.239	0.231	0.222	0.211	0.200	0.187	0.174	0.160	0.145	0.130	0.114
62	0.081	0.126	0.178	0.217	0.251	0.281	0.308	0.332	0.355	0.377	0.397	0.416	0.435	0.453	0.470	0.486	0.502	0.518	0.533	0.547	0.561
>62	0.108	0.116	0.163	0.200	0.231	0.258	0.283	0.306	0.327	0.347	0.365	0.383	0.400	0.417	0.432	0.447	0.462	0.476	0.490	0.504	0.517

Enlisted Selected Reserve Retirement Rates

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
59	0.251	0.276	0.282	0.288	0.294	0.300	0.306	0.312	0.319	0.325	0.331	0.337	0.343	0.349	0.355	0.361	0.367	0.373	0.379	0.385	0.391
60	0.758	0.837	0.852	0.863	0.873	0.881	0.889	0.896	0.902	0.908	0.914	0.919	0.924	0.929	0.934	0.939	1.000	1.000	1.000	1.000	1.000
61	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443
62	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522
>62	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209	0.209

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) both rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

Officer Non-Selected Reserve with 20 Good Years Retirement Rates

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+	
59	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378	0.378
60	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935
61	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294
62	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192
>62	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121

Enlisted Non-Selected Reserve with 20 Good Years Retirement Rates

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+	
59	0.364	0.375	0.379	0.383	0.385	0.388	0.390	0.396	0.398	0.400	0.401	0.403	0.404	0.406	0.410	0.411	0.412	0.409	0.410	0.411	0.412	0.412
60	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921
61	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275
62	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
>62	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084

Note: Due to Section 647 of NDAA 2008 (P.L. 110-181) both rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

Enlisted Selected Reserve Column-Transfer Rates

Completed Years Of Total Active Federal Military Service

Table with columns for Age (Under 1 to >62) and Completed Years of Total Active Federal Military Service (1 to 20+). Each cell contains a numerical rate value.

Officer Selected Reserve New Entrant/Reentrant Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	27	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	63	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	75	3	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	122	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	162	12	12	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	153	20	42	11	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	156	23	52	42	21	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	179	29	45	53	69	23	5	1	1	1	0	0	0	0	0	0	0	0	0	0	0
28	203	43	41	56	97	53	12	5	2	2	1	0	0	0	0	0	0	0	0	0	0
29	222	39	35	54	83	73	52	15	5	2	3	1	1	0	0	0	0	0	0	0	0
30	213	47	33	56	81	64	66	54	15	5	5	3	1	0	0	0	0	0	0	0	0
31	177	50	33	54	77	43	48	70	52	36	7	3	3	1	1	0	0	0	0	0	0
32	153	55	26	56	77	43	42	50	81	115	26	3	3	3	2	0	0	0	0	0	0
33	134	46	24	52	72	41	35	42	61	142	87	20	5	3	1	1	2	0	0	0	0
34	136	48	28	52	68	35	39	34	47	89	60	14	5	5	5	1	1	1	0	0	0
35	123	50	25	42	57	39	37	37	43	65	66	79	51	9	6	2	0	1	0	0	0
36	95	37	16	32	43	33	33	33	39	53	46	65	56	27	16	2	1	1	1	1	0
37	84	30	17	21	32	23	25	25	32	35	44	44	37	29	44	7	2	1	0	0	0
38	57	26	10	20	26	16	21	20	23	24	30	42	32	18	37	15	5	2	1	0	0
39	54	18	8	23	27	17	18	17	21	20	26	34	26	17	21	14	9	3	0	0	0
40	52	16	3	18	20	17	18	16	15	16	20	28	21	14	10	11	5	2	0	0	1
41	34	19	7	17	23	15	16	17	17	16	21	25	18	15	12	6	2	3	1	1	0
42	35	11	7	11	24	17	11	15	14	14	14	18	14	12	8	8	3	1	1	1	1
43	27	8	8	14	15	16	11	10	11	11	11	15	15	9	10	3	2	2	1	1	1
44	21	10	6	15	15	10	11	11	9	8	11	14	9	7	9	5	1	1	0	0	1
45	25	10	6	11	15	8	7	7	10	10	7	10	9	7	7	3	3	1	0	1	1
46	20	8	5	10	14	8	10	7	8	6	7	6	8	7	3	3	2	1	1	0	0
47	19	8	8	8	11	7	6	6	3	5	5	6	3	2	5	2	1	0	1	0	0
48	16	7	5	9	8	6	5	6	5	3	1	5	3	2	3	1	1	0	1	1	1
49	16	8	6	9	7	5	2	2	3	5	5	3	5	2	1	1	2	1	0	0	1
50	14	6	5	7	7	3	3	5	5	3	3	3	2	3	1	2	0	1	1	0	0
51	10	5	5	6	6	5	2	2	3	2	1	2	2	2	1	2	1	0	1	0	1
52	9	5	5	5	3	3	2	2	2	2	2	2	1	1	1	1	1	1	0	0	0
53	8	3	5	3	5	2	2	3	1	1	1	2	1	0	1	1	0	0	1	1	0
54	7	2	1	2	2	2	2	1	1	1	1	1	0	1	1	0	0	0	0	0	0
55	6	2	0	2	1	1	1	1	2	0	0	0	0	0	1	0	0	0	0	0	0
56	3	1	1	2	1	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0
57	2	1	0	1	1	0	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0
58	5	1	1	2	1	1	1	1	0	0	1	0	1	1	0	0	0	0	0	0	0

* Rates per 100,000 reservists in the new entrant/reentrant distribution.

Enlisted Selected Reserve New Entrant/Reentrant Rates *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	10,929	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	9,492	21	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	5,812	55	32	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	3,291	115	520	489	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	1,840	145	688	1,270	484	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	1,353	159	454	1,403	1,608	69	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	1,074	153	389	1,100	1,976	300	56	2	0	0	0	0	0	0	0	0	0	0	0	0	0
25	1,007	169	355	832	1,517	434	314	28	3	0	0	0	0	0	0	0	0	0	0	0	0
26	951	172	316	683	1,177	375	476	239	26	1	0	0	0	0	0	0	0	0	0	0	0
27	841	173	265	571	984	301	417	406	178	22	1	0	0	0	0	0	0	0	0	0	0
28	759	154	212	509	783	233	318	328	265	138	45	3	0	0	0	0	0	0	0	0	0
29	697	151	174	406	645	201	248	260	206	235	188	16	2	0	0	0	0	0	0	0	0
30	585	126	150	322	521	173	193	197	158	190	260	73	10	1	0	0	0	0	0	0	0
31	502	99	112	291	412	146	171	155	135	151	215	108	53	11	2	0	0	0	0	0	0
32	433	99	105	239	354	130	136	135	110	116	159	86	74	49	9	2	0	0	0	0	0
33	400	89	94	213	286	106	117	111	95	93	141	67	72	61	37	22	2	0	0	0	0
34	369	76	88	191	242	90	107	98	94	98	111	67	60	57	47	68	4	1	0	0	0
35	362	75	71	183	220	76	94	92	83	86	111	65	60	46	50	78	12	2	1	0	0
36	309	66	62	156	185	72	72	72	67	69	98	63	55	44	44	56	12	5	1	0	0
37	240	61	55	141	169	56	70	64	53	60	79	45	52	40	35	40	11	5	2	1	0
38	197	61	40	125	126	46	57	46	48	43	58	45	34	37	33	30	12	6	0	0	0
39	165	39	33	101	105	41	39	37	35	30	42	33	35	30	26	27	7	4	3	0	0
40	131	35	27	85	91	37	38	26	31	26	32	24	24	24	24	27	12	5	3	2	1
41	115	34	25	71	78	24	31	23	24	24	29	22	19	18	20	18	7	6	2	1	2
42	93	28	25	61	64	23	27	24	20	17	21	14	13	15	12	14	6	4	2	1	1
43	81	23	22	55	53	21	23	19	15	14	18	12	14	12	8	10	6	4	1	3	1
44	57	21	23	40	42	17	18	14	13	14	13	10	9	6	8	8	6	3	1	1	2
45	46	21	21	37	35	13	15	11	10	7	12	11	9	7	8	8	7	4	1	1	0
46	35	16	17	27	28	11	12	8	8	7	6	6	6	4	5	5	3	3	0	0	2
47	33	15	16	19	20	6	9	5	7	6	6	6	6	4	3	6	3	2	2	1	0
48	27	14	15	16	20	7	7	7	5	5	4	3	5	3	2	2	2	1	1	0	0
49	22	13	16	13	12	7	6	4	5	5	3	4	4	4	3	3	2	2	1	1	0
50	18	11	14	16	14	6	4	5	6	4	3	2	6	2	1	4	1	1	1	0	1
51	12	11	12	17	11	5	3	3	4	2	3	2	2	1	2	1	1	1	0	0	0
52	9	9	11	12	11	5	4	3	2	1	2	2	2	2	1	0	1	0	1	1	1
53	6	6	9	9	9	3	2	2	2	1	3	1	2	1	1	1	0	2	0	0	0
54	9	3	7	8	5	2	1	1	1	1	2	1	1	1	1	1	0	0	0	0	0
55	3	2	5	7	4	1	1	1	1	1	1	1	0	1	1	1	1	0	0	0	0
56	4	2	3	3	3	1	1	1	1	1	1	0	0	1	1	0	0	1	0	0	1
57	3	1	1	3	3	2	1	0	1	0	0	1	1	0	0	0	0	1	0	0	0
58	5	2	5	5	5	1	2	1	0	0	0	1	0	0	1	2	0	1	1	0	1

* Rates per 100,000 reservists in the new entrant/reentrant distribution.

Officer Selected Reserve Timing Table

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	3	3	3	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	3	3	4	4	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	4	4	4	5	5	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	4	4	5	5	6	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	5	6	5	6	7	7	7	8	0	0	0	0	0	0	0	0	0	0	0	0	0
25	5	6	5	6	6	7	7	8	9	0	0	0	0	0	0	0	0	0	0	0	0
26	6	7	6	7	7	7	8	8	9	10	0	0	0	0	0	0	0	0	0	0	0
27	6	8	7	8	8	7	8	9	10	11	0	0	0	0	0	0	0	0	0	0	0
28	7	9	8	9	8	8	9	9	10	10	11	12	0	0	0	0	0	0	0	0	0
29	8	10	9	10	9	9	10	10	11	11	11	12	13	0	0	0	0	0	0	0	0
30	9	11	10	10	9	9	10	10	11	11	11	13	14	0	0	0	0	0	0	0	0
31	9	12	11	10	10	10	11	10	11	11	11	13	14	15	0	0	0	0	0	0	0
32	10	12	11	11	11	11	11	11	11	11	12	13	14	15	16	0	0	0	0	0	0
33	10	13	12	11	12	11	12	12	12	12	12	14	15	16	16	15	0	0	0	0	0
34	11	14	13	12	13	12	13	13	12	12	13	14	15	16	16	16	16	16	0	0	0
35	12	14	14	13	14	13	14	13	14	13	14	15	16	17	17	17	17	17	17	0	0
36	13	15	14	13	14	14	14	14	14	13	14	14	15	16	16	17	17	17	18	18	0
37	14	16	16	15	15	15	15	14	15	14	14	15	15	16	16	17	17	18	18	19	19
38	13	16	16	15	15	15	15	16	16	15	15	16	16	17	17	18	18	19	19	20	20
39	14	16	16	16	16	16	16	17	17	17	16	16	17	17	18	19	19	20	20	21	21
40	14	16	17	17	18	18	17	17	17	17	18	17	17	17	18	18	19	20	20	21	21
41	15	17	18	17	19	18	19	18	19	17	18	18	19	19	18	20	20	21	21	21	22
42	16	17	18	20	20	19	18	18	20	19	18	19	20	20	19	20	21	21	22	22	22
43	14	16	20	18	21	20	21	19	19	20	20	20	20	20	21	20	22	22	22	23	23
44	16	19	19	21	20	20	21	21	21	21	21	20	21	21	21	21	22	23	23	23	24
45	15	19	21	23	21	22	21	23	21	20	22	21	21	22	22	21	23	24	24	24	25
46	17	20	23	23	22	23	23	22	22	22	21	19	21	22	23	24	24	24	25	25	25
47	17	21	25	25	23	22	22	22	25	20	22	22	24	23	24	25	25	25	26	26	26
48	18	25	23	23	24	22	24	23	24	24	24	24	24	24	25	26	26	26	27	27	27
49	18	26	27	24	26	26	26	24	25	25	25	25	25	24	26	27	27	27	28	28	28
50	19	27	28	28	29	26	26	24	26	27	27	27	27	25	26	28	27	28	28	29	29
51	18	28	27	27	29	27	27	28	26	28	28	28	28	26	27	29	28	29	29	30	30
52	21	29	30	29	30	28	28	32	27	29	29	29	27	28	28	30	29	30	30	31	31
53	19	30	31	29	30	29	29	30	28	30	30	30	30	29	30	31	30	30	31	31	31
54	19	30	32	31	31	30	30	31	29	31	31	31	31	30	31	32	31	31	32	32	32
55	19	31	32	32	32	30	30	31	30	32	32	32	32	31	32	33	32	32	33	33	33
56	22	31	33	33	33	31	31	32	31	33	33	33	33	32	34	35	33	33	34	34	34
57	22	31	34	33	33	32	32	32	32	35	35	35	35	34	35	36	34	34	35	35	35
58	22	31	34	34	34	33	33	33	33	36	36	36	36	35	37	38	35	35	36	36	36

Enlisted Selected Reserve Timing Table

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	1	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	1	3	3	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	2	3	4	4	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	2	4	4	5	5	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	3	5	4	5	6	6	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	4	5	5	6	7	7	8	7	8	0	0	0	0	0	0	0	0	0	0	0	0
25	5	6	6	6	6	7	8	8	9	0	0	0	0	0	0	0	0	0	0	0	0
26	6	7	7	6	7	7	8	9	9	10	0	0	0	0	0	0	0	0	0	0	0
27	6	8	7	8	8	8	9	9	10	10	11	0	0	0	0	0	0	0	0	0	0
28	7	8	8	8	9	9	9	9	10	11	11	12	0	0	0	0	0	0	0	0	0
29	8	10	9	9	10	10	10	10	10	11	12	12	13	0	0	0	0	0	0	0	0
30	9	10	10	10	10	10	10	11	11	11	12	13	13	14	0	0	0	0	0	0	0
31	10	11	11	11	11	11	11	11	12	12	12	13	14	14	15	0	0	0	0	0	0
32	10	12	12	12	12	12	12	12	12	12	13	13	14	15	15	16	0	0	0	0	0
33	11	13	13	13	13	13	13	13	13	13	14	14	15	15	16	16	17	0	0	0	0
34	12	14	14	14	14	14	14	14	14	14	14	15	15	15	16	17	17	18	0	0	0
35	13	15	14	15	14	14	14	15	15	15	15	16	16	16	17	17	18	18	19	0	0
36	14	16	15	16	15	15	15	15	16	16	16	16	17	17	17	17	18	18	19	20	0
37	15	16	16	17	17	16	16	17	16	17	16	17	17	18	18	17	19	18	20	20	21
38	16	17	16	17	17	17	17	17	17	17	16	18	18	18	18	18	19	20	20	20	21
39	17	18	18	19	18	18	18	18	18	18	17	18	19	19	20	18	20	20	21	21	21
40	17	18	19	20	19	19	19	19	19	19	18	19	20	20	20	20	21	21	21	21	21
41	18	20	21	21	20	20	20	20	19	19	19	20	20	20	20	20	21	21	21	21	21
42	18	21	21	21	21	21	20	20	21	22	20	19	20	21	21	21	22	22	22	22	22
43	19	21	23	23	22	22	23	21	21	21	20	20	21	21	22	21	23	24	23	23	23
44	20	22	24	24	24	23	24	24	22	23	21	22	22	22	22	24	24	24	24	24	24
45	21	23	24	25	24	24	24	24	24	24	21	23	21	23	22	23	23	24	25	25	25
46	21	23	26	25	26	25	25	24	25	24	24	24	21	24	21	23	24	25	26	26	26
47	22	24	27	26	26	25	25	28	26	26	24	25	24	23	26	24	26	27	27	27	27
48	23	25	28	27	27	25	26	28	27	27	27	26	26	25	25	25	26	27	28	28	28
49	24	27	29	29	29	27	28	27	28	28	28	29	28	26	26	26	26	28	29	29	29
50	25	28	29	30	29	28	26	30	30	30	30	30	30	27	27	27	27	29	30	30	30
51	25	27	30	31	31	30	31	31	31	31	31	31	31	29	29	29	29	30	31	31	31
52	27	29	31	31	32	31	32	31	31	31	31	31	31	30	30	30	30	31	31	31	31
53	26	30	32	33	33	33	33	32	32	32	32	32	32	31	31	31	31	32	33	33	33
54	26	30	31	33	34	34	34	33	33	33	33	33	33	33	33	33	33	33	34	34	34
55	22	28	34	35	35	35	35	34	34	34	34	34	34	34	34	34	34	34	35	35	35
56	27	32	34	33	36	36	36	35	35	35	35	35	35	35	35	35	35	36	36	36	36
57	29	33	35	37	37	37	37	36	36	36	36	36	36	36	36	36	36	37	37	37	37
58	27	33	36	34	38	38	38	37	37	37	37	37	37	37	37	37	37	38	38	38	38

Officer Selected Reserve Promotion and Merit Basic Pay Increase Scales

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+	
16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
19	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21	1.039	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22	1.014	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23	1.010	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	1.053	1.068	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25	1.068	1.054	1.036	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
26	1.049	1.019	1.024	1.036	1.103	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	1.040	1.049	1.010	1.031	1.030	1.081	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	1.041	1.040	1.028	1.036	1.025	1.030	1.150	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	1.044	1.051	1.057	1.050	1.020	1.018	1.039	1.152	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	1.049	1.064	1.054	1.038	1.034	1.016	1.019	1.023	1.139	1.118	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	1.041	1.043	1.036	1.042	1.030	1.035	1.021	1.029	1.043	1.063	1.083	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
32	1.038	1.042	1.038	1.021	1.030	1.036	1.032	1.033	1.041	1.023	1.041	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
33	1.028	1.034	1.032	1.031	1.037	1.036	1.041	1.042	1.028	1.029	1.035	1.129	1.077	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000
34	1.024	1.029	1.033	1.035	1.026	1.025	1.030	1.025	1.033	1.027	1.024	1.036	1.070	1.054	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000
35	1.020	1.031	1.047	1.041	1.040	1.031	1.033	1.038	1.039	1.041	1.038	1.038	1.059	1.062	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
36	1.025	1.028	1.031	1.040	1.040	1.031	1.035	1.034	1.026	1.026	1.030	1.038	1.029	1.054	1.132	1.000	1.000	1.000	1.000	1.000	0.000	0.000
37	1.015	1.024	1.024	1.031	1.034	1.028	1.025	1.030	1.023	1.029	1.022	1.024	1.021	1.032	1.018	1.194	1.000	1.000	1.000	1.000	1.000	0.000
38	1.017	1.017	1.018	1.019	1.031	1.029	1.032	1.033	1.016	1.023	1.019	1.016	1.031	1.009	1.017	1.133	1.033	1.033	1.031	1.031	0.984	1.000
39	1.007	1.019	1.019	1.013	1.024	1.022	1.025	1.026	1.024	1.020	1.033	1.018	1.019	1.030	1.010	1.018	1.018	1.046	1.046	1.046	1.046	1.000
40	1.015	1.007	1.017	1.022	1.016	1.025	1.019	1.025	1.021	1.024	1.018	1.025	1.023	1.029	1.027	1.016	1.002	1.038	1.038	1.038	1.038	1.000
41	1.013	1.019	1.020	1.018	1.017	1.020	1.019	1.024	1.024	1.013	1.017	1.024	1.030	1.027	1.030	1.031	1.040	1.038	1.038	1.038	1.038	1.000
42	1.012	1.019	1.017	1.018	1.026	1.030	1.019	1.025	1.021	1.029	1.020	1.028	1.017	1.020	1.028	1.017	1.028	1.028	1.028	1.028	1.028	1.038
43	1.009	1.026	1.031	1.025	1.020	1.030	1.027	1.018	1.021	1.024	1.028	1.020	1.033	1.027	1.024	1.013	1.030	1.001	0.981	0.981	0.981	1.030
44	1.015	1.023	1.018	1.018	1.018	1.024	1.028	1.022	1.020	1.014	1.013	1.023	1.021	1.025	1.018	1.025	1.033	1.025	1.047	1.047	1.046	1.046
45	1.016	1.015	1.014	1.031	1.015	1.014	1.029	1.024	1.019	1.011	1.017	1.001	1.016	1.007	1.011	1.005	1.013	1.025	1.042	1.042	1.042	1.035
46	1.021	1.023	1.025	1.020	1.021	1.016	1.017	1.027	1.027	1.028	1.024	1.016	1.008	1.018	1.010	1.018	1.009	1.032	0.993	0.993	0.993	0.994
47	1.022	1.028	1.023	1.021	1.023	1.013	1.039	1.026	1.019	1.015	1.019	1.022	1.019	1.024	1.019	1.033	1.014	1.010	1.019	1.019	1.019	1.019
48	1.021	1.024	1.036	1.018	1.017	1.017	1.017	1.024	1.015	1.026	1.015	1.028	1.003	1.002	1.014	1.007	1.010	1.033	1.031	1.031	1.031	1.031
49	1.023	1.025	1.012	1.023	1.016	1.023	1.016	1.009	1.020	1.022	1.037	1.037	1.018	1.024	0.999	1.017	1.041	0.983	1.070	1.070	1.070	1.070
50	1.016	1.005	1.012	1.017	1.010	1.003	1.016	1.021	1.011	1.015	1.025	1.029	1.046	1.040	1.032	1.011	1.015	1.024	0.990	0.990	0.990	0.990
51	0.998	1.007	1.018	1.013	1.010	1.008	1.021	1.011	1.009	1.000	1.013	1.023	1.014	1.022	1.017	1.022	1.009	0.987	1.022	1.022	1.022	1.022
52	1.013	1.001	1.005	1.009	1.011	1.015	0.993	1.000	1.013	1.048	0.996	1.017	1.029	1.017	1.044	1.028	1.027	1.044	1.047	1.047	1.047	1.047
53	0.994	1.021	1.005	0.999	1.004	1.008	1.001	1.011	1.004	1.001	1.017	0.972	1.013	1.020	1.065	0.990	1.001	1.065	0.990	0.990	0.990	0.990
54	0.994	1.013	0.994	1.011	0.997	1.002	1.018	1.002	1.033	1.001	0.980	1.027	0.994	0.989	1.002	1.038	1.009	0.977	0.977	0.977	0.977	0.977
55	1.013	0.996	1.011	0.981	0.998	0.980	1.001	0.950	0.994	0.996	1.019	1.011	0.987	1.011	0.995	1.040	1.062	1.062	1.062	1.062	1.062	1.062
56	0.994	1.002	1.022	1.015	1.019	0.995	1.020	0.973	1.005	1.028	0.982	1.002	0.949	1.047	0.999	0.999	0.999	0.999	0.999	0.999	0.999	0.999
57	1.014	1.011	1.010	1.006	0.995	1.012	0.992	1.049	0.950	1.001	1.056	1.014	1.016	0.920	1.004	1.004	1.004	1.004	1.004	1.004	1.004	1.004
58	1.023	1.011	0.995	1.006	0.984	1.009	0.994	0.993	1.040	0.968	0.989	1.006	1.016	1.039	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980
59	0.982	1.026	1.010	1.007	1.028	1.005	1.002	0.960	0.975	1.066	1.005	0.969	1.041	0.992	0.992	0.992	0.992	0.992	0.992	0.992	0.992	0.992
60	1.040	1.054	1.055	1.048	1.051	1.030	0.989	1.068	1.003	0.921	0.951	0.951	0.951	0.951	0.951	0.951	0.951	0.951	0.951	0.951	0.951	0.951
61	1.043	1.024	1.015	1.011	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
62	1.024	0.978	1.022	1.035	1.062	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056

Note: The number that appears in the column marked 'under 1' and the row marked '62' is the ratio of average basic pay at age 63 and above to basic pay at 62 for a member with less than a completed year of active duty service.

Enlisted Selected Reserve Promotion and Merit Basic Pay Increase Scales

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17	1.042	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18	1.120	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
19	1.079	1.077	1.044	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20	1.063	1.060	1.065	1.289	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21	1.051	1.043	1.024	1.041	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22	1.038	1.030	1.025	1.017	1.007	1.076	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23	1.030	1.031	1.020	1.017	1.012	1.028	1.127	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	1.030	1.030	1.027	1.021	1.019	1.019	1.022	1.067	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25	1.030	1.040	1.025	1.024	1.022	1.019	1.017	1.038	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
26	1.028	1.052	1.030	1.027	1.024	1.027	1.018	1.013	1.047	1.140	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	1.030	1.048	1.034	1.029	1.030	1.026	1.021	1.014	1.011	1.039	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	1.030	1.042	1.039	1.035	1.032	1.033	1.028	1.020	1.018	1.013	1.038	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	1.030	1.038	1.042	1.037	1.032	1.031	1.024	1.019	1.023	1.017	1.027	1.071	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	1.026	1.039	1.039	1.035	1.034	1.031	1.026	1.018	1.021	1.011	1.022	1.012	1.081	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	1.022	1.034	1.032	1.032	1.030	1.029	1.028	1.024	1.023	1.020	1.025	1.022	1.002	1.053	1.000	0.000	0.000	0.000	0.000	0.000	0.000
32	1.021	1.024	1.028	1.029	1.031	1.031	1.025	1.022	1.018	1.019	1.020	1.001	0.999	1.015	1.004	1.000	0.000	0.000	0.000	0.000	0.000
33	1.020	1.021	1.022	1.027	1.026	1.025	1.027	1.032	1.023	1.017	1.021	1.015	1.010	1.010	1.007	1.007	0.000	0.000	0.000	0.000	0.000
34	1.018	1.023	1.025	1.018	1.026	1.030	1.024	1.023	1.031	1.021	1.021	1.011	1.021	1.012	1.005	1.016	0.988	1.000	0.000	0.000	0.000
35	1.017	1.022	1.025	1.015	1.028	1.023	1.027	1.032	1.028	1.016	1.022	1.015	1.010	1.024	1.016	1.018	1.019	1.000	0.000	0.000	0.000
36	1.013	1.017	1.013	1.013	1.017	1.025	1.021	1.025	1.031	1.020	1.018	1.023	1.016	1.012	1.032	1.017	1.021	1.009	1.173	1.000	0.000
37	1.016	1.008	1.022	1.016	1.016	1.023	1.019	1.023	1.020	1.018	1.019	1.010	1.016	1.009	1.000	1.028	0.995	1.028	1.038	1.000	1.000
38	1.016	1.012	1.014	1.012	1.014	1.019	1.017	1.014	1.015	1.020	1.018	1.013	1.005	1.012	1.017	1.041	0.988	0.971	1.183	1.000	1.000
39	1.011	1.011	1.026	1.019	1.015	1.022	1.008	1.022	1.013	1.018	1.014	1.014	1.005	1.004	1.010	1.015	1.007	1.000	1.000	1.000	1.000
40	1.013	1.012	1.016	1.022	1.022	1.026	1.017	1.023	1.007	1.011	1.021	1.011	1.003	1.004	1.005	1.017	1.001	1.017	1.017	1.000	1.000
41	1.013	1.011	1.013	1.020	1.018	1.015	1.021	1.005	1.010	1.019	1.005	1.018	1.007	1.003	0.998	1.009	1.007	1.004	1.004	1.004	1.000
42	1.017	1.007	1.012	1.009	1.022	1.022	1.016	1.020	1.020	1.012	1.022	1.015	1.015	1.000	1.017	0.996	0.982	1.002	1.002	1.002	1.008
43	1.026	1.009	1.008	1.017	1.015	1.013	1.021	1.018	1.026	1.024	1.018	1.013	1.005	1.022	1.009	0.996	1.007	1.015	1.015	1.015	1.015
44	1.048	1.021	1.025	1.023	1.014	1.018	1.018	1.030	1.016	1.029	1.026	1.026	1.029	1.000	0.996	1.001	1.009	0.991	0.991	0.991	0.991
45	1.029	1.029	1.026	1.025	1.013	1.017	1.011	1.011	1.031	1.027	1.024	1.025	1.029	1.034	1.010	1.023	1.005	1.030	1.030	1.030	1.030
46	1.035	1.024	1.031	1.028	1.018	1.022	1.010	1.007	1.015	1.010	1.033	1.017	1.027	1.009	1.022	1.017	1.029	0.989	0.989	0.989	0.989
47	1.027	1.017	1.024	1.019	1.025	1.019	1.028	1.013	1.024	1.019	1.030	1.031	1.016	1.013	0.999	1.012	1.000	1.015	1.015	1.015	1.015
48	1.018	1.011	1.009	1.024	1.014	1.037	1.014	1.024	1.014	1.010	1.004	1.014	1.014	1.010	1.037	0.986	0.997	1.042	1.042	1.042	1.042
49	1.021	1.006	1.007	1.011	1.016	1.020	1.038	1.025	1.006	1.022	1.023	1.011	1.011	1.034	1.054	1.035	1.017	0.976	0.976	0.976	0.976
50	1.009	1.013	1.005	1.015	1.015	1.018	1.024	1.026	1.026	1.014	0.994	1.002	1.026	1.025	0.989	1.031	1.022	0.982	0.982	0.982	0.982
51	1.018	1.011	1.003	1.006	1.011	1.018	1.033	1.015	1.003	1.043	1.004	1.000	0.997	1.006	0.996	1.010	1.034	1.047	1.047	1.047	1.047
52	1.016	1.004	1.009	1.011	1.007	1.006	1.028	1.012	1.009	1.015	1.008	0.988	1.011	1.042	1.042	1.029	1.017	1.017	1.017	1.017	1.017
53	1.003	1.006	1.017	1.007	1.002	1.002	1.021	1.021	1.003	0.995	1.014	1.028	1.025	1.012	1.040	1.032	1.033	1.033	1.033	1.033	1.033
54	1.007	0.989	1.010	1.001	0.993	0.994	1.009	1.009	1.013	1.029	0.996	1.006	1.035	1.039	0.992	1.003	1.015	1.015	1.015	1.015	1.015
55	0.987	1.002	1.002	0.998	0.993	0.985	0.991	1.005	0.987	1.000	1.011	1.018	1.018	1.064	1.030	0.975	1.046	1.046	1.046	1.046	1.046
56	1.007	1.002	0.996	1.005	1.002	1.002	1.003	0.989	0.993	1.016	0.998	1.031	0.999	0.982	0.921	1.017	0.934	0.934	0.934	0.934	0.934
57	1.015	1.012	1.012	0.999	1.020	0.995	1.012	1.032	1.047	0.993	1.080	0.986	1.019	1.042	1.029	1.029	1.029	1.029	1.029	1.029	1.029
58	0.995	1.004	1.009	1.019	1.012	1.009	0.999	1.003	1.002	1.032	0.985	1.010	1.019	0.974	1.086	1.086	1.086	1.086	1.086	1.086	1.086
59	0.997	0.989	0.985	0.979	0.990	0.993	1.028	1.009	1.018	0.979	0.978	1.001	1.104	1.025	0.939	0.939	0.939	0.939	0.939	0.939	0.939
60	0.862	0.899	0.846	0.868	0.850	0.853	0.863	0.963	0.902	0.700	0.779	0.800	0.754	0.851	0.851	0.851	0.851	0.851	0.851	0.851	0.851
61	1.034	0.974	1.024	1.020	1.024	0.959	0.861	0.815	0.876	1.148	1.020	0.994	0.994	0.994	0.994	0.994	0.994	0.994	0.994	0.994	0.994
62	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885	0.885

Note: The number that appears in the column marked 'under 1' and the row marked '62' is the ratio of average basic pay at age 63 and above to basic pay at 62 for a member with less than a completed year of active duty service.

APPENDIX I

RETIREE AND SURVIVOR RATES

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RETIREE AND SURVIVOR RATES DESCRIPTION

The military retiree decrement rates are used to estimate death, “other” losses from retired pay status, and rates of transfer from temporary disability to permanent disability. The “other” losses consist primarily of returns to active duty and full waiver of retired pay to receive a higher annuity from the Veterans Affairs or Civil Service. In order to compute the normal cost contributions with and without regard to Concurrent Receipt benefits (Public Law 108-136), DoD- and Treasury-specific “other” loss rates, among others, are used to calculate the appropriate amounts. These rates were developed by age nearest birthday for officers and enlistees separately, and were further subdivided by three types of retirement: nondisability, temporary disability, and permanent disability. For temporary disability retirees, select rates were created for each of the first five years of retirement. After five years, those who are still in the temporary disability status are transferred to a permanent disability status.

The data for the rates were taken from the Defense Manpower Data Center Retiree and Survivor Files as of September 30 for the years 2000 through 2008. These files were created by the Finance Centers of the military services (now consolidated under the Defense Finance and Accounting Service), which have responsibility for sending monthly retired pay checks to military retirees. A military retiree can be in “paid status” or “nonpaid status.” Nonpaid status indicates that a retiree has an entitlement to an annuity, but the annuity is fully reduced by offsets. Retirees who terminate from paid status during a fiscal year are on the retiree file at the end of that fiscal year with a termination code indicating the type of termination.

The rate development process began by matching two consecutive fiscal year-end files by Social Security number. Cases no longer in paid status were categorized by type of loss. Cases returned to paid status (from non-paid status at the start of the year) were subtracted from a given type of loss. After following the above procedures, crude rates were created using the formulas given on pages I-3 and I-4. These were smoothed using a Whittaker-Henderson type B (“Method B”) graduation, or by fitting a polynomial to the crude rates. Where there was reason to suspect valid discontinuities in the underlying rates, those segments were not smoothed. A summary of the years on which various rates are based is given on page I-5.

Retiree and survivor rates are shown on pages I-6 through I-18.

RETIREE AND SURVIVOR DECREMENT RATE FORMULAS

NONDISABILITY RETIRED DEATH (by age nearest birthday and retired from active/reserve duty)

$$\frac{\text{Nondisability deaths}}{\text{[Number at beginning of year} - \frac{1}{2}(\text{Nondisability deaths} + \text{other losses})]}$$

PERMANENT DISABILITY RETIRED DEATH (by age nearest birthday)

$$\frac{\text{Permanent disability deaths}}{\text{[Number at beginning of year} - \frac{1}{2}(\text{Permanent disability deaths} + \text{other losses})]}$$

TEMPORARY DISABILITY RETIRED DEATH (by age nearest birthday and years retired)

$$\frac{\text{Temporary disability deaths in category}^1}{\text{[Number at beginning of year} - \frac{1}{2}(\text{Deaths} + \text{transfers} + \text{other losses})]}$$

OTHER LOSSES FROM NONDISABILITY (by age nearest birthday and retired from active/reserve duty)

$$\frac{\text{Losses other than death}}{\text{Number at beginning of year}}$$

OTHER AND NON-TRANSFER LOSSES FROM TEMPORARY DISABILITY (by age nearest birthday and years retired)

$$\frac{\text{Losses other than death or transfers to permanent}}{\text{Number at beginning of year}}$$

TRANSFER FROM TEMPORARY TO PERMANENT DISABILITY (by age nearest birthday and years retired)

$$\frac{\text{Transfers to permanent}}{\text{Number at beginning of year}}$$

OTHER LOSSES FROM PERMANENT DISABILITY (by age nearest birthday)

$$\frac{\text{Losses other than death}}{\text{Number at beginning of year}}$$

¹ Includes deaths of members who were temporarily disabled at the beginning of the year, then transferred to permanent disability, and later died before the end of the year.

**RETIREE AND SURVIVOR DECREMENT RATE FORMULAS
(cont.)**

RETIREE DIVORCE (weighted by coverage amount, by age nearest birthday)

Net retiree divorces
Number at beginning of year

SURVIVING SPOUSE REMARRIAGE (by age nearest birthday)

Surviving spouse remarriages
Number at beginning of year

SURVIVING CHILD TERMINATION (by age nearest birthday)

Child terminations
Number at beginning of year

SURVIVING SPOUSE DEATH (by age nearest birthday)

Survivor deaths
Number at beginning of year

SURVIVING SPOUSE OTHER LOSS (by age nearest birthday)

Survivor losses other than deaths
Number at beginning of year

SUMMARY OF YEARS ON WHICH RETIREE AND SURVIVOR RATES ARE BASED

	By Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	
<u>DEATH RATES</u>										
ND Officers					X	X				
ND Enlistees					X	X				
PD Officers							X	X	X	
PD Enlistees							X	X	X	
TD Officers	X	X	X	X	X	X				
TD Enlistees	X	X	X	X	X	X				
<u>OTHER LOSS RATES</u>										
ND Officers					X	X				
ND Enlistees					X	X				
PD Officers							X	X	X	
PD Enlistees							X	X	X	
TD Officers	X	X	X	X	X	X				
TD Enlistees	X	X	X	X	X	X				
<u>TRANSFER RATES</u>										
<u>FROM TD TO PD</u>										
Officers	X	X	X	X	X	X				
Enlistees	X	X	X	X	X	X				
<u>RETIREE DIVORCE</u>	X	X	X	X	X					
<u>SURVIVOR RATES</u>										
Remarriage					X	X	X	X	X	
Child Termination					X	X	X	X	X	
Survivor Death					X	X	X	X	X	
Survivor Other Loss					X	X	X	X	X	

Key: ND = Nondisabled
 PD = Permanently Disabled
 TD = Temporarily Disabled

OFFICER RETIRED DEATH RATES

(Age Nearest Birthday)

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
16	0.00000	0.00000	0.00533	0.02302	0.01162	0.00595	0.00232	0.00234
17	0.00000	0.00000	0.00533	0.02145	0.01083	0.00554	0.00216	0.00218
18	0.00000	0.00000	0.00533	0.01999	0.01009	0.00516	0.00201	0.00203
19	0.00000	0.00000	0.00533	0.01863	0.00940	0.00481	0.00187	0.00189
20	0.00000	0.00000	0.00533	0.01735	0.00876	0.00448	0.00175	0.00176
21	0.00000	0.00000	0.00533	0.01621	0.00818	0.00419	0.00163	0.00165
22	0.00000	0.00000	0.00533	0.01521	0.00768	0.00393	0.00153	0.00154
23	0.00000	0.00000	0.00533	0.01434	0.00724	0.00370	0.00144	0.00146
24	0.00000	0.00000	0.00533	0.01360	0.00687	0.00351	0.00137	0.00138
25	0.00000	0.00000	0.00533	0.01302	0.00657	0.00336	0.00131	0.00132
26	0.00000	0.00000	0.00533	0.01258	0.00635	0.00325	0.00127	0.00128
27	0.00000	0.00000	0.00533	0.01230	0.00621	0.00318	0.00124	0.00125
28	0.00000	0.00000	0.00533	0.01218	0.00615	0.00315	0.00123	0.00124
29	0.00000	0.00000	0.00533	0.01223	0.00617	0.00316	0.00123	0.00124
30	0.00029	0.00042	0.00533	0.01245	0.00628	0.00322	0.00125	0.00126
31	0.00030	0.00043	0.00533	0.01285	0.00648	0.00332	0.00129	0.00130
32	0.00031	0.00044	0.00533	0.01343	0.00678	0.00347	0.00135	0.00136
33	0.00031	0.00045	0.00533	0.01420	0.00717	0.00367	0.00143	0.00144
34	0.00031	0.00045	0.00533	0.01517	0.00766	0.00392	0.00153	0.00154
35	0.00031	0.00045	0.00533	0.01635	0.00825	0.00422	0.00164	0.00166
36	0.00031	0.00046	0.00533	0.01774	0.00895	0.00458	0.00178	0.00180
37	0.00033	0.00047	0.00533	0.01935	0.00977	0.00500	0.00195	0.00197
38	0.00033	0.00049	0.00533	0.02119	0.01070	0.00547	0.00213	0.00215
39	0.00035	0.00051	0.00533	0.02327	0.01174	0.00601	0.00234	0.00236
40	0.00037	0.00054	0.00533	0.02559	0.01291	0.00661	0.00257	0.00260
41	0.00047	0.00057	0.00533	0.02816	0.01421	0.00727	0.00283	0.00286
42	0.00056	0.00061	0.00533	0.03099	0.01564	0.00800	0.00312	0.00315
43	0.00064	0.00064	0.00533	0.03409	0.01721	0.00881	0.00343	0.00346
44	0.00070	0.00069	0.00533	0.03747	0.01891	0.00968	0.00377	0.00381
45	0.00077	0.00073	0.00533	0.04113	0.02076	0.01062	0.00414	0.00418
46	0.00094	0.00079	0.00533	0.04509	0.02276	0.01165	0.00453	0.00458
47	0.00113	0.00084	0.00533	0.04935	0.02491	0.01275	0.00496	0.00501
48	0.00119	0.00092	0.00533	0.05392	0.02722	0.01393	0.00542	0.00548
49	0.00135	0.00100	0.00533	0.05882	0.02969	0.01519	0.00592	0.00597
50	0.00142	0.00109	0.00574	0.06405	0.03233	0.01655	0.00644	0.00651
51	0.00156	0.00120	0.00596	0.06962	0.03514	0.01798	0.00700	0.00707
52	0.00171	0.00131	0.00620	0.07554	0.03813	0.01951	0.00760	0.00767
53	0.00190	0.00147	0.00647	0.08182	0.04130	0.02114	0.00823	0.00831
54	0.00210	0.00164	0.00677	0.08847	0.04465	0.02285	0.00890	0.00899
55	0.00234	0.00185	0.00710	0.09550	0.04820	0.02467	0.00961	0.00970
56	0.00261	0.00210	0.00747	0.10292	0.05195	0.02659	0.01035	0.01045
57	0.00295	0.00242	0.00791	0.11074	0.05590	0.02861	0.01114	0.01125
58	0.00333	0.00278	0.00843	0.11897	0.06005	0.03073	0.01197	0.01208
59	0.00375	0.00313	0.00905	0.12762	0.06442	0.03297	0.01284	0.01296
60	0.00424	0.00353	0.00981	0.13670	0.06900	0.03531	0.01375	0.01388
61	0.00481	0.00411	0.01072	0.14623	0.07381	0.03777	0.01471	0.01485

OFFICER RETIRED DEATH RATES (continued)

(Age Nearest Birthday)

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
62	0.00544	0.00477	0.01180	0.15642	0.07895	0.04041	0.01573	0.01589
63	0.00617	0.00555	0.01307	0.16731	0.08445	0.04322	0.01683	0.01699
64	0.00696	0.00638	0.01455	0.17897	0.09033	0.04623	0.01800	0.01818
65	0.00787	0.00730	0.01626	0.19144	0.09663	0.04945	0.01925	0.01944
66	0.00899	0.00842	0.01820					
67	0.01022	0.00954	0.02036					
68	0.01160	0.01065	0.02272					
69	0.01328	0.01199	0.02526					
70	0.01513	0.01339	0.02799					
71	0.01732	0.01501	0.03089					
72	0.01978	0.01683	0.03397					
73	0.02252	0.01885	0.03723					
74	0.02554	0.02114	0.04069					
75	0.02900	0.02386	0.04440					
76	0.03261	0.02683	0.04839					
77	0.03678	0.03056	0.05272					
78	0.04141	0.03469	0.05746					
79	0.04660	0.03946	0.06273					
80	0.05246	0.04495	0.06866					
81	0.05942	0.05128	0.07538					
82	0.06702	0.05889	0.08299					
83	0.07524	0.06692	0.09158					
84	0.08501	0.07648	0.10114					
85	0.09553	0.08688	0.11163					
86	0.10733	0.09861	0.12303					
87	0.12120	0.11240	0.13536					
88	0.13748	0.12861	0.14869					
89	0.15403	0.14522	0.16318					
90	0.17321	0.16446	0.17906					
91	0.19329	0.18472	0.19663					
92	0.21632	0.20798	0.21622					
93	0.24010	0.23215	0.23813					
94	0.26570	0.25826	0.26260					
95	0.29477	0.28793	0.28982					
96	0.32422	0.31819	0.31992					
97	0.35751	0.35045	0.35296					
98	0.39305	0.38898	0.38897					
99	0.40808	0.41180	0.42795					
100	0.42825	0.43769	0.45779					
101	0.46187	0.47205	0.48763					
102	0.49019	0.50100	0.51747					
103	0.52143	0.53293	0.54731					
104	0.55533	0.56758	0.57715					
105	0.59015	0.60317	0.60699					
106	0.62398	0.63774	0.63683					
107	0.65472	0.66667	0.66667					
108	0.66667	0.66667	0.66667					
109	0.66667	0.66667	0.66667					
110	1.00000	1.00000	1.00000					

ENLISTED RETIRED DEATH RATES

(Age Nearest Birthday)

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
16	0.00000	0.00000	0.00290	0.01100	0.00566	0.00407	0.00594	0.00516
17	0.00000	0.00000	0.00290	0.01025	0.00528	0.00380	0.00554	0.00481
18	0.00000	0.00000	0.00290	0.00955	0.00492	0.00354	0.00516	0.00448
19	0.00000	0.00000	0.00290	0.00890	0.00458	0.00330	0.00481	0.00418
20	0.00000	0.00000	0.00290	0.00829	0.00427	0.00307	0.00448	0.00389
21	0.00000	0.00000	0.00290	0.00775	0.00399	0.00287	0.00418	0.00363
22	0.00000	0.00000	0.00290	0.00727	0.00374	0.00269	0.00392	0.00341
23	0.00000	0.00000	0.00290	0.00685	0.00353	0.00254	0.00370	0.00321
24	0.00000	0.00000	0.00290	0.00650	0.00335	0.00241	0.00351	0.00305
25	0.00000	0.00000	0.00290	0.00622	0.00320	0.00230	0.00336	0.00292
26	0.00000	0.00000	0.00290	0.00601	0.00310	0.00223	0.00325	0.00282
27	0.00000	0.00000	0.00290	0.00588	0.00303	0.00218	0.00318	0.00276
28	0.00000	0.00000	0.00290	0.00582	0.00300	0.00216	0.00314	0.00273
29	0.00000	0.00000	0.00290	0.00585	0.00301	0.00216	0.00316	0.00274
30	0.00050	0.00072	0.00290	0.00595	0.00306	0.00220	0.00321	0.00279
31	0.00052	0.00074	0.00290	0.00614	0.00316	0.00227	0.00331	0.00288
32	0.00053	0.00075	0.00290	0.00642	0.00330	0.00238	0.00347	0.00301
33	0.00054	0.00076	0.00290	0.00679	0.00349	0.00251	0.00366	0.00318
34	0.00053	0.00076	0.00290	0.00725	0.00373	0.00268	0.00392	0.00340
35	0.00053	0.00076	0.00290	0.00781	0.00402	0.00289	0.00422	0.00367
36	0.00054	0.00077	0.00290	0.00848	0.00436	0.00314	0.00458	0.00398
37	0.00055	0.00080	0.00290	0.00925	0.00476	0.00342	0.00499	0.00434
38	0.00058	0.00083	0.00290	0.01013	0.00521	0.00375	0.00547	0.00475
39	0.00060	0.00087	0.00351	0.01112	0.00572	0.00412	0.00600	0.00522
40	0.00064	0.00092	0.00369	0.01223	0.00629	0.00453	0.00660	0.00574
41	0.00081	0.00097	0.00393	0.01346	0.00693	0.00498	0.00727	0.00631
42	0.00099	0.00103	0.00421	0.01481	0.00762	0.00548	0.00800	0.00695
43	0.00113	0.00110	0.00455	0.01629	0.00839	0.00603	0.00880	0.00764
44	0.00123	0.00117	0.00493	0.01791	0.00922	0.00663	0.00967	0.00840
45	0.00136	0.00124	0.00534	0.01966	0.01012	0.00728	0.01061	0.00922
46	0.00166	0.00133	0.00580	0.02155	0.01109	0.00798	0.01164	0.01011
47	0.00199	0.00144	0.00629	0.02359	0.01214	0.00873	0.01274	0.01106
48	0.00210	0.00157	0.00680	0.02577	0.01327	0.00954	0.01392	0.01209
49	0.00238	0.00172	0.00734	0.02811	0.01447	0.01041	0.01518	0.01319
50	0.00251	0.00187	0.00790	0.03061	0.01576	0.01133	0.01653	0.01436
51	0.00265	0.00205	0.00848	0.03328	0.01713	0.01232	0.01797	0.01561
52	0.00310	0.00225	0.00910	0.03610	0.01858	0.01337	0.01949	0.01694
53	0.00396	0.00252	0.00975	0.03911	0.02013	0.01448	0.02112	0.01834
54	0.00445	0.00280	0.01047	0.04229	0.02176	0.01566	0.02283	0.01983
55	0.00496	0.00317	0.01127	0.04565	0.02349	0.01690	0.02465	0.02141
56	0.00592	0.00360	0.01217	0.04919	0.02532	0.01821	0.02656	0.02307
57	0.00680	0.00412	0.01320	0.05293	0.02724	0.01960	0.02858	0.02483
58	0.00744	0.00473	0.01438	0.05686	0.02927	0.02105	0.03070	0.02667
59	0.00857	0.00534	0.01571	0.06100	0.03139	0.02258	0.03294	0.02861
60	0.00989	0.00600	0.01719	0.06534	0.03363	0.02419	0.03528	0.03065
61	0.01099	0.00698	0.01884	0.06989	0.03597	0.02588	0.03774	0.03278

ENLISTED RETIRED DEATH RATES (continued)

(Age Nearest Birthday)

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
62	0.01202	0.00808	0.02065	0.07476	0.03848	0.02768	0.04037	0.03507
63	0.01320	0.00936	0.02262	0.07997	0.04116	0.02961	0.04318	0.03751
64	0.01454	0.01072	0.02476	0.08554	0.04403	0.03167	0.04619	0.04012
65	0.01623	0.01216	0.02706	0.09150	0.04709	0.03388	0.04940	0.04292
66	0.01827	0.01374	0.02953					
67	0.02081	0.01534	0.03219					
68	0.02287	0.01696	0.03506					
69	0.02521	0.01882	0.03815					
70	0.02758	0.02076	0.04149					
71	0.02994	0.02303	0.04511					
72	0.03329	0.02559	0.04902					
73	0.03763	0.02850	0.05327					
74	0.04237	0.03180	0.05789					
75	0.04675	0.03578	0.06292					
76	0.05166	0.04008	0.06842					
77	0.05698	0.04513	0.07442					
78	0.06297	0.05067	0.08100					
79	0.07006	0.05668	0.08819					
80	0.07711	0.06312	0.09606					
81	0.08499	0.07007	0.10466					
82	0.09327	0.07766	0.11403					
83	0.10225	0.08562	0.12422					
84	0.11171	0.09512	0.13526					
85	0.12113	0.10545	0.14718					
86	0.13242	0.11731	0.16000					
87	0.14783	0.13172	0.17374					
88	0.16671	0.14835	0.18843					
89	0.18721	0.16652	0.20407					
90	0.21143	0.18811	0.22067					
91	0.23587	0.21128	0.23826					
92	0.26143	0.23830	0.25683					
93	0.28413	0.26675	0.27638					
94	0.30303	0.29781	0.29693					
95	0.31886	0.33332	0.31846					
96	0.32813	0.36255	0.34098					
97	0.33566	0.39136	0.36604					
98	0.34688	0.42609	0.39109					
99	0.36014	0.45426	0.41614					
100	0.37793	0.48283	0.44119					
101	0.40761	0.52072	0.46625					
102	0.43260	0.55266	0.49130					
103	0.46017	0.58788	0.51635					
104	0.49009	0.62610	0.54140					
105	0.52082	0.66536	0.56646					
106	0.55067	0.66667	0.59151					
107	0.57781	0.66667	0.61656					
108	0.60428	0.66667	0.64161					
109	0.63127	0.66667	0.66667					
110	1.00000	1.00000	1.00000					

ACTIVE DUTY OTHER LOSSES FROM NONDISABILITY

(Age Nearest Birthday)

Age	DoD		Treasury		Age	DoD		Treasury	
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted
16	0.0000	0.0000	0.0000	0.0000	56	0.0006	0.0076	0.0000	0.0002
17	0.0000	0.0000	0.0000	0.0000	57	0.0007	0.0084	0.0000	0.0002
18	0.0000	0.0000	0.0000	0.0000	58	0.0009	0.0092	0.0000	0.0003
19	0.0000	0.0000	0.0000	0.0000	59	0.0012	0.0099	0.0000	0.0003
20	0.0000	0.0000	0.0000	0.0000	60	0.0015	0.0105	0.0000	0.0003
21	0.0000	0.0000	0.0000	0.0000	61	0.0019	0.0110	0.0000	0.0003
22	0.0000	0.0000	0.0000	0.0000	62	0.0022	0.0112	0.0000	0.0003
23	0.0000	0.0000	0.0000	0.0000	63	0.0023	0.0113	0.0000	0.0003
24	0.0000	0.0000	0.0000	0.0000	64	0.0024	0.0112	0.0000	0.0003
25	0.0000	0.0000	0.0000	0.0000	65	0.0023	0.0110	0.0000	0.0003
26	0.0000	0.0000	0.0000	0.0000	66	0.0022	0.0109	0.0000	0.0003
27	0.0000	0.0000	0.0000	0.0000	67	0.0021	0.0108	0.0000	0.0003
28	0.0000	0.0000	0.0000	0.0000	68	0.0020	0.0108	0.0000	0.0003
29	0.0000	0.0000	0.0000	0.0000	69	0.0019	0.0108	0.0000	0.0003
30	0.0003	0.0180	0.0000	0.0000	70	0.0018	0.0109	0.0000	0.0003
31	0.0003	0.0180	0.0000	0.0000	71	0.0017	0.0108	0.0000	0.0003
32	0.0003	0.0180	0.0000	0.0000	72	0.0016	0.0105	0.0000	0.0003
33	0.0003	0.0180	0.0000	0.0000	73	0.0015	0.0102	0.0002	0.0009
34	0.0003	0.0180	0.0000	0.0000	74	0.0014	0.0097	0.0002	0.0009
35	0.0003	0.0180	0.0000	0.0000	75	0.0013	0.0093	0.0002	0.0008
36	0.0003	0.0180	0.0000	0.0000	76	0.0011	0.0089	0.0002	0.0008
37	0.0003	0.0180	0.0000	0.0000	77	0.0011	0.0086	0.0002	0.0008
38	0.0003	0.0180	0.0000	0.0000	78	0.0010	0.0083	0.0002	0.0007
39	0.0003	0.0086	0.0000	0.0000	79	0.0011	0.0081	0.0002	0.0007
40	0.0003	0.0072	0.0000	0.0000	80	0.0012	0.0079	0.0002	0.0007
41	0.0003	0.0061	0.0000	0.0000	81	0.0014	0.0077	0.0002	0.0007
42	0.0003	0.0053	0.0000	0.0000	82	0.0017	0.0076	0.0003	0.0007
43	0.0003	0.0047	0.0000	0.0000	83	0.0020	0.0076	0.0003	0.0007
44	0.0003	0.0044	0.0000	0.0000	84	0.0024	0.0076	0.0004	0.0007
45	0.0003	0.0041	0.0000	0.0000	85	0.0026	0.0077	0.0004	0.0007
46	0.0003	0.0040	0.0000	0.0000	86	0.0028	0.0079	0.0004	0.0007
47	0.0003	0.0039	0.0000	0.0000	87	0.0027	0.0082	0.0004	0.0007
48	0.0003	0.0039	0.0000	0.0000	88	0.0023	0.0086	0.0004	0.0008
49	0.0003	0.0040	0.0000	0.0000	89	0.0017	0.0091	0.0003	0.0008
50	0.0003	0.0041	0.0000	0.0001	90	0.0008	0.0097	0.0001	0.0009
51	0.0003	0.0044	0.0000	0.0001	91	0.0018	0.0105	0.0003	0.0009
52	0.0003	0.0048	0.0000	0.0001	92	0.0018	0.0114	0.0003	0.0010
53	0.0006	0.0053	0.0000	0.0002	93	0.0018	0.0125	0.0003	0.0011
54	0.0006	0.0060	0.0000	0.0002	94	0.0018	0.0138	0.0003	0.0012
55	0.0005	0.0068	0.0000	0.0002	95	0.0018	0.0177	0.0003	0.0016

*** The above DoD/Treasury distinction is needed for Public Law 108-136 calculations.

RESERVE DUTY OTHER LOSSES FROM NONDISABILITY

(Age Nearest Birthday)

Age	DoD		Treasury		Age	DoD		Treasury	
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted
16	0.0000	0.0000	0.0000	0.0000	56	0.0000	0.0000	0.0000	0.0000
17	0.0000	0.0000	0.0000	0.0000	57	0.0000	0.0000	0.0000	0.0000
18	0.0000	0.0000	0.0000	0.0000	58	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	59	0.0000	0.0000	0.0000	0.0000
20	0.0000	0.0000	0.0000	0.0000	60	0.0047	0.0119	0.0000	0.0005
21	0.0000	0.0000	0.0000	0.0000	61	0.0046	0.0104	0.0000	0.0004
22	0.0000	0.0000	0.0000	0.0000	62	0.0029	0.0077	0.0000	0.0003
23	0.0000	0.0000	0.0000	0.0000	63	0.0019	0.0050	0.0000	0.0002
24	0.0000	0.0000	0.0000	0.0000	64	0.0018	0.0034	0.0000	0.0001
25	0.0000	0.0000	0.0000	0.0000	65	0.0020	0.0026	0.0000	0.0001
26	0.0000	0.0000	0.0000	0.0000	66	0.0019	0.0024	0.0000	0.0001
27	0.0000	0.0000	0.0000	0.0000	67	0.0016	0.0025	0.0000	0.0001
28	0.0000	0.0000	0.0000	0.0000	68	0.0014	0.0027	0.0000	0.0001
29	0.0000	0.0000	0.0000	0.0000	69	0.0013	0.0027	0.0000	0.0001
30	0.0000	0.0000	0.0000	0.0000	70	0.0016	0.0026	0.0000	0.0001
31	0.0000	0.0000	0.0000	0.0000	71	0.0016	0.0027	0.0000	0.0001
32	0.0000	0.0000	0.0000	0.0000	72	0.0014	0.0029	0.0000	0.0001
33	0.0000	0.0000	0.0000	0.0000	73	0.0014	0.0032	0.0001	0.0005
34	0.0000	0.0000	0.0000	0.0000	74	0.0014	0.0034	0.0001	0.0006
35	0.0000	0.0000	0.0000	0.0000	75	0.0015	0.0035	0.0001	0.0006
36	0.0000	0.0000	0.0000	0.0000	76	0.0017	0.0035	0.0002	0.0006
37	0.0000	0.0000	0.0000	0.0000	77	0.0021	0.0037	0.0002	0.0006
38	0.0000	0.0000	0.0000	0.0000	78	0.0024	0.0042	0.0002	0.0007
39	0.0000	0.0000	0.0000	0.0000	79	0.0031	0.0049	0.0003	0.0008
40	0.0000	0.0000	0.0000	0.0000	80	0.0038	0.0055	0.0004	0.0009
41	0.0000	0.0000	0.0000	0.0000	81	0.0041	0.0061	0.0004	0.0010
42	0.0000	0.0000	0.0000	0.0000	82	0.0040	0.0064	0.0004	0.0011
43	0.0000	0.0000	0.0000	0.0000	83	0.0038	0.0066	0.0003	0.0011
44	0.0000	0.0000	0.0000	0.0000	84	0.0040	0.0069	0.0004	0.0011
45	0.0000	0.0000	0.0000	0.0000	85	0.0046	0.0073	0.0004	0.0012
46	0.0000	0.0000	0.0000	0.0000	86	0.0049	0.0076	0.0005	0.0013
47	0.0000	0.0000	0.0000	0.0000	87	0.0047	0.0080	0.0004	0.0013
48	0.0000	0.0000	0.0000	0.0000	88	0.0043	0.0083	0.0004	0.0014
49	0.0000	0.0000	0.0000	0.0000	89	0.0038	0.0088	0.0003	0.0014
50	0.0000	0.0000	0.0000	0.0000	90	0.0036	0.0096	0.0003	0.0016
51	0.0000	0.0000	0.0000	0.0000	91	0.0037	0.0109	0.0003	0.0018
52	0.0000	0.0000	0.0000	0.0000	92	0.0041	0.0129	0.0004	0.0021
53	0.0000	0.0000	0.0000	0.0000	93	0.0049	0.0156	0.0005	0.0026
54	0.0000	0.0000	0.0000	0.0000	94	0.0063	0.0138	0.0006	0.0023
55	0.0000	0.0000	0.0000	0.0000	95	0.0078	0.0182	0.0007	0.0030

*** The above DoD/Treasury distinction is needed for Public Law 108-136 calculations.

OTHER LOSS AND NONTRANSFER LOSSES FROM TEMPORARY DISABILITY ***

(Age Nearest Birthday)

Age	Officers					Enlisted				
	Year of Retirement					Year of Retirement				
	One	Two	Three	Four	Five	One	Two	Three	Four	Five
16	0.08718	0.10547	0.07069	0.07101	0.36874	0.19125	0.17225	0.11551	0.12636	0.40196
17	0.08953	0.10832	0.07260	0.07292	0.37870	0.20190	0.18184	0.12195	0.13340	0.42436
18	0.09195	0.11125	0.07456	0.07490	0.38894	0.21315	0.19197	0.12874	0.14083	0.44799
19	0.09444	0.11426	0.07658	0.07692	0.39945	0.22502	0.20267	0.13591	0.14868	0.47295
20	0.09699	0.11734	0.07865	0.07900	0.41025	0.23756	0.21395	0.14348	0.15696	0.49930
21	0.09961	0.12052	0.08077	0.08113	0.42134	0.24800	0.22336	0.14979	0.16386	0.52125
22	0.10231	0.12377	0.08296	0.08333	0.43273	0.25649	0.23100	0.15492	0.16947	0.53908
23	0.10507	0.12712	0.08520	0.08558	0.44443	0.26313	0.23699	0.15893	0.17386	0.55305
24	0.10791	0.13056	0.08750	0.08789	0.45644	0.26806	0.24143	0.16190	0.17712	0.56341
25	0.11034	0.13349	0.08947	0.08987	0.46670	0.27138	0.24442	0.16391	0.17931	0.57039
26	0.11233	0.13591	0.09109	0.09150	0.47515	0.27321	0.24606	0.16502	0.18052	0.57423
27	0.11389	0.13779	0.09235	0.09277	0.48174	0.27366	0.24647	0.16529	0.18081	0.57517
28	0.11500	0.13914	0.09325	0.09367	0.48644	0.27283	0.24573	0.16479	0.18027	0.57344
29	0.11566	0.13993	0.09379	0.09421	0.48923	0.27084	0.24394	0.16359	0.17896	0.56926
30	0.11587	0.14018	0.09395	0.09437	0.49009	0.26780	0.24119	0.16175	0.17695	0.56286
31	0.11562	0.13988	0.09376	0.09417	0.48905	0.26380	0.23759	0.15934	0.17431	0.55446
32	0.11493	0.13905	0.09319	0.09361	0.48613	0.25896	0.23323	0.15641	0.17111	0.54429
33	0.11380	0.13768	0.09228	0.09269	0.48136	0.25338	0.22821	0.15304	0.16742	0.53256
34	0.11225	0.13581	0.09102	0.09143	0.47481	0.24716	0.22261	0.14928	0.16331	0.51949
35	0.11030	0.13344	0.08944	0.08984	0.46654	0.24041	0.21653	0.14521	0.15885	0.50530
36	0.10796	0.13061	0.08754	0.08793	0.45665	0.23324	0.21007	0.14087	0.15411	0.49022
37	0.10526	0.12735	0.08535	0.08574	0.44523	0.22574	0.20331	0.13635	0.14916	0.47447
38	0.10223	0.12369	0.08290	0.08327	0.43243	0.21803	0.19637	0.13169	0.14406	0.45825
39	0.09891	0.11967	0.08021	0.08056	0.41837	0.21020	0.18931	0.12696	0.13889	0.44180
40	0.09533	0.11533	0.07730	0.07765	0.40322	0.20236	0.18226	0.12222	0.13371	0.42532
41	0.09153	0.11074	0.07422	0.07455	0.38716	0.19462	0.17528	0.11755	0.12859	0.40905
42	0.08757	0.10594	0.07101	0.07132	0.37039	0.18708	0.16849	0.11300	0.12361	0.39321
43	0.08348	0.10100	0.06769	0.06800	0.35311	0.17985	0.16198	0.10863	0.11883	0.37801
44	0.07934	0.09599	0.06433	0.06462	0.33558	0.17303	0.15584	0.10451	0.11433	0.36368
45	0.07519	0.09097	0.06097	0.06124	0.31805	0.16673	0.15016	0.10070	0.11016	0.35043
46	0.07111	0.08603	0.05766	0.05792	0.30079	0.16105	0.14505	0.09728	0.10641	0.33850
47	0.06717	0.08126	0.05446	0.05471	0.28410	0.15611	0.14060	0.09429	0.10315	0.32811
48	0.06343	0.07674	0.05144	0.05167	0.26831	0.15200	0.13690	0.09181	0.10043	0.31948
49	0.05999	0.07258	0.04865	0.04886	0.25375	0.14884	0.13406	0.08990	0.09835	0.31284
50	0.05693	0.06887	0.04616	0.04637	0.24078	0.14674	0.13216	0.08863	0.09696	0.30841
51	0.05433	0.06573	0.04405	0.04425	0.22979	0.14579	0.13131	0.08806	0.09633	0.30643
52	0.05229	0.06327	0.04240	0.04259	0.22119	0.14612	0.13160	0.08825	0.09655	0.30711
53	0.05093	0.06161	0.04129	0.04148	0.21540	0.14782	0.13314	0.08928	0.09767	0.31069
54	0.05033	0.06089	0.04081	0.04099	0.21288	0.15101	0.13601	0.09121	0.09978	0.31740
55	0.05062	0.06124	0.04105	0.04123	0.21411	0.15580	0.14033	0.09410	0.10295	0.32747
56	0.05191	0.06280	0.04209	0.04228	0.21957	0.16230	0.14618	0.09803	0.10724	0.34113
57	0.05433	0.06573	0.04405	0.04425	0.22980	0.17062	0.15367	0.10305	0.11273	0.35860
58	0.05800	0.07017	0.04703	0.04724	0.24533	0.18086	0.16289	0.10924	0.11950	0.38013
59	0.06307	0.07630	0.05114	0.05137	0.26675	0.19314	0.17395	0.11666	0.12762	0.40594
60	0.06966	0.08428	0.05649	0.05674	0.29465	0.20757	0.18695	0.12537	0.13715	0.43628
61	0.07793	0.09429	0.06320	0.06348	0.32964	0.22308	0.20092	0.13474	0.14740	0.46888
62	0.08804	0.10651	0.07139	0.07171	0.37238	0.23976	0.21594	0.14481	0.15842	0.50392
63	0.09945	0.12032	0.08064	0.08100	0.42066	0.25767	0.23207	0.15563	0.17025	0.54158
64	0.11235	0.13592	0.09110	0.09151	0.47520	0.27693	0.24941	0.16726	0.18298	0.58205
65	0.12691	0.15355	0.10291	0.10337	0.53681	0.29762	0.26805	0.17976	0.19665	0.62554

*** The above Other/Nontransfer Loss rates are used to calculate both the DoD and Treasury NCPs (Public Law 108-136 distinction).

TRANSFER RATES FROM TEMPORARY DISABILITY TO PERMANENT DISABILITY

(Age Nearest Birthday)

Age	Officers				Enlisted			
	Year of Retirement				Year of Retirement			
	One	Two	Three	Four	One	Two	Three	Four
16	0.04007	0.08302	0.06475	0.10203	0.01107	0.02434	0.01957	0.02861
17	0.04172	0.08644	0.06742	0.10624	0.01279	0.02812	0.02260	0.03305
18	0.04345	0.09001	0.07020	0.11062	0.01477	0.03247	0.02610	0.03817
19	0.04524	0.09372	0.07310	0.11518	0.01706	0.03750	0.03015	0.04408
20	0.04711	0.09759	0.07612	0.11994	0.01970	0.04331	0.03482	0.05092
21	0.04905	0.10162	0.07926	0.12488	0.02275	0.05003	0.04022	0.05881
22	0.05107	0.10581	0.08253	0.13004	0.02582	0.05677	0.04564	0.06673
23	0.05318	0.11017	0.08593	0.13540	0.02890	0.06353	0.05107	0.07468
24	0.05537	0.11472	0.08948	0.14099	0.03197	0.07029	0.05651	0.08263
25	0.05766	0.11945	0.09317	0.14681	0.03504	0.07705	0.06194	0.09057
26	0.06004	0.12438	0.09701	0.15286	0.03811	0.08378	0.06735	0.09848
27	0.06242	0.12931	0.10086	0.15892	0.04116	0.09049	0.07274	0.10636
28	0.06480	0.13424	0.10470	0.16498	0.04419	0.09714	0.07809	0.11419
29	0.06718	0.13917	0.10855	0.17104	0.04719	0.10375	0.08340	0.12195
30	0.06955	0.14410	0.11239	0.17709	0.05016	0.11029	0.08866	0.12964
31	0.07193	0.14902	0.11623	0.18315	0.05310	0.11675	0.09385	0.13723
32	0.07431	0.15395	0.12008	0.18921	0.05600	0.12312	0.09897	0.14472
33	0.07669	0.15888	0.12392	0.19526	0.05885	0.12939	0.10402	0.15209
34	0.07907	0.16381	0.12777	0.20132	0.06165	0.13555	0.10897	0.15934
35	0.08145	0.16874	0.13161	0.20738	0.06440	0.14159	0.11382	0.16644
36	0.08383	0.17367	0.13546	0.21344	0.06709	0.14750	0.11857	0.17338
37	0.08621	0.17860	0.13930	0.21949	0.06971	0.15327	0.12321	0.18016
38	0.08859	0.18353	0.14314	0.22555	0.07226	0.15888	0.12772	0.18676
39	0.09097	0.18845	0.14699	0.23161	0.07474	0.16433	0.13210	0.19316
40	0.09335	0.19338	0.15083	0.23767	0.07714	0.16961	0.13635	0.19937
41	0.09572	0.19831	0.15468	0.24372	0.07946	0.17470	0.14044	0.20536
42	0.09810	0.20324	0.15852	0.24978	0.08169	0.17960	0.14438	0.21112
43	0.10048	0.20817	0.16237	0.25584	0.08383	0.18430	0.14816	0.21664
44	0.10286	0.21310	0.16621	0.26189	0.08587	0.18878	0.15176	0.22191
45	0.10524	0.21803	0.17005	0.26795	0.08780	0.19304	0.15519	0.22692
46	0.10762	0.22295	0.17390	0.27401	0.08964	0.19707	0.15842	0.23165
47	0.11000	0.22788	0.17774	0.28007	0.09136	0.20086	0.16147	0.23610
48	0.11238	0.23281	0.18159	0.28612	0.09296	0.20439	0.16431	0.24025
49	0.11476	0.23774	0.18543	0.29218	0.09445	0.20766	0.16694	0.24410
50	0.11714	0.24267	0.18927	0.29824	0.09582	0.21066	0.16935	0.24762
51	0.11951	0.24760	0.19312	0.30430	0.09705	0.21337	0.17153	0.25082
52	0.12189	0.25253	0.19696	0.31035	0.09815	0.21580	0.17348	0.25367
53	0.12427	0.25746	0.20081	0.31641	0.09912	0.21792	0.17519	0.25616
54	0.12665	0.26238	0.20465	0.32247	0.09995	0.21974	0.17665	0.25830
55	0.12903	0.26731	0.20850	0.32852	0.10063	0.22123	0.17785	0.26005
56	0.13141	0.27224	0.21234	0.33458	0.10116	0.22240	0.17878	0.26142
57	0.13379	0.27717	0.21618	0.34064	0.10153	0.22323	0.17945	0.26240
58	0.13617	0.28210	0.22003	0.34670	0.10175	0.22371	0.17984	0.26296
59	0.13855	0.28703	0.22387	0.35275	0.10181	0.22383	0.17993	0.26310
60	0.14093	0.29196	0.22772	0.35881	0.10170	0.22358	0.17974	0.26282
61	0.14331	0.29688	0.23156	0.36487	0.10141	0.22296	0.17924	0.26209
62	0.14568	0.30181	0.23541	0.37093	0.10113	0.22235	0.17874	0.26136
63	0.14806	0.30674	0.23925	0.37698	0.10085	0.22173	0.17825	0.26064
64	0.15048	0.31175	0.24316	0.38314	0.10057	0.22112	0.17775	0.25992
65	0.15294	0.31684	0.24713	0.38940	0.10029	0.22050	0.17726	0.25919

OTHER LOSSES FROM PERMANENT DISABILITY

(Age Nearest Birthday)

Age	DoD		Treasury		Age	DoD		Treasury	
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted
16	0.0703	0.4892	0.0294	0.4046	54	0.0110	0.0309	0.0070	0.0182
17	0.0703	0.4892	0.0294	0.4046	55	0.0106	0.0339	0.0066	0.0203
18	0.0703	0.4892	0.0294	0.4046	56	0.0101	0.0363	0.0062	0.0218
19	0.0703	0.4892	0.0294	0.4046	57	0.0098	0.0381	0.0058	0.0229
20	0.0703	0.4892	0.0294	0.4046	58	0.0095	0.0391	0.0055	0.0236
21	0.0703	0.4222	0.0294	0.4046	59	0.0092	0.0394	0.0052	0.0233
22	0.0703	0.3595	0.0294	0.4046	60	0.0090	0.0384	0.0050	0.0212
23	0.0703	0.3012	0.0294	0.3165	61	0.0089	0.0373	0.0048	0.0193
24	0.0703	0.2484	0.0294	0.2460	62	0.0087	0.0379	0.0046	0.0184
25	0.0703	0.2024	0.0294	0.1924	63	0.0086	0.0391	0.0044	0.0174
26	0.0703	0.1646	0.0294	0.1536	64	0.0085	0.0396	0.0043	0.0151
27	0.0703	0.1349	0.0294	0.1263	65	0.0085	0.0390	0.0041	0.0123
28	0.0703	0.1127	0.0294	0.1071	66	0.0084	0.0379	0.0041	0.0098
29	0.0703	0.0967	0.0294	0.0936	67	0.0083	0.0367	0.0040	0.0084
30	0.0703	0.0856	0.0294	0.0843	68	0.0082	0.0360	0.0039	0.0082
31	0.0703	0.0770	0.0294	0.0771	69	0.0080	0.0353	0.0039	0.0081
32	0.0317	0.0690	0.0294	0.0699	70	0.0079	0.0344	0.0039	0.0078
33	0.0301	0.0607	0.0294	0.0623	71	0.0077	0.0336	0.0039	0.0072
34	0.0286	0.0531	0.0294	0.0554	72	0.0075	0.0330	0.0040	0.0065
35	0.0272	0.0467	0.0294	0.0495	73	0.0072	0.0329	0.0040	0.0060
36	0.0258	0.0419	0.0294	0.0445	74	0.0070	0.0328	0.0035	0.0057
37	0.0246	0.0386	0.0294	0.0402	75	0.0067	0.0322	0.0030	0.0056
38	0.0234	0.0362	0.0294	0.0355	76	0.0065	0.0309	0.0025	0.0053
39	0.0223	0.0351	0.0294	0.0313	77	0.0062	0.0288	0.0020	0.0045
40	0.0212	0.0355	0.0165	0.0285	78	0.0060	0.0268	0.0015	0.0036
41	0.0203	0.0367	0.0156	0.0269	79	0.0058	0.0258	0.0022	0.0034
42	0.0193	0.0373	0.0147	0.0261	80	0.0056	0.0257	0.0029	0.0037
43	0.0185	0.0363	0.0139	0.0256	81	0.0054	0.0255	0.0035	0.0041
44	0.0176	0.0345	0.0131	0.0252	82	0.0053	0.0255	0.0038	0.0042
45	0.0169	0.0330	0.0123	0.0248	83	0.0053	0.0260	0.0038	0.0036
46	0.0161	0.0323	0.0116	0.0240	84	0.0052	0.0270	0.0035	0.0042
47	0.0154	0.0328	0.0109	0.0237	85	0.0052	0.0282	0.0033	0.0042
48	0.0147	0.0329	0.0102	0.0229	86	0.0053	0.0292	0.0034	0.0042
49	0.0140	0.0319	0.0096	0.0214	87	0.0053	0.0297	0.0038	0.0042
50	0.0133	0.0304	0.0090	0.0201	88	0.0054	0.0295	0.0044	0.0042
51	0.0127	0.0290	0.0084	0.0190	89	0.0056	0.0289	0.0053	0.0042
52	0.0121	0.0281	0.0079	0.0176	90	0.0057	0.0291	0.0068	0.0042
53	0.0116	0.0287	0.0074	0.0171					

*** The above DoD/Treasury distinction is needed for Public Law 108-136 calculations.

RETIREE DIVORCE RATES ***

(Age Nearest Birthday)

Age	Active		Reserve		Age	Active		Reserve	
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted
16	0.0727	0.1143	0.0000	0.0000	50	0.0062	0.0086	0.0000	0.0000
17	0.0727	0.1143	0.0000	0.0000	51	0.0050	0.0076	0.0000	0.0000
18	0.0727	0.1143	0.0000	0.0000	52	0.0046	0.0076	0.0000	0.0000
19	0.0502	0.0790	0.0000	0.0000	53	0.0039	0.0063	0.0000	0.0000
20	0.0502	0.0790	0.0000	0.0000	54	0.0026	0.0053	0.0000	0.0000
21	0.0502	0.0790	0.0000	0.0000	55	0.0021	0.0044	0.0000	0.0000
22	0.0502	0.0790	0.0000	0.0000	56	0.0017	0.0038	0.0000	0.0000
23	0.0502	0.0790	0.0000	0.0000	57	0.0014	0.0035	0.0000	0.0000
24	0.0502	0.0790	0.0000	0.0000	58	0.0011	0.0035	0.0000	0.0000
25	0.0502	0.0438	0.0000	0.0000	59	0.0009	0.0036	0.0000	0.0000
26	0.0502	0.0438	0.0000	0.0000	60	0.0009	0.0041	0.0109	0.0133
27	0.0502	0.0438	0.0000	0.0000	61	0.0005	0.0040	0.0079	0.0065
28	0.0502	0.0438	0.0000	0.0000	62	0.0002	0.0037	0.0269	0.0165
29	0.0502	0.0307	0.0000	0.0000	63	0.0000	0.0000	0.0062	0.0031
30	0.0502	0.0307	0.0000	0.0000	64	0.0000	0.0000	0.0000	0.0000
31	0.0502	0.0307	0.0000	0.0000	65	0.0000	0.0000	0.0000	0.0000
32	0.0435	0.0307	0.0000	0.0000	66	0.0000	0.0000	0.0000	0.0000
33	0.0435	0.0307	0.0000	0.0000	67	0.0000	0.0000	0.0000	0.0000
34	0.0434	0.0307	0.0000	0.0000	68	0.0000	0.0000	0.0000	0.0000
35	0.0434	0.0307	0.0000	0.0000	69	0.0000	0.0000	0.0000	0.0000
36	0.0408	0.0307	0.0000	0.0000	70	0.0000	0.0000	0.0000	0.0000
37	0.0408	0.0307	0.0000	0.0000	71	0.0000	0.0000	0.0000	0.0000
38	0.0408	0.0528	0.0000	0.0000	72	0.0000	0.0000	0.0000	0.0000
39	0.0408	0.0381	0.0000	0.0000	73	0.0000	0.0000	0.0000	0.0000
40	0.0408	0.0381	0.0000	0.0000	74	0.0000	0.0000	0.0000	0.0000
41	0.0263	0.0306	0.0000	0.0000	75	0.0000	0.0000	0.0000	0.0000
42	0.0235	0.0300	0.0000	0.0000	76	0.0000	0.0000	0.0000	0.0000
43	0.0208	0.0241	0.0000	0.0000	77	0.0000	0.0000	0.0000	0.0000
44	0.0183	0.0210	0.0000	0.0000	78	0.0000	0.0000	0.0000	0.0000
45	0.0159	0.0182	0.0000	0.0000	79	0.0000	0.0000	0.0000	0.0000
46	0.0138	0.0158	0.0000	0.0000	80	0.0000	0.0000	0.0000	0.0000
47	0.0118	0.0131	0.0000	0.0000	81	0.0000	0.0000	0.0000	0.0000
48	0.0092	0.0113	0.0000	0.0000	82	0.0000	0.0000	0.0000	0.0000
49	0.0076	0.0097	0.0000	0.0000					

*** Due to Section 647 of NDAA 2008 (P.L. 110-181) the reserve rates shown above apply in the early years of the projection. See Item 11 in the Reserve section in Appendix F for a description of the parameter used to model the phase-in to an average age 58 reserve retirement. As the transitions to earlier average retirement ages occur, the ages applicable to some of the rates change.

SURVIVING SPOUSE REMARRIAGE RATES

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
16	0.0634	38	0.0248
17	0.0634	39	0.0205
18	0.0634	40	0.0175
19	0.0634	41	0.0161
20	0.0634	42	0.0157
21	0.0634	43	0.0153
22	0.0634	44	0.0148
23	0.0634	45	0.0139
24	0.0634	46	0.0128
25	0.0634	47	0.0117
26	0.0634	48	0.0103
27	0.0598	49	0.0089
28	0.0573	50	0.0077
29	0.0558	51	0.0067
30	0.0548	52	0.0058
31	0.0538	53	0.0048
32	0.0523	54	0.0034
33	0.0500	55	0.0019
34	0.0465	56	0.0000
35	0.0418	57	0.0000
36	0.0362	58	0.0000
37	0.0303	59	0.0000

SURVIVING CHILD TERMINATION RATES

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>
0	0.005
1	0.000
2	0.000
3	0.000
4	0.000
5	0.000
6	0.000
7	0.000
8	0.000
9	0.000
10	0.000
11	0.000
12	0.000
13	0.000
14	0.000
15	0.000
16	0.000
17	0.224
18	0.306
19	0.227
20	0.185
21	0.384
22	0.734
23	0.068

SURVIVOR DEATH RATES

(Age Nearest Birthday)

Age	Rate	Age	Rate
0	0.00476	55	0.00501
1	0.00106	56	0.00594
2	0.00069	57	0.00686
3	0.00052	58	0.00770
4	0.00039	59	0.00800
5	0.00035	60	0.00774
6	0.00033	61	0.00775
7	0.00031	62	0.00883
8	0.00027	63	0.01076
9	0.00026	64	0.01224
10	0.00026	65	0.01266
11	0.00028	66	0.01319
12	0.00030	67	0.01427
13	0.00033	68	0.01578
14	0.00039	69	0.01748
15	0.00045	70	0.01881
16	0.00047	71	0.02051
17	0.00052	72	0.02259
18	0.00054	73	0.02527
19	0.00055	74	0.02783
20	0.00054	75	0.03011
21	0.00054	76	0.03164
22	0.00055	77	0.03370
23	0.00056	78	0.03713
24	0.00057	79	0.04146
25	0.00058	80	0.04551
26	0.00060	81	0.04914
27	0.00062	82	0.05329
28	0.00064	83	0.05960
29	0.00068	84	0.06550
30	0.00074	85	0.07268
31	0.00082	86	0.08295
32	0.00086	87	0.09465
33	0.00091	88	0.10503
34	0.00095	89	0.11658
35	0.00099	90	0.12934
36	0.00105	91	0.14349
37	0.00111	92	0.15896
38	0.00119	93	0.17661
39	0.00128	94	0.19385
40	0.00139	95	0.21048
41	0.00150	96	0.22640
42	0.00161	97	0.24391
43	0.00172	98	0.26014
44	0.00181	99	0.27588
45	0.00187	100	0.29147
46	0.00196	101	0.30829
47	0.00207	102	0.32281
48	0.00225	103	0.33614
49	0.00245	104	0.34800
50	0.00271	105	0.35860
51	0.00302	106	0.36815
52	0.00345	107	0.38599
53	0.00392	108	0.40372
54	0.00441	109	0.42198

SURVIVOR OTHER LOSS RATES

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
0	0.00000	55	0.01061
1	0.00000	56	0.01061
2	0.00000	57	0.00962
3	0.00000	58	0.00522
4	0.00000	59	0.00709
5	0.00000	60	0.01195
6	0.00000	61	0.00927
7	0.00000	62	0.00681
8	0.00000	63	0.00981
9	0.00000	64	0.00546
10	0.00000	65	0.00699
11	0.00000	66	0.00692
12	0.00000	67	0.00651
13	0.00000	68	0.00668
14	0.00000	69	0.00718
15	0.00000	70	0.00564
16	0.00000	71	0.00570
17	0.00000	72	0.00468
18	0.00000	73	0.00538
19	0.00000	74	0.00436
20	0.00000	75	0.00384
21	0.00000	76	0.00512
22	0.00000	77	0.00439
23	0.00000	78	0.00439
24	0.00000	79	0.00439
25	0.00000	80	0.00439
26	0.00000	81	0.00439
27	0.01811	82	0.00439
28	0.01811	83	0.00407
29	0.01811	84	0.00407
30	0.01811	85	0.00407
31	0.01811	86	0.00407
32	0.01811	87	0.00407
33	0.01811	88	0.00407
34	0.01811	89	0.00619
35	0.01811	90	0.00619
36	0.01811	91	0.00619
37	0.01811	92	0.00619
38	0.01811	93	0.00619
39	0.01749	94	0.00619
40	0.01749	95	0.00619
41	0.01749	96	0.00000
42	0.01749	97	0.00000
43	0.01749	98	0.00000
44	0.01642	99	0.00000
45	0.01642	100	0.00000
46	0.01211	101	0.00000
47	0.01211	102	0.00000
48	0.01211	103	0.00000
49	0.01211	104	0.00000
50	0.01211	105	0.00000
51	0.01211	106	0.00000
52	0.01211	107	0.00000
53	0.01061	108	0.00000
54	0.01061	109	0.00000

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APPENDIX J

MORTALITY IMPROVEMENT FACTORS

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Nondisabled Retired Mortality	J-4
Survivor Mortality	J-5

MORTALITY IMPROVEMENT FACTORS DESCRIPTION

Mortality rates in the valuation for active duty members, nondisabled retirees (from Active and Reserve Duty), and survivors are decreased (or “improved”) over time in order to reflect the long-term trend toward such declines. No mortality improvement is assumed for disabled retirees because their mortality patterns are too easily affected by economic variables, periods of war, and by the policies of administering the disability retirement program (i.e., periods of relative laxity or stringency in determining an individual’s degree of disability or recovery from disability).

Mortality improvement factors were formed using Scale AA, a trend created by the Society of Actuaries in 1995 to project the 1994 Uninsured Pensioner Mortality Table (UP-94). It is based on based on Civil Service and Social Security 1977-1993 experience.

To construct military mortality improvement factors, Scale AA was adjusted to reflect the gender mix of the military. Based on a study of nondisabled retiree mortality improvement from 1975-2007, the assumed improvement for officers is 30% higher than for enlisted. No officer vs. enlisted differential was made for factors used to improve active duty death rates. No additional adjustment was made for survivor mortality factors. The factors are not year-specific; therefore, the same set is used year after year.

Even though the mortality improvement factors are based on Social Security and Civil Service data, they should apply reasonably well to the Military Retirement System. While the average military person may be somewhat healthier than the average person in these populations, the mortality improvement factors are in the form of percentages. If the mortality for relatively healthy military lives is already small, then the improvement in terms of fewer deaths is slight, even though the percentage improvement is the same as for relatively less healthy lives.

ACTIVE DUTY MORTALITY FACTORS

(Age Nearest Birthday)

<u>Age</u>	<u>Officer</u>	<u>Enlisted</u>
16	0.982	0.982
17	0.982	0.982
18	0.982	0.982
19	0.982	0.982
20	0.981	0.981
21	0.982	0.982
22	0.983	0.983
23	0.985	0.985
24	0.987	0.987
25	0.989	0.989
26	0.993	0.993
27	0.994	0.994
28	0.994	0.994
29	0.994	0.994
30	0.994	0.994
31	0.995	0.995
32	0.995	0.995
33	0.994	0.994
34	0.994	0.994
35	0.994	0.994
36	0.994	0.994
37	0.994	0.994
38	0.993	0.993
39	0.992	0.992
40	0.991	0.991
41	0.990	0.990
42	0.989	0.989
43	0.988	0.988
44	0.988	0.988
45	0.987	0.987
46	0.986	0.986
47	0.985	0.985
48	0.984	0.984
49	0.983	0.983
50	0.982	0.982
51	0.981	0.981
52	0.981	0.981
53	0.981	0.981
54	0.982	0.981
55	0.983	0.983
56	0.984	0.984
57	0.985	0.985
58	0.986	0.986
59	0.986	0.986
60	0.986	0.986

NONDISABLED RETIRED MORTALITY FACTORS

(Age Nearest Birthday)

Age	Active Duty		Reserve Duty		Age	Active Duty		Reserve Duty	
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted
16	1.000	1.000	1.000	1.000	64	0.983	0.987	0.982	0.986
17	1.000	1.000	1.000	1.000	65	0.983	0.987	0.982	0.986
18	1.000	1.000	1.000	1.000	66	0.984	0.988	0.984	0.987
19	1.000	1.000	1.000	1.000	67	0.984	0.988	0.984	0.987
20	1.000	1.000	1.000	1.000	68	0.983	0.987	0.982	0.986
21	1.000	1.000	1.000	1.000	69	0.983	0.987	0.982	0.986
22	1.000	1.000	1.000	1.000	70	0.982	0.986	0.981	0.985
23	1.000	1.000	1.000	1.000	71	0.982	0.986	0.981	0.985
24	1.000	1.000	1.000	1.000	72	0.982	0.986	0.981	0.985
25	1.000	1.000	1.000	1.000	73	0.982	0.986	0.981	0.985
26	1.000	1.000	1.000	1.000	74	0.982	0.986	0.981	0.985
27	1.000	1.000	1.000	1.000	75	0.983	0.987	0.982	0.986
28	1.000	1.000	1.000	1.000	76	0.983	0.987	0.982	0.986
29	1.000	1.000	1.000	1.000	77	0.984	0.988	0.984	0.987
30	0.993	0.994	0.993	0.995	78	0.985	0.989	0.985	0.988
31	0.993	0.995	0.993	0.995	79	0.986	0.989	0.986	0.989
32	0.993	0.995	0.993	0.995	80	0.987	0.990	0.987	0.990
33	0.993	0.995	0.993	0.995	81	0.989	0.991	0.988	0.991
34	0.993	0.994	0.993	0.995	82	0.990	0.992	0.990	0.992
35	0.993	0.994	0.993	0.995	83	0.990	0.992	0.990	0.992
36	0.992	0.994	0.993	0.995	84	0.991	0.993	0.991	0.993
37	0.992	0.994	0.993	0.995	85	0.991	0.993	0.991	0.993
38	0.991	0.993	0.992	0.994	86	0.991	0.993	0.991	0.993
39	0.990	0.992	0.990	0.993	87	0.992	0.994	0.992	0.994
40	0.989	0.991	0.989	0.992	88	0.994	0.995	0.994	0.995
41	0.987	0.990	0.988	0.991	89	0.994	0.995	0.994	0.995
42	0.986	0.989	0.987	0.990	90	0.995	0.996	0.995	0.996
43	0.985	0.989	0.985	0.989	91	0.995	0.996	0.995	0.996
44	0.984	0.988	0.984	0.988	92	0.996	0.997	0.996	0.997
45	0.983	0.987	0.983	0.987	93	0.996	0.997	0.996	0.997
46	0.981	0.986	0.982	0.986	94	0.996	0.997	0.996	0.997
47	0.980	0.985	0.980	0.985	95	0.997	0.998	0.997	0.998
48	0.979	0.984	0.979	0.984	96	0.997	0.998	0.997	0.998
49	0.978	0.983	0.978	0.983	97	0.998	0.998	0.997	0.998
50	0.977	0.982	0.977	0.982	98	0.999	0.999	0.999	0.999
51	0.976	0.981	0.976	0.981	99	0.999	0.999	0.999	0.999
52	0.975	0.981	0.974	0.980	100	0.999	0.999	0.999	0.999
53	0.975	0.981	0.975	0.980	101	1.000	1.000	1.000	1.000
54	0.975	0.981	0.975	0.980	102	1.000	1.000	1.000	1.000
55	0.977	0.982	0.976	0.981	103	1.000	1.000	1.000	1.000
56	0.978	0.983	0.977	0.982	104	1.000	1.000	1.000	1.000
57	0.980	0.984	0.979	0.983	105	1.000	1.000	1.000	1.000
58	0.981	0.985	0.980	0.984	106	1.000	1.000	1.000	1.000
59	0.981	0.985	0.980	0.984	107	1.000	1.000	1.000	1.000
60	0.981	0.985	0.980	0.984	108	1.000	1.000	1.000	1.000
61	0.982	0.986	0.981	0.985	109	1.000	1.000	1.000	1.000
62	0.982	0.986	0.981	0.985	110	1.000	1.000	1.000	1.000
63	0.983	0.987	0.982	0.986					

SURVIVOR MORTALITY FACTORS

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
16	0.985	64	0.995
17	0.986	65	0.995
18	0.986	66	0.995
19	0.985	67	0.995
20	0.984	68	0.995
21	0.983	69	0.995
22	0.983	70	0.995
23	0.984	71	0.994
24	0.985	72	0.994
25	0.986	73	0.993
26	0.988	74	0.993
27	0.988	75	0.992
28	0.988	76	0.992
29	0.988	77	0.993
30	0.990	78	0.993
31	0.992	79	0.993
32	0.992	80	0.993
33	0.991	81	0.993
34	0.990	82	0.993
35	0.989	83	0.993
36	0.988	84	0.993
37	0.987	85	0.994
38	0.986	86	0.995
39	0.985	87	0.996
40	0.985	88	0.996
41	0.985	89	0.997
42	0.985	90	0.997
43	0.985	91	0.997
44	0.985	92	0.997
45	0.984	93	0.998
46	0.983	94	0.998
47	0.982	95	0.998
48	0.982	96	0.998
49	0.982	97	0.999
50	0.983	98	0.999
51	0.984	99	0.999
52	0.986	100	0.999
53	0.988	101	1.000
54	0.990	102	1.000
55	0.992	103	1.000
56	0.994	104	1.000
57	0.995	105	1.000
58	0.995	106	1.000
59	0.995	107	1.000
60	0.995	108	1.000
61	0.995	109	1.000
62	0.995	110	1.000
63	0.995		

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APPENDIX K

100 YEAR PROJECTIONS

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PROJECTION NOTES

The following are relevant notes to the projections depicted in this appendix:

- Columns in this appendix may not add due to rounding.
- In some cases the number of personnel may show zero with the corresponding pay showing a non-zero value. This is a result of rounding the display to the nearest person.
- Future mortality improvement is assumed throughout this appendix.
- Although Combat Related Special Compensation (CRSC) is not technically considered retired pay, it is paid from the MRF; hence these projections include CRSC.
- The following economic assumptions are applied to the projection of pay only. This table is partially replicated from the table on page 21 in the main text.

ANNUAL ECONOMIC ASSUMPTIONS USED IN PROJECTIONS OF BASIC PAY AND RETIRED OUTLAY

<u>Fiscal Year</u>	<u>Full COLA</u>	<u>Basic Pay</u>
2010	0.0%	3.4%
2011	0.0	1.4
2012	0.8	2.3
2013	1.9	3.4
2014	1.9	3.4
2015	2.0	3.4
2016	2.1	3.4
2017	2.1	3.4
2018	2.1	3.4
2019	3.0	3.4
2020+	3.0	3.75

ACTIVE DUTY PERSONNEL AND PAY BY FISCAL YEAR

(Dollar Amounts in Thousands)

Fiscal Year	People at Year End (September 30th)			Dollars During Fiscal Year		
	Officers	Enlisted	Total	Officers	Enlisted	Total
2009	244,171	1,235,971	1,480,142			
2010	248,175	1,242,841	1,491,016	\$16,922,128	\$37,640,452	\$54,562,580
2011	251,289	1,247,136	1,498,425	\$17,134,028	\$37,831,328	\$54,965,356
2012	249,895	1,223,555	1,473,450	\$17,476,137	\$38,240,922	\$55,717,060
2013	251,351	1,220,122	1,471,473	\$17,987,219	\$38,952,565	\$56,939,784
2014	251,698	1,218,918	1,470,616	\$18,553,062	\$39,943,720	\$58,496,782
2015	251,812	1,217,752	1,469,564	\$19,102,173	\$41,057,862	\$60,160,036
2016	251,812	1,217,752	1,469,564	\$19,662,835	\$42,265,393	\$61,928,228
2017	251,812	1,217,752	1,469,564	\$20,237,537	\$43,529,376	\$63,766,914
2018	251,812	1,217,752	1,469,564	\$20,827,582	\$44,810,519	\$65,638,101
2019	251,812	1,217,752	1,469,564	\$21,434,335	\$46,134,267	\$67,568,602
2020	251,812	1,217,752	1,469,564	\$22,139,975	\$47,659,934	\$69,799,910
2021	251,812	1,217,752	1,469,564	\$22,881,652	\$49,236,981	\$72,118,633
2022	251,812	1,217,752	1,469,564	\$23,655,828	\$50,858,350	\$74,514,178
2023	251,812	1,217,752	1,469,564	\$24,454,292	\$52,505,791	\$76,960,083
2024	251,812	1,217,752	1,469,564	\$25,278,518	\$54,163,512	\$79,442,030
2025	251,812	1,217,752	1,469,564	\$26,143,031	\$55,856,183	\$81,999,214
2026	251,812	1,217,752	1,469,564	\$27,051,487	\$57,620,580	\$84,672,067
2027	251,812	1,217,752	1,469,564	\$28,008,515	\$59,502,549	\$87,511,064
2028	251,812	1,217,752	1,469,564	\$29,021,628	\$61,532,294	\$90,553,921
2029	251,812	1,217,752	1,469,564	\$30,086,932	\$63,685,501	\$93,772,433
2030	251,812	1,217,752	1,469,564	\$31,174,380	\$65,925,086	\$97,099,466
2031	251,812	1,217,752	1,469,564	\$32,267,363	\$68,246,717	\$100,514,080
2032	251,812	1,217,752	1,469,564	\$33,424,610	\$70,721,066	\$104,145,676
2033	251,812	1,217,752	1,469,564	\$34,662,486	\$73,349,887	\$108,012,373
2034	251,812	1,217,752	1,469,564	\$35,941,878	\$76,067,536	\$112,009,413
2035	251,812	1,217,752	1,469,564	\$37,268,400	\$78,893,840	\$116,162,239
2036	251,812	1,217,752	1,469,564	\$38,649,560	\$81,856,493	\$120,506,053
2037	251,812	1,217,752	1,469,564	\$40,081,154	\$84,947,245	\$125,028,399
2038	251,812	1,217,752	1,469,564	\$41,562,528	\$88,158,301	\$129,720,830
2039	251,812	1,217,752	1,469,564	\$43,099,150	\$91,495,427	\$134,594,578
2040	251,812	1,217,752	1,469,564	\$44,685,355	\$94,956,185	\$139,641,539
2041	251,812	1,217,752	1,469,564	\$46,319,495	\$98,539,486	\$144,858,981
2042	251,812	1,217,752	1,469,564	\$48,027,571	\$102,260,849	\$150,288,420
2043	251,812	1,217,752	1,469,564	\$49,809,547	\$106,121,158	\$155,930,705
2044	251,812	1,217,752	1,469,564	\$51,650,491	\$110,109,439	\$161,759,929
2045	251,812	1,217,752	1,469,564	\$53,556,265	\$114,235,671	\$167,791,936
2046	251,812	1,217,752	1,469,564	\$55,536,388	\$118,510,950	\$174,047,338
2047	251,812	1,217,752	1,469,564	\$57,604,894	\$122,943,243	\$180,548,137
2048	251,812	1,217,752	1,469,564	\$59,760,014	\$127,542,118	\$187,302,132
2049	251,812	1,217,752	1,469,564	\$62,001,148	\$132,315,982	\$194,317,130
2050	251,812	1,217,752	1,469,564	\$64,329,323	\$137,267,644	\$201,596,967
2051	251,812	1,217,752	1,469,564	\$66,736,045	\$142,398,488	\$209,134,533
2052	251,812	1,217,752	1,469,564	\$69,233,213	\$147,723,767	\$216,956,981
2053	251,812	1,217,752	1,469,564	\$71,833,781	\$153,254,296	\$225,088,077
2054	251,812	1,217,752	1,469,564	\$74,535,927	\$158,991,036	\$233,526,964
2055	251,812	1,217,752	1,469,564	\$77,341,590	\$164,942,169	\$242,283,759
2056	251,812	1,217,752	1,469,564	\$80,256,300	\$171,120,870	\$251,377,170
2057	251,812	1,217,752	1,469,564	\$83,282,272	\$177,534,995	\$260,817,267
2058	251,812	1,217,752	1,469,564	\$86,421,307	\$184,191,823	\$270,613,130
2059	251,812	1,217,752	1,469,564	\$89,677,956	\$191,101,323	\$280,779,279

ACTIVE DUTY PERSONNEL AND PAY BY FISCAL YEAR (continued)

(Dollar Amounts in Thousands)

Fiscal Year	People at Year End (September 30th)			Dollars During Fiscal Year		
	Officers	Enlisted	Total	Officers	Enlisted	Total
2060	251,812	1,217,752	1,469,564	\$93,053,633	\$198,272,129	\$291,325,762
2061	251,812	1,217,752	1,469,564	\$96,548,536	\$205,712,013	\$302,260,549
2062	251,812	1,217,752	1,469,564	\$100,174,246	\$213,433,026	\$313,607,272
2063	251,812	1,217,752	1,469,564	\$103,938,581	\$221,445,847	\$325,384,428
2064	251,812	1,217,752	1,469,564	\$107,840,494	\$229,758,392	\$337,598,887
2065	251,812	1,217,752	1,469,564	\$111,883,173	\$238,381,493	\$350,264,665
2066	251,812	1,217,752	1,469,564	\$116,073,640	\$247,327,623	\$363,401,263
2067	251,812	1,217,752	1,469,564	\$120,421,734	\$256,608,588	\$377,030,322
2068	251,812	1,217,752	1,469,564	\$124,933,556	\$266,236,753	\$391,170,310
2069	251,812	1,217,752	1,469,564	\$129,614,262	\$276,225,612	\$405,839,874
2070	251,812	1,217,752	1,469,564	\$134,470,064	\$286,588,361	\$421,058,425
2071	251,812	1,217,752	1,469,564	\$139,504,850	\$297,338,091	\$436,842,941
2072	251,812	1,217,752	1,469,564	\$144,727,048	\$308,490,133	\$453,217,180
2073	251,812	1,217,752	1,469,564	\$150,146,824	\$320,060,261	\$470,207,086
2074	251,812	1,217,752	1,469,564	\$155,771,156	\$332,063,392	\$487,834,548
2075	251,812	1,217,752	1,469,564	\$161,607,303	\$344,515,651	\$506,122,955
2076	251,812	1,217,752	1,469,564	\$167,664,141	\$357,434,733	\$525,098,874
2077	251,812	1,217,752	1,469,564	\$173,950,999	\$370,838,352	\$544,789,352
2078	251,812	1,217,752	1,469,564	\$180,475,658	\$384,744,569	\$565,220,227
2079	251,812	1,217,752	1,469,564	\$187,246,534	\$399,172,529	\$586,419,062
2080	251,812	1,217,752	1,469,564	\$194,272,418	\$414,141,937	\$608,414,354
2081	251,812	1,217,752	1,469,564	\$201,561,128	\$429,672,871	\$631,233,998
2082	251,812	1,217,752	1,469,564	\$209,123,815	\$445,786,705	\$654,910,520
2083	251,812	1,217,752	1,469,564	\$216,972,190	\$462,505,554	\$679,477,745
2084	251,812	1,217,752	1,469,564	\$225,115,557	\$479,851,772	\$704,967,329
2085	251,812	1,217,752	1,469,564	\$233,563,561	\$497,848,738	\$731,412,299
2086	251,812	1,217,752	1,469,564	\$242,327,311	\$516,521,013	\$758,848,325
2087	251,812	1,217,752	1,469,564	\$251,419,464	\$535,893,875	\$787,313,339
2088	251,812	1,217,752	1,469,564	\$260,852,530	\$555,993,463	\$816,845,993
2089	251,812	1,217,752	1,469,564	\$270,638,922	\$576,847,057	\$847,485,979
2090	251,812	1,217,752	1,469,564	\$280,791,592	\$598,482,887	\$879,274,479
2091	251,812	1,217,752	1,469,564	\$291,323,358	\$620,930,087	\$912,253,444
2092	251,812	1,217,752	1,469,564	\$302,248,582	\$644,219,093	\$946,467,675
2093	251,812	1,217,752	1,469,564	\$313,582,866	\$668,381,543	\$981,964,409
2094	251,812	1,217,752	1,469,564	\$325,341,530	\$693,450,050	\$1,018,791,580
2095	251,812	1,217,752	1,469,564	\$337,540,290	\$719,458,496	\$1,056,998,785
2096	251,812	1,217,752	1,469,564	\$350,195,958	\$746,442,203	\$1,096,638,162
2097	251,812	1,217,752	1,469,564	\$363,326,457	\$774,437,771	\$1,137,764,228
2098	251,812	1,217,752	1,469,564	\$376,949,727	\$803,483,107	\$1,180,432,834
2099	251,812	1,217,752	1,469,564	\$391,084,120	\$833,617,611	\$1,224,701,731
2100	251,812	1,217,752	1,469,564	\$405,748,874	\$864,882,171	\$1,270,631,045
2101	251,812	1,217,752	1,469,564	\$420,963,552	\$897,319,141	\$1,318,282,693
2102	251,812	1,217,752	1,469,564	\$436,749,099	\$930,972,536	\$1,367,721,634
2103	251,812	1,217,752	1,469,564	\$453,127,582	\$965,888,051	\$1,419,015,633
2104	251,812	1,217,752	1,469,564	\$470,121,200	\$1,002,113,011	\$1,472,234,211
2105	251,812	1,217,752	1,469,564	\$487,752,666	\$1,039,696,510	\$1,527,449,177
2106	251,812	1,217,752	1,469,564	\$506,045,705	\$1,078,689,545	\$1,584,735,251
2107	251,812	1,217,752	1,469,564	\$525,025,309	\$1,119,145,001	\$1,644,170,311
2108	251,812	1,217,752	1,469,564	\$544,717,301	\$1,161,117,716	\$1,705,835,016

NONRETIRED RESERVISTS PERSONNEL AND PAY BY FISCAL YEAR

(Dollar Amounts in Thousands)

Fiscal Year	People at Year End (September 30th)			Dollars During Fiscal Year		
	Officers	Enlisted	Total	Officers	Enlisted	Total
2009	108,009	662,647	770,656			
2010	110,562	655,085	765,647	\$1,812,301	\$3,881,005	\$5,693,306
2011	112,875	654,479	767,354	\$1,869,413	\$3,924,531	\$5,793,944
2012	114,318	653,862	768,180	\$1,938,370	\$4,023,697	\$5,962,067
2013	115,192	654,965	770,157	\$2,017,818	\$4,169,995	\$6,187,813
2014	115,074	655,036	770,110	\$2,087,837	\$4,322,905	\$6,410,743
2015	114,934	655,124	770,058	\$2,153,500	\$4,482,428	\$6,635,928
2016	114,934	655,124	770,058	\$2,222,870	\$4,645,701	\$6,868,572
2017	114,934	655,124	770,058	\$2,296,671	\$4,812,933	\$7,109,604
2018	114,934	655,124	770,058	\$2,373,288	\$4,984,696	\$7,357,984
2019	114,934	655,124	770,058	\$2,452,736	\$5,161,103	\$7,613,840
2020	114,934	655,124	770,058	\$2,543,822	\$5,360,416	\$7,904,239
2021	114,934	655,124	770,058	\$2,638,676	\$5,566,243	\$8,204,919
2022	114,934	655,124	770,058	\$2,737,613	\$5,779,138	\$8,516,752
2023	114,934	655,124	770,058	\$2,841,046	\$5,999,894	\$8,840,940
2024	114,934	655,124	770,058	\$2,949,112	\$6,229,467	\$9,178,579
2025	114,934	655,124	770,058	\$3,062,269	\$6,468,377	\$9,530,645
2026	114,934	655,124	770,058	\$3,180,316	\$6,716,863	\$9,897,179
2027	114,934	655,124	770,058	\$3,303,105	\$6,975,079	\$10,278,185
2028	114,934	655,124	770,058	\$3,428,727	\$7,236,034	\$10,664,761
2029	114,934	655,124	770,058	\$3,558,093	\$7,503,668	\$11,061,762
2030	114,934	655,124	770,058	\$3,694,859	\$7,792,236	\$11,487,094
2031	114,934	655,124	770,058	\$3,836,319	\$8,092,280	\$11,928,599
2032	114,934	655,124	770,058	\$3,982,772	\$8,403,342	\$12,386,114
2033	114,934	655,124	770,058	\$4,134,052	\$8,725,013	\$12,859,065
2034	114,934	655,124	770,058	\$4,290,387	\$9,057,484	\$13,347,870
2035	114,934	655,124	770,058	\$4,452,547	\$9,401,256	\$13,853,802
2036	114,934	655,124	770,058	\$4,620,790	\$9,756,647	\$14,377,437
2037	114,934	655,124	770,058	\$4,795,273	\$10,124,074	\$14,919,347
2038	114,934	655,124	770,058	\$4,976,218	\$10,504,167	\$15,480,385
2039	114,934	655,124	770,058	\$5,163,943	\$10,897,728	\$16,061,671
2040	114,934	655,124	770,058	\$5,358,653	\$11,305,524	\$16,664,177
2041	114,934	655,124	770,058	\$5,560,567	\$11,728,469	\$17,289,037
2042	114,934	655,124	770,058	\$5,770,298	\$12,167,646	\$17,937,944
2043	114,934	655,124	770,058	\$5,988,342	\$12,624,016	\$18,612,357
2044	114,934	655,124	770,058	\$6,214,827	\$13,098,291	\$19,313,118
2045	114,934	655,124	770,058	\$6,449,699	\$13,590,825	\$20,040,524
2046	114,934	655,124	770,058	\$6,693,403	\$14,101,774	\$20,795,177
2047	114,934	655,124	770,058	\$6,946,122	\$14,631,591	\$21,577,713
2048	114,934	655,124	770,058	\$7,207,686	\$15,180,851	\$22,388,536
2049	114,934	655,124	770,058	\$7,478,566	\$15,750,336	\$23,228,902
2050	114,934	655,124	770,058	\$7,759,339	\$16,341,123	\$24,100,462
2051	114,934	655,124	770,058	\$8,050,579	\$16,954,059	\$25,004,638
2052	114,934	655,124	770,058	\$8,352,693	\$17,590,001	\$25,942,694
2053	114,934	655,124	770,058	\$8,666,089	\$18,249,768	\$26,915,857
2054	114,934	655,124	770,058	\$8,991,198	\$18,934,269	\$27,925,468
2055	114,934	655,124	770,058	\$9,328,469	\$19,644,433	\$28,972,902
2056	114,934	655,124	770,058	\$9,678,362	\$20,381,221	\$30,059,583
2057	114,934	655,124	770,058	\$10,041,355	\$21,145,626	\$31,186,982
2058	114,934	655,124	770,058	\$10,417,944	\$21,938,684	\$32,356,627
2059	114,934	655,124	770,058	\$10,808,640	\$22,761,467	\$33,570,106

NONRETIRED RESERVISTS PERSONNEL AND PAY BY FISCAL YEAR (continued)

(Dollar Amounts in Thousands)

Fiscal Year	People at Year End (September 30th)			Dollars During Fiscal Year		
	Officers	Enlisted	Total	Officers	Enlisted	Total
2060	114,934	655,124	770,058	\$11,213,975	\$23,615,091	\$34,829,067
2061	114,934	655,124	770,058	\$11,634,502	\$24,500,715	\$36,135,217
2062	114,934	655,124	770,058	\$12,070,792	\$25,419,539	\$37,490,331
2063	114,934	655,124	770,058	\$12,523,439	\$26,372,808	\$38,896,247
2064	114,934	655,124	770,058	\$12,993,056	\$27,361,815	\$40,354,872
2065	114,934	655,124	770,058	\$13,480,284	\$28,387,901	\$41,868,185
2066	114,934	655,124	770,058	\$13,985,783	\$29,452,456	\$43,438,238
2067	114,934	655,124	770,058	\$14,510,239	\$30,556,923	\$45,067,161
2068	114,934	655,124	770,058	\$15,054,363	\$31,702,800	\$46,757,163
2069	114,934	655,124	770,058	\$15,618,895	\$32,891,643	\$48,510,538
2070	114,934	655,124	770,058	\$16,204,598	\$34,125,068	\$50,329,667
2071	114,934	655,124	770,058	\$16,812,267	\$35,404,748	\$52,217,015
2072	114,934	655,124	770,058	\$17,442,726	\$36,732,416	\$54,175,142
2073	114,934	655,124	770,058	\$18,096,828	\$38,109,872	\$56,206,699
2074	114,934	655,124	770,058	\$18,775,460	\$39,538,982	\$58,314,441
2075	114,934	655,124	770,058	\$19,479,541	\$41,021,684	\$60,501,225
2076	114,934	655,124	770,058	\$20,210,026	\$42,559,988	\$62,770,014
2077	114,934	655,124	770,058	\$20,967,905	\$44,155,980	\$65,123,884
2078	114,934	655,124	770,058	\$21,754,203	\$45,811,822	\$67,566,025
2079	114,934	655,124	770,058	\$22,569,988	\$47,529,759	\$70,099,748
2080	114,934	655,124	770,058	\$23,416,365	\$49,312,120	\$72,728,486
2081	114,934	655,124	770,058	\$24,294,481	\$51,161,321	\$75,455,802
2082	114,934	655,124	770,058	\$25,205,525	\$53,079,868	\$78,285,393
2083	114,934	655,124	770,058	\$26,150,733	\$55,070,362	\$81,221,095
2084	114,934	655,124	770,058	\$27,131,387	\$57,135,500	\$84,266,886
2085	114,934	655,124	770,058	\$28,148,814	\$59,278,081	\$87,426,895
2086	114,934	655,124	770,058	\$29,204,395	\$61,501,009	\$90,705,404
2087	114,934	655,124	770,058	\$30,299,560	\$63,807,298	\$94,106,858
2088	114,934	655,124	770,058	\$31,435,793	\$66,200,073	\$97,635,866
2089	114,934	655,124	770,058	\$32,614,635	\$68,682,577	\$101,297,212
2090	114,934	655,124	770,058	\$33,837,683	\$71,258,175	\$105,095,858
2091	114,934	655,124	770,058	\$35,106,596	\$73,930,358	\$109,036,954
2092	114,934	655,124	770,058	\$36,423,093	\$76,702,747	\$113,125,841
2093	114,934	655,124	770,058	\$37,788,959	\$79,579,101	\$117,368,060
2094	114,934	655,124	770,058	\$39,206,045	\$82,563,318	\$121,769,363
2095	114,934	655,124	770,058	\$40,676,271	\$85,659,444	\$126,335,715
2096	114,934	655,124	770,058	\$42,201,631	\$88,871,674	\$131,073,305
2097	114,934	655,124	770,058	\$43,784,192	\$92,204,362	\$135,988,554
2098	114,934	655,124	770,058	\$45,426,100	\$95,662,026	\$141,088,126
2099	114,934	655,124	770,058	\$47,129,578	\$99,249,352	\$146,378,931
2100	114,934	655,124	770,058	\$48,896,938	\$102,971,203	\$151,868,141
2101	114,934	655,124	770,058	\$50,730,573	\$106,832,624	\$157,563,197
2102	114,934	655,124	770,058	\$52,632,969	\$110,838,847	\$163,471,817
2103	114,934	655,124	770,058	\$54,606,706	\$114,995,304	\$169,602,010
2104	114,934	655,124	770,058	\$56,654,457	\$119,307,628	\$175,962,086
2105	114,934	655,124	770,058	\$58,779,000	\$123,781,665	\$182,560,664
2106	114,934	655,124	770,058	\$60,983,212	\$128,423,477	\$189,406,690
2107	114,934	655,124	770,058	\$63,270,083	\$133,239,358	\$196,509,441
2108	114,934	655,124	770,058	\$65,642,711	\$138,235,834	\$203,878,545

TOTAL NUMBER OF RETIREES ON SEPTEMBER 30 OF EACH FISCAL YEAR

Fiscal Year	Nondisabled (non-CSB/Redux)			Nondisabled (CSB/Redux)			Disabled			Grand Total
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	
2009	505,729	1,292,702	1,798,431	398	13,942	14,340	18,760	72,779	91,539	1,904,310
2010	507,533	1,293,342	1,800,875	902	25,806	26,708	17,942	69,954	87,896	1,915,479
2011	508,285	1,291,760	1,800,045	1,376	36,236	37,612	17,183	67,546	84,729	1,922,386
2012	508,884	1,289,678	1,798,562	1,831	45,429	47,260	16,492	65,442	81,934	1,927,756
2013	515,315	1,299,970	1,815,285	2,291	54,154	56,445	15,862	63,370	79,231	1,950,962
2014	515,803	1,294,865	1,810,668	2,736	62,003	64,738	15,293	61,381	76,674	1,952,081
2015	516,356	1,289,626	1,805,983	3,175	69,267	72,442	14,789	59,741	74,529	1,952,954
2016	516,818	1,285,267	1,802,085	3,605	76,236	79,841	14,340	58,185	72,525	1,954,451
2017	517,177	1,281,254	1,798,431	4,038	83,271	87,309	13,942	56,711	70,653	1,956,393
2018	517,445	1,278,166	1,795,611	4,447	89,719	94,166	13,589	55,310	68,898	1,958,675
2019	517,746	1,276,413	1,794,159	4,825	95,586	100,410	13,274	53,975	67,249	1,961,818
2020	518,084	1,276,023	1,794,107	5,148	100,712	105,860	12,994	52,702	65,696	1,965,663
2021	518,401	1,276,391	1,794,792	5,430	105,042	110,472	12,741	51,487	64,229	1,969,492
2022	518,763	1,277,592	1,796,355	5,693	108,796	114,489	12,513	50,331	62,844	1,973,688
2023	519,175	1,279,445	1,798,620	5,914	111,889	117,803	12,304	49,235	61,539	1,977,962
2024	519,162	1,281,582	1,800,743	6,098	114,239	120,337	12,111	48,194	60,305	1,981,386
2025	518,792	1,283,014	1,801,807	6,236	115,773	122,009	11,930	47,193	59,122	1,982,938
2026	518,040	1,283,817	1,801,857	6,339	116,621	122,960	11,757	46,224	57,981	1,982,798
2027	516,720	1,282,307	1,799,028	6,416	117,033	123,449	11,593	45,270	56,863	1,979,339
2028	520,695	1,293,414	1,814,109	6,473	117,122	123,595	11,435	44,337	55,772	1,993,476
2029	518,756	1,289,720	1,808,477	6,512	116,954	123,466	11,284	43,432	54,716	1,986,659
2030	517,243	1,286,567	1,803,810	6,535	116,568	123,103	11,148	42,584	53,731	1,980,644
2031	515,740	1,282,832	1,798,571	6,543	115,991	122,534	11,023	41,784	52,806	1,973,911
2032	513,763	1,277,475	1,791,239	6,539	115,250	121,789	10,901	41,006	51,907	1,964,936
2033	512,032	1,272,743	1,784,775	6,523	114,363	120,886	10,789	40,273	51,062	1,956,722
2034	510,409	1,268,640	1,779,049	6,498	113,337	119,835	10,687	39,590	50,277	1,949,161
2035	508,860	1,264,527	1,773,387	6,462	112,176	118,638	10,593	38,947	49,540	1,941,565
2036	507,440	1,260,610	1,768,051	6,419	110,890	117,309	10,507	38,346	48,852	1,934,212
2037	506,151	1,257,075	1,763,226	6,369	109,493	115,862	10,432	37,790	48,223	1,927,311
2038	504,979	1,253,785	1,758,764	6,313	107,986	114,299	10,367	37,281	47,647	1,920,710
2039	503,908	1,250,708	1,754,615	6,250	106,367	112,617	10,308	36,815	47,123	1,914,355
2040	503,034	1,247,989	1,751,024	6,179	104,634	110,813	10,260	36,392	46,653	1,908,489
2041	502,236	1,245,429	1,747,665	6,101	102,778	108,880	10,220	36,011	46,231	1,902,775
2042	501,445	1,242,900	1,744,345	6,016	100,792	106,808	10,186	35,668	45,853	1,897,007
2043	500,826	1,240,662	1,741,488	5,921	98,666	104,587	10,158	35,363	45,520	1,891,596
2044	500,342	1,238,781	1,739,123	5,817	96,390	102,207	10,136	35,094	45,230	1,886,560
2045	500,004	1,237,269	1,737,273	5,703	93,958	99,661	10,118	34,857	44,976	1,881,910
2046	499,761	1,236,198	1,735,959	5,576	91,366	96,942	10,104	34,650	44,755	1,877,657
2047	499,619	1,235,505	1,735,124	5,438	88,607	94,045	10,094	34,468	44,562	1,873,732
2048	499,607	1,235,200	1,734,807	5,286	85,680	90,966	10,086	34,308	44,395	1,870,168
2049	499,678	1,235,308	1,734,985	5,121	82,582	87,703	10,081	34,167	44,248	1,866,937
2050	499,933	1,236,033	1,735,966	4,942	79,314	84,256	10,077	34,044	44,122	1,864,343
2051	500,347	1,237,375	1,737,722	4,748	75,881	80,629	10,076	33,937	44,013	1,862,364
2052	500,816	1,239,255	1,740,070	4,540	72,293	76,833	10,075	33,842	43,917	1,860,820
2053	501,371	1,241,761	1,743,132	4,318	68,564	72,882	10,076	33,758	43,833	1,859,847
2054	502,019	1,244,943	1,746,962	4,083	64,714	68,797	10,077	33,684	43,761	1,859,520
2055	502,746	1,248,753	1,751,499	3,836	60,764	64,600	10,079	33,618	43,697	1,859,796
2056	503,556	1,253,184	1,756,741	3,580	56,730	60,310	10,081	33,560	43,641	1,860,692
2057	504,454	1,258,222	1,762,676	3,315	52,633	55,948	10,084	33,508	43,592	1,862,217
2058	505,431	1,263,805	1,769,237	3,045	48,497	51,543	10,088	33,462	43,551	1,864,330

*This projection includes retired from active and reserve duty.

**The number of retirees projected only considers those receiving non-zero retired pay from the Military Retirement Fund.

TOTAL NUMBER OF RETIREES ON SEPTEMBER 30 OF EACH FISCAL YEAR (continued)

Fiscal Year	Nondisabled (non-CSB/Redux)			Nondisabled (CSB/Redux)			Disabled			Grand Total
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	
2059	506,486	1,269,850	1,776,336	2,773	44,357	47,131	10,093	33,422	43,515	1,866,982
2060	507,645	1,276,283	1,783,928	2,503	40,255	42,758	10,098	33,386	43,484	1,870,170
2061	508,895	1,282,996	1,791,891	2,238	36,239	38,477	10,104	33,355	43,458	1,873,827
2062	510,204	1,289,863	1,800,067	1,982	32,357	34,339	10,110	33,327	43,437	1,877,843
2063	511,591	1,296,800	1,808,391	1,737	28,657	30,394	10,117	33,302	43,419	1,882,204
2064	513,051	1,303,718	1,816,769	1,507	25,175	26,682	10,124	33,281	43,405	1,886,857
2065	514,571	1,310,524	1,825,095	1,294	21,939	23,233	10,131	33,263	43,394	1,891,722
2066	516,130	1,317,153	1,833,283	1,099	18,963	20,062	10,138	33,248	43,386	1,896,732
2067	517,710	1,323,548	1,841,258	923	16,252	17,176	10,145	33,236	43,381	1,901,815
2068	519,296	1,329,668	1,848,964	767	13,805	14,572	10,152	33,225	43,378	1,906,913
2069	520,876	1,335,485	1,856,360	630	11,612	12,242	10,159	33,218	43,376	1,911,979
2070	522,447	1,340,992	1,863,439	512	9,665	10,176	10,164	33,212	43,377	1,916,992
2071	524,001	1,346,191	1,870,191	410	7,951	8,362	10,170	33,209	43,379	1,921,932
2072	525,516	1,351,088	1,876,604	325	6,460	6,785	10,175	33,208	43,382	1,926,771
2073	526,982	1,355,705	1,882,688	254	5,179	5,433	10,179	33,208	43,387	1,931,507
2074	528,398	1,360,078	1,888,477	195	4,094	4,289	10,182	33,209	43,392	1,936,158
2075	529,757	1,364,243	1,894,000	148	3,190	3,338	10,185	33,212	43,397	1,940,735
2076	531,052	1,368,244	1,899,296	110	2,449	2,559	10,187	33,216	43,403	1,945,258
2077	532,287	1,372,123	1,904,409	80	1,851	1,932	10,189	33,220	43,409	1,949,750
2078	533,467	1,375,913	1,909,379	57	1,379	1,436	10,190	33,225	43,415	1,954,230
2079	534,593	1,379,633	1,914,227	40	1,011	1,051	10,190	33,229	43,420	1,958,698
2080	535,673	1,383,289	1,918,962	27	730	757	10,191	33,234	43,425	1,963,145
2081	536,712	1,386,881	1,923,593	18	519	537	10,191	33,238	43,429	1,967,559
2082	537,711	1,390,402	1,928,113	12	362	374	10,191	33,242	43,433	1,971,920
2083	538,678	1,393,840	1,932,518	7	248	256	10,190	33,246	43,436	1,976,210
2084	539,615	1,397,190	1,936,805	4	167	171	10,190	33,249	43,439	1,980,416
2085	540,532	1,400,447	1,940,979	3	109	112	10,190	33,252	43,442	1,984,533
2086	541,432	1,403,613	1,945,046	1	70	71	10,190	33,254	43,444	1,988,561
2087	542,319	1,406,691	1,949,010	1	43	44	10,189	33,256	43,445	1,992,499
2088	543,197	1,409,684	1,952,881	0	26	26	10,189	33,257	43,447	1,996,354
2089	544,068	1,412,601	1,956,669	0	15	15	10,189	33,258	43,448	2,000,132
2090	544,933	1,415,446	1,960,379	0	9	9	10,190	33,259	43,449	2,003,837
2091	545,798	1,418,224	1,964,022	0	5	5	10,190	33,260	43,450	2,007,476
2092	546,663	1,420,940	1,967,603	0	2	2	10,190	33,260	43,450	2,011,056
2093	547,528	1,423,600	1,971,128	0	1	1	10,191	33,260	43,451	2,014,580
2094	548,394	1,426,208	1,974,602	0	0	0	10,191	33,261	43,452	2,018,054
2095	549,261	1,428,771	1,978,032	0	0	0	10,191	33,261	43,452	2,021,485
2096	550,127	1,431,296	1,981,423	0	0	0	10,192	33,261	43,453	2,024,877
2097	550,991	1,433,788	1,984,779	0	0	0	10,192	33,262	43,454	2,028,233
2098	551,852	1,436,253	1,988,106	0	0	0	10,193	33,262	43,455	2,031,560
2099	552,709	1,438,697	1,991,406	0	0	0	10,193	33,262	43,455	2,034,861
2100	553,561	1,441,122	1,994,683	0	0	0	10,194	33,263	43,456	2,038,139
2101	554,406	1,443,534	1,997,940	0	0	0	10,194	33,263	43,457	2,041,397
2102	555,244	1,445,934	2,001,177	0	0	0	10,194	33,264	43,458	2,044,635
2103	556,073	1,448,324	2,004,396	0	0	0	10,194	33,264	43,458	2,047,855
2104	556,892	1,450,705	2,007,597	0	0	0	10,194	33,265	43,459	2,051,056
2105	557,701	1,453,079	2,010,779	0	0	0	10,194	33,265	43,460	2,054,239
2106	558,499	1,455,445	2,013,943	0	0	0	10,195	33,266	43,460	2,057,404
2107	559,287	1,457,802	2,017,089	0	0	0	10,195	33,266	43,461	2,060,550
2108	560,065	1,460,151	2,020,216	0	0	0	10,195	33,267	43,462	2,063,678

*This projection includes retired from active and reserve duty.

**The number of retirees projected only considers those receiving non-zero retired pay from the Military Retirement Fund.

Valuation of the Military Retirement System - September 30, 2009

TOTAL ANNUAL RETIRED PAY FOR EACH FISCAL YEAR

(Dollar Amounts in Thousands)

Fiscal Year	Nondisabled (non-CSB/Redux)			Nondisabled (CSB/Redux)			Disabled			Grand Total
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	
2010	\$19,920,345	\$25,069,013	\$44,989,358	\$19,398	\$324,506	\$343,904	\$573,441	\$813,200	\$1,386,641	\$46,719,903
2011	\$20,066,364	\$25,141,530	\$45,207,895	\$36,713	\$539,725	\$576,438	\$547,028	\$786,701	\$1,333,729	\$47,118,062
2012	\$20,300,987	\$25,312,645	\$45,613,632	\$54,772	\$745,938	\$800,710	\$525,380	\$768,917	\$1,294,297	\$47,708,640
2013	\$20,834,770	\$25,803,782	\$46,638,551	\$74,208	\$951,124	\$1,025,332	\$510,721	\$760,576	\$1,271,297	\$48,935,180
2014	\$21,429,565	\$26,337,303	\$47,766,868	\$95,266	\$1,156,697	\$1,251,962	\$499,006	\$754,923	\$1,253,929	\$50,272,759
2015	\$21,982,902	\$26,810,417	\$48,793,319	\$117,956	\$1,360,581	\$1,478,537	\$489,554	\$751,705	\$1,241,259	\$51,513,115
2016	\$22,574,175	\$27,334,902	\$49,909,077	\$142,350	\$1,567,182	\$1,709,532	\$482,335	\$750,280	\$1,232,615	\$52,851,224
2017	\$23,186,947	\$27,890,931	\$51,077,878	\$169,270	\$1,789,678	\$1,958,948	\$477,100	\$750,275	\$1,227,375	\$54,264,201
2018	\$23,817,820	\$28,475,125	\$52,292,945	\$198,201	\$2,020,037	\$2,218,238	\$473,687	\$751,453	\$1,225,140	\$55,736,323
2019	\$24,630,458	\$29,297,663	\$53,928,121	\$228,830	\$2,256,510	\$2,485,340	\$474,998	\$758,567	\$1,233,565	\$57,647,026
2020	\$25,525,191	\$30,244,559	\$55,769,750	\$258,861	\$2,487,887	\$2,746,748	\$478,612	\$768,002	\$1,246,614	\$59,763,112
2021	\$26,447,660	\$31,258,429	\$57,706,089	\$287,592	\$2,705,271	\$2,992,863	\$483,486	\$778,259	\$1,261,745	\$61,960,697
2022	\$27,399,062	\$32,338,301	\$59,737,363	\$316,300	\$2,912,841	\$3,229,141	\$489,564	\$789,581	\$1,279,145	\$64,245,649
2023	\$28,384,615	\$33,493,337	\$61,877,952	\$345,049	\$3,112,599	\$3,457,649	\$496,765	\$802,211	\$1,298,976	\$66,634,577
2024	\$29,395,648	\$34,725,524	\$64,121,172	\$372,912	\$3,303,303	\$3,676,215	\$504,975	\$816,278	\$1,321,253	\$69,118,640
2025	\$30,424,645	\$36,019,353	\$66,443,998	\$399,650	\$3,482,044	\$3,881,694	\$514,037	\$831,543	\$1,345,580	\$71,671,272
2026	\$31,471,396	\$37,360,593	\$68,831,989	\$426,118	\$3,650,792	\$4,076,910	\$523,907	\$847,607	\$1,371,514	\$74,280,413
2027	\$32,536,894	\$38,717,711	\$71,254,605	\$453,891	\$3,813,468	\$4,267,358	\$534,457	\$864,025	\$1,398,482	\$76,920,445
2028	\$33,727,132	\$40,205,807	\$73,932,939	\$482,536	\$3,975,645	\$4,458,182	\$545,647	\$880,486	\$1,426,133	\$79,817,254
2029	\$34,928,100	\$41,711,346	\$76,639,446	\$510,653	\$4,143,083	\$4,653,736	\$557,542	\$897,215	\$1,454,757	\$82,747,939
2030	\$36,073,117	\$43,153,304	\$79,226,421	\$537,985	\$4,327,950	\$4,865,935	\$570,441	\$914,894	\$1,485,335	\$85,577,691
2031	\$37,273,539	\$44,649,236	\$81,922,775	\$564,572	\$4,541,257	\$5,105,829	\$584,614	\$933,782	\$1,518,396	\$88,547,000
2032	\$38,498,283	\$46,156,809	\$84,655,092	\$590,589	\$4,769,719	\$5,360,308	\$599,613	\$953,415	\$1,553,028	\$91,568,428
2033	\$39,762,367	\$47,701,210	\$87,463,577	\$614,991	\$4,991,216	\$5,606,207	\$615,466	\$973,754	\$1,589,220	\$94,659,004
2034	\$41,083,101	\$49,323,832	\$90,406,933	\$636,693	\$5,189,204	\$5,825,897	\$632,539	\$995,418	\$1,627,957	\$97,860,787
2035	\$42,449,403	\$51,009,977	\$93,459,380	\$655,972	\$5,357,502	\$6,013,473	\$650,751	\$1,018,353	\$1,669,104	\$101,141,957
2036	\$43,866,349	\$52,753,026	\$96,619,375	\$673,549	\$5,506,914	\$6,180,464	\$669,988	\$1,042,369	\$1,712,357	\$104,512,196
2037	\$45,341,891	\$54,563,794	\$99,905,685	\$689,737	\$5,644,904	\$6,334,641	\$690,535	\$1,067,619	\$1,758,154	\$107,998,480
2038	\$46,877,095	\$56,445,202	\$103,322,297	\$704,758	\$5,772,138	\$6,476,896	\$712,499	\$1,094,402	\$1,806,901	\$111,606,094
2039	\$48,473,689	\$58,400,044	\$106,873,733	\$718,612	\$5,890,977	\$6,609,589	\$735,718	\$1,122,898	\$1,858,616	\$115,341,938
2040	\$50,149,168	\$60,438,198	\$110,587,366	\$731,073	\$6,001,869	\$6,732,942	\$760,424	\$1,153,266	\$1,913,690	\$119,233,998
2041	\$51,904,298	\$62,561,714	\$114,466,012	\$742,052	\$6,103,776	\$6,845,828	\$786,680	\$1,185,528	\$1,972,208	\$123,284,048
2042	\$53,719,726	\$64,762,690	\$118,482,416	\$751,960	\$6,196,001	\$6,947,961	\$814,139	\$1,219,621	\$2,033,760	\$127,464,137
2043	\$55,605,439	\$67,052,253	\$122,657,692	\$760,137	\$6,275,070	\$7,035,207	\$842,831	\$1,255,664	\$2,098,495	\$131,791,394
2044	\$57,578,952	\$69,447,833	\$127,026,785	\$766,487	\$6,336,624	\$7,103,111	\$872,909	\$1,293,841	\$2,166,750	\$136,296,646
2045	\$59,644,123	\$71,955,232	\$131,599,355	\$771,045	\$6,377,318	\$7,148,363	\$904,360	\$1,334,129	\$2,238,489	\$140,986,207
2046	\$61,797,408	\$74,582,499	\$136,379,907	\$773,589	\$6,392,904	\$7,166,493	\$937,011	\$1,376,511	\$2,313,522	\$145,859,922
2047	\$64,036,719	\$77,336,977	\$141,373,696	\$773,928	\$6,381,214	\$7,155,142	\$970,886	\$1,421,015	\$2,391,901	\$150,920,739
2048	\$66,374,697	\$80,225,729	\$146,600,426	\$771,799	\$6,341,458	\$7,113,256	\$1,006,036	\$1,467,589	\$2,473,625	\$156,187,307
2049	\$68,812,032	\$83,255,722	\$152,067,754	\$767,013	\$6,275,057	\$7,042,070	\$1,042,377	\$1,516,300	\$2,558,677	\$161,668,501
2050	\$71,356,021	\$86,437,692	\$157,793,713	\$759,444	\$6,184,636	\$6,944,080	\$1,080,017	\$1,567,154	\$2,647,171	\$167,384,964
2051	\$74,017,863	\$89,782,219	\$163,800,082	\$748,858	\$6,072,950	\$6,821,808	\$1,119,080	\$1,620,280	\$2,739,360	\$173,361,250
2052	\$76,789,589	\$93,292,307	\$170,081,896	\$734,888	\$5,940,461	\$6,675,349	\$1,159,510	\$1,675,694	\$2,835,204	\$179,592,449
2053	\$79,671,544	\$96,977,586	\$176,649,130	\$717,418	\$5,786,751	\$6,504,170	\$1,201,292	\$1,733,390	\$2,934,682	\$186,087,982
2054	\$82,673,613	\$100,853,363	\$183,526,976	\$696,421	\$5,611,974	\$6,308,395	\$1,244,524	\$1,793,470	\$3,037,994	\$192,873,365
2055	\$85,800,347	\$104,928,935	\$190,729,282	\$671,877	\$5,416,438	\$6,088,315	\$1,289,326	\$1,856,038	\$3,145,364	\$199,962,961
2056	\$89,058,918	\$109,212,781	\$198,271,699	\$643,930	\$5,200,525	\$5,844,455	\$1,335,678	\$1,921,125	\$3,256,803	\$207,372,957
2057	\$92,457,578	\$113,716,770	\$206,174,348	\$612,750	\$4,964,497	\$5,577,247	\$1,383,767	\$1,988,809	\$3,372,576	\$215,124,171
2058	\$96,001,876	\$118,448,690	\$214,450,566	\$578,566	\$4,708,700	\$5,287,267	\$1,433,759	\$2,059,186	\$3,492,945	\$223,230,778
2059	\$99,697,899	\$123,414,477	\$223,112,376	\$541,806	\$4,434,538	\$4,976,344	\$1,485,687	\$2,132,340	\$3,618,027	\$231,706,747

*This projection includes retired from active and reserve duty.

TOTAL ANNUAL RETIRED PAY FOR EACH FISCAL YEAR (continued)

(Dollar Amounts in Thousands)

Fiscal Year	Nondisabled (non-CSB/Redux)			Nondisabled (CSB/Redux)			Disabled			Grand Total
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	
2060	\$103,563,599	\$128,619,489	\$232,183,088	\$503,091	\$4,144,699	\$4,647,790	\$1,539,686	\$2,208,404	\$3,748,090	\$240,578,968
2061	\$107,600,822	\$134,061,494	\$241,662,316	\$462,943	\$3,843,375	\$4,306,318	\$1,595,929	\$2,287,521	\$3,883,450	\$249,852,084
2062	\$111,813,269	\$139,739,336	\$251,552,605	\$422,019	\$3,535,677	\$3,957,696	\$1,654,489	\$2,369,851	\$4,024,340	\$259,534,641
2063	\$116,212,030	\$145,654,196	\$261,866,226	\$381,010	\$3,227,000	\$3,608,010	\$1,715,446	\$2,455,518	\$4,170,964	\$269,645,200
2064	\$120,806,590	\$151,809,670	\$272,616,260	\$340,603	\$2,922,361	\$3,262,964	\$1,778,924	\$2,544,650	\$4,323,574	\$280,202,798
2065	\$125,607,063	\$158,208,019	\$283,815,082	\$301,453	\$2,626,075	\$2,927,529	\$1,844,952	\$2,637,407	\$4,482,359	\$291,224,970
2066	\$130,618,229	\$164,852,865	\$295,471,094	\$264,133	\$2,341,508	\$2,605,641	\$1,913,645	\$2,733,927	\$4,647,572	\$302,724,307
2067	\$135,843,131	\$171,745,650	\$307,588,781	\$229,052	\$2,070,994	\$2,300,046	\$1,985,087	\$2,834,339	\$4,819,426	\$314,708,253
2068	\$141,288,813	\$178,886,334	\$320,175,147	\$196,492	\$1,816,095	\$2,012,587	\$2,059,337	\$2,938,815	\$4,998,152	\$327,185,886
2069	\$146,959,276	\$186,282,249	\$333,241,525	\$166,708	\$1,577,860	\$1,744,568	\$2,136,490	\$3,047,494	\$5,183,984	\$340,170,077
2070	\$152,857,661	\$193,940,952	\$346,798,613	\$139,838	\$1,357,013	\$1,496,850	\$2,216,608	\$3,160,522	\$5,377,130	\$353,672,593
2071	\$158,993,973	\$201,869,604	\$360,863,577	\$115,888	\$1,154,135	\$1,270,023	\$2,299,832	\$3,278,063	\$5,577,895	\$367,711,495
2072	\$165,375,818	\$210,078,349	\$375,454,167	\$94,836	\$969,717	\$1,064,554	\$2,386,216	\$3,400,259	\$5,786,475	\$382,305,196
2073	\$172,002,862	\$218,579,634	\$390,582,496	\$76,567	\$804,116	\$880,683	\$2,475,798	\$3,527,258	\$6,003,056	\$397,466,235
2074	\$178,882,307	\$227,387,227	\$406,269,534	\$60,906	\$657,544	\$718,450	\$2,568,706	\$3,659,229	\$6,227,935	\$413,215,919
2075	\$186,020,687	\$236,516,893	\$422,537,580	\$47,689	\$529,932	\$577,621	\$2,665,050	\$3,796,347	\$6,461,397	\$429,576,598
2076	\$193,423,727	\$245,987,778	\$439,411,505	\$36,719	\$420,773	\$457,492	\$2,764,910	\$3,938,773	\$6,703,683	\$446,572,680
2077	\$201,098,792	\$255,820,571	\$456,919,363	\$27,769	\$329,117	\$356,886	\$2,868,401	\$4,086,699	\$6,955,100	\$464,231,349
2078	\$209,056,064	\$266,036,932	\$475,092,996	\$20,570	\$253,579	\$274,149	\$2,975,683	\$4,240,307	\$7,215,990	\$482,583,135
2079	\$217,307,122	\$276,656,439	\$493,963,561	\$14,908	\$192,463	\$207,371	\$3,086,925	\$4,399,797	\$7,486,722	\$501,657,654
2080	\$225,863,240	\$287,697,254	\$513,560,494	\$10,549	\$143,890	\$154,439	\$3,202,323	\$4,565,316	\$7,767,639	\$521,482,572
2081	\$234,737,939	\$299,174,390	\$533,912,329	\$7,279	\$105,932	\$113,211	\$3,322,032	\$4,737,075	\$8,059,107	\$542,084,647
2082	\$243,943,340	\$311,102,042	\$555,045,382	\$4,907	\$76,731	\$81,639	\$3,446,214	\$4,915,280	\$8,361,494	\$563,488,515
2083	\$253,493,189	\$323,494,308	\$576,987,497	\$3,221	\$54,616	\$57,837	\$3,575,062	\$5,100,146	\$8,675,208	\$585,720,542
2084	\$263,403,328	\$336,364,994	\$599,768,322	\$2,043	\$38,137	\$40,179	\$3,708,763	\$5,291,930	\$9,000,693	\$608,809,194
2085	\$273,690,661	\$349,729,520	\$623,420,181	\$1,241	\$26,055	\$27,296	\$3,847,526	\$5,490,873	\$9,338,399	\$632,785,876
2086	\$284,372,342	\$363,604,890	\$647,977,232	\$724	\$17,375	\$18,099	\$3,991,560	\$5,697,239	\$9,688,799	\$657,684,130
2087	\$295,466,083	\$378,009,335	\$673,475,418	\$381	\$11,284	\$11,666	\$4,141,067	\$5,911,300	\$10,052,367	\$683,539,451
2088	\$306,991,455	\$392,962,180	\$699,953,635	\$133	\$7,123	\$7,256	\$4,296,259	\$6,133,326	\$10,429,585	\$710,390,476
2089	\$318,966,189	\$408,484,817	\$727,451,006	\$0	\$4,363	\$4,363	\$4,457,349	\$6,363,653	\$10,821,002	\$738,276,371
2090	\$331,406,705	\$424,599,554	\$756,006,259	\$0	\$2,588	\$2,588	\$4,624,559	\$6,602,551	\$11,227,110	\$767,235,957
2091	\$344,333,655	\$441,328,929	\$785,662,584	\$0	\$1,481	\$1,481	\$4,798,128	\$6,850,395	\$11,648,523	\$797,312,588
2092	\$357,768,123	\$458,696,901	\$816,465,024	\$0	\$812	\$812	\$4,978,290	\$7,107,510	\$12,085,800	\$828,551,636
2093	\$371,729,375	\$476,728,706	\$848,458,081	\$0	\$414	\$414	\$5,165,276	\$7,374,252	\$12,539,528	\$860,998,023
2094	\$386,238,425	\$495,450,335	\$881,688,760	\$0	\$187	\$187	\$5,359,334	\$7,650,989	\$13,010,323	\$894,699,270
2095	\$401,317,370	\$514,889,301	\$916,206,671	\$0	\$62	\$62	\$5,560,722	\$7,938,102	\$13,498,824	\$929,705,557
2096	\$416,987,237	\$535,074,718	\$952,061,955	\$0	\$0	\$0	\$5,769,692	\$8,235,985	\$14,005,677	\$966,067,632
2097	\$433,269,044	\$556,036,912	\$989,305,956	\$0	\$0	\$0	\$5,986,499	\$8,545,052	\$14,531,551	\$1,003,837,507
2098	\$450,185,764	\$577,807,611	\$1,027,993,375	\$0	\$0	\$0	\$6,211,421	\$8,865,726	\$15,077,147	\$1,043,070,522
2099	\$467,760,577	\$600,419,889	\$1,068,180,466	\$0	\$0	\$0	\$6,444,758	\$9,198,448	\$15,643,206	\$1,083,823,672
2100	\$486,017,007	\$623,907,918	\$1,109,924,925	\$0	\$0	\$0	\$6,686,826	\$9,543,669	\$16,230,495	\$1,126,155,420
2101	\$504,980,424	\$648,306,959	\$1,153,287,383	\$0	\$0	\$0	\$6,937,949	\$9,901,859	\$16,839,808	\$1,170,127,191
2102	\$524,676,476	\$673,653,467	\$1,198,329,943	\$0	\$0	\$0	\$7,198,456	\$10,273,505	\$17,471,961	\$1,215,801,904
2103	\$545,131,290	\$699,985,034	\$1,245,116,324	\$0	\$0	\$0	\$7,468,688	\$10,659,110	\$18,127,798	\$1,263,244,122
2104	\$566,372,349	\$727,340,402	\$1,293,712,751	\$0	\$0	\$0	\$7,749,007	\$11,059,198	\$18,808,205	\$1,312,520,956
2105	\$588,428,554	\$755,759,562	\$1,344,188,116	\$0	\$0	\$0	\$8,039,795	\$11,474,308	\$19,514,103	\$1,363,702,219
2106	\$611,330,106	\$785,283,822	\$1,396,613,928	\$0	\$0	\$0	\$8,341,449	\$11,905,003	\$20,246,452	\$1,416,860,380
2107	\$635,108,611	\$815,955,860	\$1,451,064,471	\$0	\$0	\$0	\$8,654,381	\$12,351,863	\$21,006,244	\$1,472,070,715
2108	\$659,798,070	\$847,819,777	\$1,507,617,847	\$0	\$0	\$0	\$8,979,021	\$12,815,495	\$21,794,516	\$1,529,412,363

*This projection includes retired from active and reserve duty.

RETIREE GAIN STATEMENT

Fiscal Year	Gains During the Fiscal Year						Average Starting Net Retired Pay Before CPI Increase					
	Nondisabled (non-CSB/Redux)		Nondisabled (CSB/Redux)		Disabled		Nondisabled (non-CSB/Redux)		Nondisabled (CSB/Redux)		Disabled	
	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted
2010	16,169	31,104	505	11,885	465	2,855	\$41,503	\$18,733	\$34,095	\$18,644	\$38,681	\$14,929
2011	15,150	29,657	475	10,466	461	2,810	\$41,209	\$19,334	\$37,115	\$20,425	\$39,254	\$15,279
2012	14,989	29,883	456	9,246	465	2,805	\$42,762	\$20,013	\$40,078	\$21,586	\$39,994	\$15,525
2013	20,792	42,967	462	8,794	465	2,777	\$39,380	\$17,777	\$43,195	\$23,335	\$40,855	\$15,871
2014	14,796	28,245	447	7,937	465	2,752	\$45,653	\$21,416	\$47,076	\$24,895	\$41,791	\$16,245
2015	14,784	28,700	442	7,374	466	2,735	\$47,147	\$21,972	\$51,212	\$26,582	\$43,013	\$16,697
2016	14,615	30,137	435	7,100	465	2,739	\$48,559	\$22,677	\$54,702	\$27,631	\$44,382	\$17,198
2017	14,447	31,006	438	7,192	464	2,751	\$50,246	\$22,919	\$61,221	\$30,576	\$45,649	\$17,730
2018	14,303	32,418	415	6,632	463	2,759	\$51,922	\$23,692	\$65,782	\$31,611	\$47,053	\$18,283
2019	14,311	34,205	384	6,080	460	2,763	\$53,541	\$24,410	\$69,214	\$32,692	\$48,548	\$18,867
2020	14,347	35,993	331	5,370	457	2,766	\$54,873	\$25,150	\$73,151	\$33,653	\$49,920	\$19,478
2021	14,350	37,136	291	4,608	455	2,768	\$56,382	\$26,168	\$76,588	\$34,900	\$51,365	\$20,147
2022	14,446	38,309	274	4,069	453	2,775	\$57,786	\$27,247	\$81,627	\$36,481	\$52,975	\$20,874
2023	14,565	39,260	233	3,452	452	2,784	\$59,350	\$28,645	\$87,277	\$38,734	\$54,660	\$21,668
2024	14,229	39,805	197	2,754	450	2,794	\$61,609	\$30,081	\$91,439	\$41,696	\$56,361	\$22,485
2025	13,979	39,338	152	1,989	447	2,790	\$63,897	\$31,653	\$100,108	\$47,039	\$58,166	\$23,300
2026	13,712	38,921	120	1,357	445	2,780	\$66,300	\$32,996	\$108,750	\$55,019	\$60,105	\$24,065
2027	13,270	36,804	95	980	443	2,754	\$68,971	\$34,468	\$117,126	\$62,272	\$62,018	\$24,770
2028	18,702	49,627	77	720	440	2,731	\$61,198	\$30,514	\$125,972	\$68,889	\$63,931	\$25,435
2029	12,930	35,027	62	530	439	2,716	\$73,669	\$37,108	\$134,962	\$75,807	\$66,006	\$26,193
2030	13,488	35,734	48	384	445	2,729	\$76,039	\$38,213	\$143,530	\$82,364	\$68,029	\$26,958
2031	13,636	35,318	37	269	450	2,736	\$78,741	\$39,547	\$153,914	\$89,329	\$70,436	\$27,813
2032	13,288	33,845	28	186	446	2,717	\$81,525	\$40,844	\$163,429	\$96,690	\$72,928	\$28,644
2033	13,646	34,612	19	123	447	2,716	\$84,195	\$41,997	\$177,633	\$104,029	\$75,375	\$29,525
2034	13,859	35,395	13	74	450	2,722	\$86,651	\$43,122	\$190,795	\$110,310	\$78,218	\$30,538
2035	14,035	35,548	7	35	450	2,719	\$88,920	\$44,248	\$208,023	\$118,335	\$80,991	\$31,553
2036	14,233	35,893	4	11	449	2,717	\$91,742	\$45,482	\$229,939	\$132,409	\$83,964	\$32,616
2037	14,405	36,412	3	5	453	2,719	\$94,663	\$46,723	\$247,901	\$143,379	\$87,348	\$33,750
2038	14,523	36,760	1	2	454	2,721	\$98,189	\$48,152	\$262,094	\$153,727	\$90,501	\$34,982
2039	14,589	37,034	1	1	454	2,723	\$101,579	\$49,790	\$276,840	\$161,868	\$93,816	\$36,296
2040	14,714	37,397	0	0	456	2,726	\$106,697	\$51,655	\$0	\$170,279	\$97,692	\$37,674
2041	14,682	37,491	0	0	457	2,728	\$110,744	\$53,582	\$0	\$0	\$101,312	\$39,089
2042	14,563	37,394	0	0	456	2,729	\$114,333	\$55,538	\$0	\$0	\$104,856	\$40,553
2043	14,578	37,478	0	0	456	2,731	\$118,834	\$57,840	\$0	\$0	\$108,756	\$42,120
2044	14,548	37,560	0	0	456	2,734	\$123,823	\$60,185	\$0	\$0	\$112,964	\$43,752
2045	14,525	37,603	0	0	456	2,736	\$129,338	\$62,571	\$0	\$0	\$117,028	\$45,427
2046	14,442	37,657	0	0	455	2,737	\$134,088	\$65,137	\$0	\$0	\$121,219	\$47,157
2047	14,365	37,594	0	0	455	2,737	\$139,407	\$67,851	\$0	\$0	\$125,706	\$48,949
2048	14,329	37,508	0	0	454	2,737	\$145,246	\$70,760	\$0	\$0	\$130,356	\$50,796
2049	14,260	37,404	0	0	453	2,736	\$150,640	\$73,685	\$0	\$0	\$135,095	\$52,703
2050	14,307	37,461	0	0	453	2,736	\$156,135	\$76,571	\$0	\$0	\$140,024	\$54,685
2051	14,346	37,489	0	0	454	2,736	\$161,916	\$79,444	\$0	\$0	\$145,232	\$56,750
2052	14,298	37,408	0	0	453	2,735	\$168,000	\$82,440	\$0	\$0	\$150,610	\$58,877
2053	14,284	37,389	0	0	453	2,735	\$174,194	\$85,544	\$0	\$0	\$156,119	\$61,076
2054	14,286	37,406	0	0	453	2,735	\$180,591	\$88,767	\$0	\$0	\$161,893	\$63,363
2055	14,275	37,369	0	0	453	2,734	\$187,243	\$92,091	\$0	\$0	\$167,872	\$65,730
2056	14,271	37,335	0	0	452	2,734	\$194,191	\$95,541	\$0	\$0	\$174,060	\$68,180
2057	14,276	37,322	0	0	452	2,733	\$201,390	\$99,101	\$0	\$0	\$180,601	\$70,720
2058	14,282	37,306	0	0	453	2,733	\$208,874	\$102,793	\$0	\$0	\$187,358	\$73,359
2059	14,285	37,286	0	0	452	2,733	\$216,646	\$106,625	\$0	\$0	\$194,357	\$76,100

*This projection includes retired from active and reserve duty.
 **Gains during the year include those people who die before year end. All figures are after total and partial VA offsets.
 ***The dramatic retiree gain increases in FY 2013 and FY 2028 are a result of the modeling due to section 647 of the 2008 NDAA.
 Please refer to Appendix F and Appendix H for more information.

RETIREE GAIN STATEMENT

Fiscal Year	Gains During the Fiscal Year						Average Starting Net Retired Pay Before CPI Increase					
	Nondisabled (non-CSB/Redux)		Nondisabled (CSB/Redux)		Disabled		Nondisabled (non-CSB/Redux)		Nondisabled (CSB/Redux)		Disabled	
	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted
2060	14,317	37,289	0	0	453	2,733	\$224,909	\$110,631	\$0	\$0	\$201,748	\$78,947
2061	14,335	37,287	0	0	453	2,733	\$233,406	\$114,767	\$0	\$0	\$209,424	\$81,902
2062	14,327	37,275	0	0	453	2,733	\$242,034	\$119,037	\$0	\$0	\$217,298	\$84,965
2063	14,338	37,281	0	0	453	2,733	\$251,137	\$123,495	\$0	\$0	\$225,488	\$88,149
2064	14,351	37,294	0	0	453	2,733	\$260,625	\$128,129	\$0	\$0	\$234,069	\$91,457
2065	14,364	37,302	0	0	454	2,733	\$270,558	\$132,923	\$0	\$0	\$242,919	\$94,889
2066	14,367	37,311	0	0	454	2,733	\$280,753	\$137,900	\$0	\$0	\$252,067	\$98,451
2067	14,363	37,320	0	0	454	2,734	\$291,272	\$143,074	\$0	\$0	\$261,597	\$102,149
2068	14,363	37,327	0	0	454	2,734	\$302,311	\$148,441	\$0	\$0	\$271,472	\$105,985
2069	14,357	37,329	0	0	454	2,734	\$313,718	\$154,011	\$0	\$0	\$281,688	\$109,965
2070	14,360	37,338	0	0	454	2,734	\$325,540	\$159,796	\$0	\$0	\$292,287	\$114,095
2071	14,366	37,346	0	0	454	2,734	\$337,784	\$165,797	\$0	\$0	\$303,279	\$118,381
2072	14,362	37,346	0	0	454	2,734	\$350,465	\$172,021	\$0	\$0	\$314,664	\$122,827
2073	14,357	37,349	0	0	454	2,734	\$363,639	\$178,481	\$0	\$0	\$326,443	\$127,438
2074	14,355	37,354	0	0	454	2,734	\$377,276	\$185,185	\$0	\$0	\$338,670	\$132,223
2075	14,351	37,356	0	0	454	2,734	\$391,439	\$192,137	\$0	\$0	\$351,339	\$137,186
2076	14,346	37,355	0	0	454	2,734	\$406,077	\$199,349	\$0	\$0	\$364,451	\$142,334
2077	14,342	37,356	0	0	454	2,734	\$421,241	\$206,830	\$0	\$0	\$378,073	\$147,674
2078	14,340	37,356	0	0	454	2,734	\$437,019	\$214,591	\$0	\$0	\$392,211	\$153,213
2079	14,336	37,354	0	0	453	2,734	\$453,356	\$222,640	\$0	\$0	\$406,866	\$158,960
2080	14,338	37,354	0	0	453	2,734	\$470,344	\$230,995	\$0	\$0	\$422,089	\$164,922
2081	14,339	37,354	0	0	453	2,734	\$487,961	\$239,660	\$0	\$0	\$437,904	\$171,107
2082	14,337	37,352	0	0	453	2,734	\$506,204	\$248,647	\$0	\$0	\$454,301	\$177,523
2083	14,337	37,351	0	0	453	2,734	\$525,147	\$257,972	\$0	\$0	\$471,309	\$184,180
2084	14,338	37,352	0	0	453	2,734	\$544,810	\$267,649	\$0	\$0	\$488,982	\$191,087
2085	14,341	37,352	0	0	453	2,734	\$565,243	\$277,686	\$0	\$0	\$507,323	\$198,253
2086	14,343	37,352	0	0	453	2,734	\$586,440	\$288,099	\$0	\$0	\$526,350	\$205,688
2087	14,343	37,352	0	0	454	2,734	\$608,419	\$298,903	\$0	\$0	\$546,108	\$213,402
2088	14,345	37,353	0	0	454	2,734	\$631,246	\$310,113	\$0	\$0	\$566,614	\$221,406
2089	14,345	37,353	0	0	454	2,734	\$654,937	\$321,743	\$0	\$0	\$587,889	\$229,711
2090	14,347	37,354	0	0	454	2,734	\$679,529	\$333,811	\$0	\$0	\$609,972	\$238,327
2091	14,349	37,355	0	0	454	2,734	\$705,043	\$346,331	\$0	\$0	\$632,888	\$247,267
2092	14,350	37,356	0	0	454	2,735	\$731,505	\$359,321	\$0	\$0	\$656,661	\$256,542
2093	14,351	37,357	0	0	454	2,735	\$758,969	\$372,799	\$0	\$0	\$681,317	\$266,166
2094	14,352	37,358	0	0	454	2,735	\$787,466	\$386,783	\$0	\$0	\$706,902	\$276,151
2095	14,353	37,359	0	0	454	2,735	\$817,041	\$401,291	\$0	\$0	\$733,442	\$286,510
2096	14,353	37,360	0	0	454	2,735	\$847,708	\$416,344	\$0	\$0	\$760,963	\$297,258
2097	14,352	37,361	0	0	454	2,735	\$879,507	\$431,962	\$0	\$0	\$789,514	\$308,409
2098	14,352	37,362	0	0	454	2,735	\$912,511	\$448,166	\$0	\$0	\$819,133	\$319,978
2099	14,351	37,363	0	0	454	2,735	\$946,745	\$464,977	\$0	\$0	\$849,854	\$331,981
2100	14,351	37,364	0	0	454	2,735	\$982,263	\$482,419	\$0	\$0	\$881,723	\$344,435
2101	14,351	37,365	0	0	454	2,735	\$1,019,108	\$500,515	\$0	\$0	\$914,788	\$357,355
2102	14,351	37,365	0	0	454	2,735	\$1,057,321	\$519,290	\$0	\$0	\$949,088	\$370,759
2103	14,350	37,366	0	0	454	2,735	\$1,096,965	\$538,768	\$0	\$0	\$984,667	\$384,667
2104	14,350	37,367	0	0	454	2,735	\$1,138,091	\$558,978	\$0	\$0	\$1,021,581	\$399,096
2105	14,350	37,367	0	0	454	2,735	\$1,180,763	\$579,945	\$0	\$0	\$1,059,881	\$414,066
2106	14,350	37,368	0	0	454	2,735	\$1,225,033	\$601,698	\$0	\$0	\$1,099,614	\$429,597
2107	14,350	37,368	0	0	454	2,735	\$1,270,958	\$624,267	\$0	\$0	\$1,140,841	\$445,710
2108	14,350	37,369	0	0	454	2,735	\$1,318,609	\$647,682	\$0	\$0	\$1,183,617	\$462,429

*This projection includes retired from active and reserve duty.

**Gains during the year include those people who die before year end. All figures are after total and partial VA offsets.

***The dramatic retiree gain increases in FY 2013 and FY 2028 are a result of the modeling due to section 647 of the 2008 NDAA. Please refer to Appendix F and Appendix H for more information.

TOTAL NUMBER OF SURVIVORS ON SEPTEMBER 30 OF EACH FISCAL YEAR

Fiscal Year	SBP Non-CSB/Redux	SBP CSB/Redux	RCSBP	Minimum Income	Death on Active Duty	RSFPP	Special Survivor Indemnity Allowance	Total
2009	192,115	0	81,079	148	7,336	10,224	57,652	290,902
2010	196,630	4	83,355	130	7,437	9,525	58,082	297,082
2011	200,437	12	85,371	115	7,519	8,814	58,347	302,269
2012	203,620	25	87,249	102	7,583	8,117	58,470	306,696
2013	206,199	42	89,060	90	7,626	7,439	58,467	310,456
2014	208,194	64	90,756	80	7,647	6,785	58,393	313,526
2015	209,632	94	92,376	70	7,647	6,157	58,237	315,976
2016	210,566	130	93,946	62	7,620	5,558	57,938	317,883
2017	211,047	176	95,490	54	7,565	4,994	57,509	319,325
2018	211,113	231	97,033	48	7,474	4,464	0	320,363
2019	210,799	298	98,598	42	7,350	3,971	0	321,058
2020	210,143	377	100,202	36	7,197	3,517	0	321,472
2021	209,171	469	101,852	32	7,017	3,100	0	321,640
2022	207,903	577	103,557	28	6,819	2,721	0	321,604
2023	206,363	702	105,318	24	6,622	2,379	0	321,407
2024	204,581	845	107,130	21	6,434	2,072	0	321,083
2025	202,590	1,010	108,986	18	6,270	1,799	0	320,673
2026	200,426	1,196	110,879	15	6,132	1,559	0	320,207
2027	198,124	1,407	112,790	13	6,028	1,349	0	319,711
2028	195,726	1,643	114,765	11	5,945	1,167	0	319,257
2029	193,270	1,906	116,694	9	5,883	1,011	0	318,774
2030	190,801	2,197	118,586	8	5,841	877	0	318,309
2031	188,362	2,517	120,425	7	5,809	764	0	317,884
2032	185,987	2,868	122,186	5	5,782	670	0	317,497
2033	183,700	3,249	123,847	4	5,761	591	0	317,151
2034	181,527	3,662	125,389	4	5,747	526	0	316,854
2035	179,493	4,109	126,796	3	5,734	472	0	316,607
2036	177,597	4,591	128,035	2	5,723	427	0	316,375
2037	175,835	5,106	129,074	2	5,713	390	0	316,120
2038	174,194	5,655	129,887	2	5,703	359	0	315,799
2039	172,661	6,235	130,454	1	5,692	333	0	315,376
2040	171,206	6,847	130,760	1	5,681	310	0	314,805
2041	169,807	7,488	130,806	1	5,671	291	0	314,064
2042	168,445	8,160	130,610	1	5,661	274	0	313,151
2043	167,098	8,863	130,185	1	5,650	258	0	312,055
2044	165,747	9,597	129,564	0	5,637	244	0	310,790
2045	164,377	10,359	128,786	0	5,622	231	0	309,375
2046	162,973	11,149	127,890	0	5,606	218	0	307,836
2047	161,526	11,962	126,910	0	5,589	206	0	306,192
2048	160,029	12,795	125,883	0	5,572	194	0	304,473
2049	158,478	13,642	124,843	0	5,555	182	0	302,700
2050	156,868	14,495	123,805	0	5,536	171	0	300,875
2051	155,200	15,345	122,787	0	5,514	160	0	299,006
2052	153,475	16,180	121,794	0	5,492	150	0	297,091
2053	151,696	16,988	120,820	0	5,467	140	0	295,112
2054	149,870	17,752	119,865	0	5,442	131	0	293,060
2055	148,006	18,458	118,920	0	5,415	122	0	290,922
2056	146,121	19,090	117,984	0	5,389	114	0	288,697
2057	144,236	19,635	117,065	0	5,361	107	0	286,404
2058	142,386	20,077	116,164	0	5,335	100	0	284,061

*This projection includes retired from active and reserve duty.

**The number of survivors projected only considers those receiving non-zero pay from the Military Retirement Fund.

***RCSBP survivors include all survivors of reservists, not just those electing pre-age 60 coverage.

****The Special Survivor Indemnity Allowance counts are shown for informational purposes and are not included in the Total column. They include the impact of both NDAA 2008 and P.L. 110-181.

TOTAL NUMBER OF SURVIVORS ON SEPTEMBER 30 OF EACH FISCAL YEAR (continued)

Fiscal Year	SBP Non-CSB/Redux	SBP CSB/Redux	RCSBP	Minimum Income	Death on Active Duty	RSFPP	Special Survivor Indemnity Allowance	Total
2059	140,604	20,399	115,279	0	5,307	93	0	281,682
2060	138,924	20,583	114,422	0	5,279	87	0	279,295
2061	137,381	20,616	113,596	0	5,250	82	0	276,924
2062	136,006	20,486	112,821	0	5,220	77	0	274,611
2063	134,824	20,189	112,103	0	5,191	72	0	272,379
2064	133,849	19,728	111,454	0	5,162	68	0	270,261
2065	133,092	19,111	110,897	0	5,134	65	0	268,298
2066	132,556	18,354	110,431	0	5,106	61	0	266,510
2067	132,238	17,475	110,068	0	5,080	58	0	264,919
2068	132,123	16,497	109,810	0	5,054	56	0	263,539
2069	132,193	15,441	109,651	0	5,029	53	0	262,368
2070	132,426	14,333	109,581	0	5,004	51	0	261,395
2071	132,797	13,193	109,586	0	4,980	49	0	260,604
2072	133,277	12,043	109,650	0	4,955	47	0	259,972
2073	133,842	10,902	109,757	0	4,930	45	0	259,475
2074	134,461	9,784	109,888	0	4,906	43	0	259,082
2075	135,110	8,706	110,025	0	4,883	41	0	258,765
2076	135,764	7,679	110,156	0	4,860	39	0	258,498
2077	136,402	6,713	110,269	0	4,838	37	0	258,258
2078	137,007	5,816	110,356	0	4,817	35	0	258,031
2079	137,573	4,994	110,412	0	4,798	33	0	257,810
2080	138,100	4,250	110,437	0	4,779	31	0	257,597
2081	138,590	3,584	110,432	0	4,761	29	0	257,396
2082	139,043	2,995	110,399	0	4,744	27	0	257,207
2083	139,468	2,480	110,340	0	4,728	24	0	257,040
2084	139,867	2,037	110,262	0	4,713	22	0	256,901
2085	140,244	1,658	110,170	0	4,697	20	0	256,788
2086	140,598	1,338	110,067	0	4,682	18	0	256,703
2087	140,934	1,072	109,957	0	4,668	16	0	256,647
2088	141,252	852	109,846	0	4,653	14	0	256,617
2089	141,551	673	109,734	0	4,639	12	0	256,610
2090	141,832	528	109,624	0	4,625	10	0	256,620
2091	142,095	413	109,517	0	4,610	9	0	256,643
2092	142,338	321	109,415	0	4,594	7	0	256,676
2093	142,561	249	109,317	0	4,579	6	0	256,713
2094	142,765	193	109,225	0	4,563	5	0	256,751
2095	142,949	150	109,138	0	4,546	4	0	256,788
2096	143,114	116	109,055	0	4,529	3	0	256,818
2097	143,259	91	108,978	0	4,512	3	0	256,842
2098	143,385	71	108,905	0	4,493	2	0	256,856
2099	143,494	56	108,836	0	4,475	2	0	256,862
2100	143,587	44	108,771	0	4,456	1	0	256,858
2101	143,664	34	108,709	0	4,437	1	0	256,846
2102	143,730	27	108,651	0	4,418	1	0	256,826
2103	143,784	21	108,595	0	4,398	1	0	256,800
2104	143,830	17	108,543	0	4,378	0	0	256,769
2105	143,869	13	108,494	0	4,358	0	0	256,734
2106	143,904	10	108,447	0	4,337	0	0	256,698
2107	143,935	8	108,403	0	4,316	0	0	256,662
2108	143,964	6	108,362	0	4,295	0	0	256,627

*This projection includes retired from active and reserve duty.

**The number of survivors projected only considers those receiving non-zero pay from the Military Retirement Fund.

***RCSBP survivors include all survivors of reservists, not just those electing pre-age 60 coverage.

****The Special Survivor Indemnity Allowance counts are shown for informational purposes and are not included in the Total column. They include the impact of both NDAA 2008 and P.L. 110-181.

TOTAL ANNUAL SURVIVOR BENEFITS FOR EACH FISCAL YEAR

(Dollar Amounts in Thousands)

<u>Fiscal Year</u>	<u>SBP Non-CSB/Redux</u>	<u>SBP CSB/Redux</u>	<u>RCSBP</u>	<u>Minimum Income</u>	<u>Death on Active Duty</u>	<u>RSFPP</u>	<u>Special Survivor Indemnity Allowance</u>	<u>Total</u>
2010	\$2,870,446	\$17	\$652,394	\$1,014	\$63,126	\$28,697	\$41,819	\$3,657,513
2011	\$2,902,069	\$75	\$666,343	\$891	\$65,367	\$26,722	\$49,012	\$3,710,479
2012	\$2,942,965	\$188	\$682,632	\$792	\$68,113	\$24,725	\$56,132	\$3,775,547
2013	\$3,006,615	\$361	\$705,365	\$714	\$71,667	\$22,811	\$63,145	\$3,870,678
2014	\$3,071,907	\$612	\$730,048	\$644	\$75,385	\$20,956	\$105,107	\$4,004,659
2015	\$3,133,289	\$958	\$755,445	\$580	\$79,205	\$19,161	\$139,768	\$4,128,406
2016	\$3,191,932	\$1,422	\$782,169	\$523	\$83,029	\$17,441	\$191,196	\$4,267,712
2017	\$3,246,150	\$2,030	\$809,953	\$470	\$86,750	\$15,805	\$213,935	\$4,375,093
2018	\$3,295,710	\$2,810	\$839,022	\$423	\$90,155	\$14,261	\$0	\$4,242,381
2019	\$3,363,186	\$3,830	\$875,533	\$382	\$93,781	\$12,830	\$0	\$4,349,542
2020	\$3,434,821	\$5,122	\$916,448	\$344	\$97,326	\$11,509	\$0	\$4,465,570
2021	\$3,503,776	\$6,722	\$960,366	\$310	\$100,348	\$10,291	\$0	\$4,581,813
2022	\$3,570,366	\$8,684	\$1,007,629	\$279	\$102,867	\$9,172	\$0	\$4,698,997
2023	\$3,634,655	\$11,071	\$1,058,444	\$250	\$104,911	\$8,151	\$0	\$4,817,482
2024	\$3,696,956	\$13,952	\$1,113,084	\$224	\$106,665	\$7,232	\$0	\$4,938,113
2025	\$3,757,673	\$17,407	\$1,171,783	\$200	\$108,348	\$6,410	\$0	\$5,061,821
2026	\$3,817,149	\$21,515	\$1,234,595	\$178	\$110,089	\$5,681	\$0	\$5,189,207
2027	\$3,875,773	\$26,362	\$1,301,599	\$157	\$112,048	\$5,040	\$0	\$5,320,979
2028	\$3,934,325	\$32,064	\$1,373,145	\$138	\$114,162	\$4,484	\$0	\$5,458,318
2029	\$3,993,472	\$38,766	\$1,449,220	\$121	\$116,525	\$4,006	\$0	\$5,602,110
2030	\$4,053,892	\$46,543	\$1,529,211	\$104	\$119,174	\$3,597	\$0	\$5,752,521
2031	\$4,116,623	\$55,405	\$1,613,278	\$90	\$122,097	\$3,253	\$0	\$5,910,746
2032	\$4,182,636	\$65,400	\$1,701,326	\$77	\$125,160	\$2,967	\$0	\$6,077,566
2033	\$4,252,918	\$76,606	\$1,793,047	\$66	\$128,345	\$2,728	\$0	\$6,253,710
2034	\$4,328,214	\$89,165	\$1,888,268	\$56	\$131,746	\$2,535	\$0	\$6,439,984
2035	\$4,409,687	\$103,213	\$1,986,644	\$48	\$135,305	\$2,376	\$0	\$6,637,273
2036	\$4,497,970	\$118,863	\$2,087,670	\$41	\$139,074	\$2,247	\$0	\$6,845,865
2037	\$4,593,406	\$136,217	\$2,190,576	\$34	\$143,072	\$2,144	\$0	\$7,065,449
2038	\$4,696,176	\$155,384	\$2,294,619	\$28	\$147,291	\$2,060	\$0	\$7,295,558
2039	\$4,806,048	\$176,518	\$2,398,938	\$24	\$151,711	\$1,990	\$0	\$7,535,229
2040	\$4,922,972	\$199,791	\$2,502,687	\$19	\$156,337	\$1,932	\$0	\$7,783,738
2041	\$5,046,568	\$225,399	\$2,605,473	\$16	\$161,157	\$1,882	\$0	\$8,040,495
2042	\$5,176,529	\$253,543	\$2,706,774	\$13	\$166,129	\$1,837	\$0	\$8,304,825
2043	\$5,312,411	\$284,439	\$2,806,219	\$11	\$171,221	\$1,795	\$0	\$8,576,096
2044	\$5,454,293	\$318,302	\$2,903,859	\$8	\$176,473	\$1,754	\$0	\$8,854,689
2045	\$5,602,082	\$355,309	\$3,000,049	\$7	\$181,873	\$1,712	\$0	\$9,141,032
2046	\$5,755,584	\$395,583	\$3,094,887	\$5	\$187,422	\$1,669	\$0	\$9,435,150
2047	\$5,915,159	\$439,202	\$3,188,960	\$4	\$193,133	\$1,623	\$0	\$9,738,081
2048	\$6,080,687	\$486,180	\$3,282,716	\$3	\$199,023	\$1,574	\$0	\$10,050,183
2049	\$6,252,230	\$536,460	\$3,376,696	\$2	\$205,076	\$1,523	\$0	\$10,371,987
2050	\$6,430,019	\$589,903	\$3,471,201	\$2	\$211,270	\$1,469	\$0	\$10,703,864
2051	\$6,614,183	\$646,237	\$3,566,690	\$1	\$217,647	\$1,414	\$0	\$11,046,172
2052	\$6,804,494	\$705,063	\$3,663,103	\$1	\$224,217	\$1,358	\$0	\$11,398,236
2053	\$7,000,913	\$765,844	\$3,760,447	\$1	\$230,967	\$1,302	\$0	\$11,759,474
2054	\$7,203,379	\$827,863	\$3,858,766	\$0	\$237,935	\$1,246	\$0	\$12,129,189
2055	\$7,411,539	\$890,261	\$3,958,168	\$0	\$245,125	\$1,190	\$0	\$12,506,283
2056	\$7,625,397	\$952,095	\$4,058,724	\$0	\$252,539	\$1,135	\$0	\$12,889,890
2057	\$7,845,154	\$1,012,366	\$4,160,925	\$0	\$260,203	\$1,084	\$0	\$13,279,732
2058	\$8,071,315	\$1,069,947	\$4,265,632	\$0	\$268,135	\$1,034	\$0	\$13,676,063
2059	\$8,304,958	\$1,123,504	\$4,373,129	\$0	\$276,299	\$986	\$0	\$14,078,876

*This projection includes retired from active and reserve duty.

**RCSBP survivors include all survivors of reservists, not just those electing pre-age 60 coverage.

***The Special Survivor Indemnity Allowance dollars are included in the Total column. They include the impact of both NDAA 2008 and P.L. 110-181.

TOTAL ANNUAL SURVIVOR BENEFITS FOR EACH FISCAL YEAR (continued)

(Dollar Amounts in Thousands)

Fiscal Year	SBP Non-CSB/Redux	SBP CSB/Redux	RCSBP	Minimum Income	Death on Active Duty	RSFPP	Special Survivor Indemnity Allowance	Total
2060	\$8,547,322	\$1,171,540	\$4,484,378	\$0	\$284,753	\$942	\$0	\$14,488,935
2061	\$8,799,831	\$1,212,504	\$4,600,721	\$0	\$293,514	\$901	\$0	\$14,907,471
2062	\$9,064,241	\$1,244,982	\$4,723,078	\$0	\$302,602	\$865	\$0	\$15,335,768
2063	\$9,342,374	\$1,267,734	\$4,853,140	\$0	\$312,011	\$830	\$0	\$15,776,089
2064	\$9,635,968	\$1,279,862	\$4,992,269	\$0	\$321,775	\$800	\$0	\$16,230,674
2065	\$9,946,820	\$1,280,820	\$5,142,141	\$0	\$331,916	\$773	\$0	\$16,702,470
2066	\$10,276,698	\$1,270,527	\$5,304,075	\$0	\$342,423	\$749	\$0	\$17,194,472
2067	\$10,627,174	\$1,249,331	\$5,479,418	\$0	\$353,337	\$729	\$0	\$17,709,989
2068	\$10,999,707	\$1,217,930	\$5,669,252	\$0	\$364,654	\$710	\$0	\$18,252,253
2069	\$11,395,205	\$1,177,297	\$5,874,462	\$0	\$376,371	\$695	\$0	\$18,824,030
2070	\$11,814,332	\$1,128,588	\$6,095,194	\$0	\$388,513	\$679	\$0	\$19,427,306
2071	\$12,257,711	\$1,073,010	\$6,331,997	\$0	\$401,101	\$666	\$0	\$20,064,485
2072	\$12,725,578	\$1,011,811	\$6,584,463	\$0	\$414,151	\$654	\$0	\$20,736,657
2073	\$13,218,036	\$946,241	\$6,852,155	\$0	\$427,680	\$643	\$0	\$21,444,755
2074	\$13,734,839	\$877,497	\$7,134,633	\$0	\$441,722	\$633	\$0	\$22,189,324
2075	\$14,275,271	\$806,755	\$7,430,787	\$0	\$456,251	\$622	\$0	\$22,969,686
2076	\$14,838,446	\$735,210	\$7,740,136	\$0	\$471,303	\$611	\$0	\$23,785,706
2077	\$15,423,498	\$664,040	\$8,062,255	\$0	\$486,893	\$598	\$0	\$24,637,284
2078	\$16,029,511	\$594,361	\$8,396,502	\$0	\$503,074	\$584	\$0	\$25,524,032
2079	\$16,655,672	\$527,184	\$8,742,855	\$0	\$519,827	\$568	\$0	\$26,446,106
2080	\$17,302,384	\$463,331	\$9,101,246	\$0	\$537,128	\$549	\$0	\$27,404,638
2081	\$17,970,165	\$403,481	\$9,471,609	\$0	\$555,056	\$528	\$0	\$28,400,839
2082	\$18,659,629	\$348,150	\$9,854,140	\$0	\$573,559	\$504	\$0	\$29,435,982
2083	\$19,371,933	\$297,688	\$10,248,891	\$0	\$592,788	\$476	\$0	\$30,511,776
2084	\$20,108,744	\$252,238	\$10,656,161	\$0	\$612,623	\$447	\$0	\$31,630,213
2085	\$20,871,756	\$211,880	\$11,076,173	\$0	\$633,078	\$416	\$0	\$32,793,303
2086	\$21,662,419	\$176,441	\$11,509,190	\$0	\$654,286	\$383	\$0	\$34,002,719
2087	\$22,482,272	\$145,655	\$11,955,668	\$0	\$676,223	\$350	\$0	\$35,260,168
2088	\$23,332,743	\$119,285	\$12,416,045	\$0	\$698,845	\$317	\$0	\$36,567,235
2089	\$24,215,596	\$96,960	\$12,890,801	\$0	\$722,262	\$284	\$0	\$37,925,903
2090	\$25,132,291	\$78,275	\$13,380,487	\$0	\$746,382	\$252	\$0	\$39,337,687
2091	\$26,084,206	\$62,808	\$13,885,785	\$0	\$771,281	\$221	\$0	\$40,804,301
2092	\$27,072,856	\$50,170	\$14,407,347	\$0	\$797,090	\$191	\$0	\$42,327,654
2093	\$28,099,620	\$39,929	\$14,945,994	\$0	\$823,702	\$164	\$0	\$43,909,409
2094	\$29,165,801	\$31,680	\$15,502,517	\$0	\$851,204	\$140	\$0	\$45,551,342
2095	\$30,272,851	\$25,122	\$16,077,760	\$0	\$879,593	\$117	\$0	\$47,255,443
2096	\$31,422,227	\$19,939	\$16,672,628	\$0	\$908,898	\$98	\$0	\$49,023,790
2097	\$32,615,289	\$15,859	\$17,288,035	\$0	\$939,174	\$81	\$0	\$50,858,438
2098	\$33,853,695	\$12,655	\$17,924,945	\$0	\$970,456	\$66	\$0	\$52,761,817
2099	\$35,138,973	\$10,137	\$18,584,376	\$0	\$1,002,835	\$53	\$0	\$54,736,374
2100	\$36,472,819	\$8,153	\$19,267,377	\$0	\$1,036,226	\$42	\$0	\$56,784,617
2101	\$37,857,237	\$6,579	\$19,975,000	\$0	\$1,070,727	\$34	\$0	\$58,909,577
2102	\$39,294,093	\$5,320	\$20,708,346	\$0	\$1,106,375	\$26	\$0	\$61,114,160
2103	\$40,785,483	\$4,303	\$21,468,506	\$0	\$1,143,236	\$20	\$0	\$63,401,548
2104	\$42,333,631	\$3,474	\$22,256,600	\$0	\$1,181,268	\$16	\$0	\$65,774,989
2105	\$43,940,962	\$2,795	\$23,073,784	\$0	\$1,220,583	\$12	\$0	\$68,238,136
2106	\$45,609,987	\$2,235	\$23,921,222	\$0	\$1,261,201	\$9	\$0	\$70,794,654
2107	\$47,343,111	\$1,773	\$24,800,130	\$0	\$1,303,163	\$7	\$0	\$73,448,184
2108	\$49,142,847	\$1,393	\$25,711,762	\$0	\$1,346,512	\$5	\$0	\$76,202,519

*This projection includes retired from active and reserve duty.

**RCSBP survivors include all survivors of reservists, not just those electing pre-age 60 coverage.

***The Special Survivor Indemnity Allowance dollars are included in the Total column. They include the impact of both NDAA 2008 and P.L. 110-181.

TOTAL PROJECTED BASIC PAY AND RETIRED OUTLAYS

(Dollar Amounts in Thousands)

<u>Fiscal Year</u>	<u>Total Projected Basic Pay</u>	<u>Total Projected Outlays</u>	<u>Retired Outlays Over Basic Pay</u>
2010	\$60,255,886	\$50,377,416	83.6%
2011	\$60,759,300	\$50,828,540	83.7%
2012	\$61,679,127	\$51,484,186	83.5%
2013	\$63,127,597	\$52,805,858	83.6%
2014	\$64,907,525	\$54,277,418	83.6%
2015	\$66,795,964	\$55,641,521	83.3%
2016	\$68,796,800	\$57,118,936	83.0%
2017	\$70,876,518	\$58,639,294	82.7%
2018	\$72,996,085	\$59,978,704	82.2%
2019	\$75,182,442	\$61,996,568	82.5%
2020	\$77,704,149	\$64,228,682	82.7%
2021	\$80,323,552	\$66,542,510	82.8%
2022	\$83,030,930	\$68,944,646	83.0%
2023	\$85,801,023	\$71,452,059	83.3%
2024	\$88,620,609	\$74,056,753	83.6%
2025	\$91,529,859	\$76,733,093	83.8%
2026	\$94,569,246	\$79,469,620	84.0%
2027	\$97,789,249	\$82,241,424	84.1%
2028	\$101,218,682	\$85,275,572	84.2%
2029	\$104,834,195	\$88,350,049	84.3%
2030	\$108,586,560	\$91,330,212	84.1%
2031	\$112,442,679	\$94,457,746	84.0%
2032	\$116,531,790	\$97,645,994	83.8%
2033	\$120,871,438	\$100,912,714	83.5%
2034	\$125,357,283	\$104,300,771	83.2%
2035	\$130,016,041	\$107,779,230	82.9%
2036	\$134,883,490	\$111,358,061	82.6%
2037	\$139,947,746	\$115,063,929	82.2%
2038	\$145,201,215	\$118,901,652	81.9%
2039	\$150,656,249	\$122,877,167	81.6%
2040	\$156,305,716	\$127,017,736	81.3%
2041	\$162,148,018	\$131,324,543	81.0%
2042	\$168,226,364	\$135,768,962	80.7%
2043	\$174,543,062	\$140,367,490	80.4%
2044	\$181,073,047	\$145,151,335	80.2%
2045	\$187,832,460	\$150,127,239	79.9%
2046	\$194,842,515	\$155,295,072	79.7%
2047	\$202,125,850	\$160,658,820	79.5%
2048	\$209,690,668	\$166,237,490	79.3%
2049	\$217,546,032	\$172,040,488	79.1%
2050	\$225,697,429	\$178,088,828	78.9%
2051	\$234,139,171	\$184,407,422	78.8%
2052	\$242,899,675	\$190,990,685	78.6%
2053	\$252,003,934	\$197,847,456	78.5%
2054	\$261,452,432	\$205,002,554	78.4%
2055	\$271,256,661	\$212,469,244	78.3%
2056	\$281,436,753	\$220,262,847	78.3%
2057	\$292,004,249	\$228,403,903	78.2%
2058	\$302,969,757	\$236,906,841	78.2%
2059	\$314,349,385	\$245,785,623	78.2%

*Basic pay includes reserve and active duty basic pay; outlays include retired pay and survivor benefits.

**This projection includes retired from active and reserve duty.

***This projection includes pay for those retirees eligible for Concurrent Receipt.

****This projection is adjusted for the increase in survivor benefits due to Public Law 110-181.

TOTAL PROJECTED BASIC PAY AND RETIRED OUTLAYS (continued)

(Dollar Amounts in Thousands)

Fiscal Year	Total Projected Basic Pay	Total Projected Outlays	Retired Outlays Over Basic Pay
2060	\$326,154,829	\$255,067,903	78.2%
2061	\$338,395,766	\$264,759,555	78.2%
2062	\$351,097,603	\$274,870,409	78.3%
2063	\$364,280,675	\$285,421,289	78.4%
2064	\$377,953,759	\$296,433,472	78.4%
2065	\$392,132,850	\$307,927,440	78.5%
2066	\$406,839,501	\$319,918,779	78.6%
2067	\$422,097,483	\$332,418,242	78.8%
2068	\$437,927,473	\$345,438,139	78.9%
2069	\$454,350,412	\$358,994,107	79.0%
2070	\$471,388,092	\$373,099,899	79.1%
2071	\$489,059,956	\$387,775,980	79.3%
2072	\$507,392,322	\$403,041,853	79.4%
2073	\$526,413,785	\$418,910,990	79.6%
2074	\$546,148,989	\$435,405,243	79.7%
2075	\$566,624,180	\$452,546,284	79.9%
2076	\$587,868,888	\$470,358,386	80.0%
2077	\$609,913,236	\$488,868,633	80.2%
2078	\$632,786,252	\$508,107,167	80.3%
2079	\$656,518,810	\$528,103,760	80.4%
2080	\$681,142,840	\$548,887,210	80.6%
2081	\$706,689,800	\$570,485,486	80.7%
2082	\$733,195,913	\$592,924,497	80.9%
2083	\$760,698,840	\$616,232,318	81.0%
2084	\$789,234,215	\$640,439,407	81.1%
2085	\$818,839,194	\$665,579,179	81.3%
2086	\$849,553,729	\$691,686,849	81.4%
2087	\$881,420,197	\$718,799,619	81.6%
2088	\$914,481,859	\$746,957,711	81.7%
2089	\$948,783,191	\$776,202,274	81.8%
2090	\$984,370,337	\$806,573,644	81.9%
2091	\$1,021,290,398	\$838,116,889	82.1%
2092	\$1,059,593,516	\$870,879,290	82.2%
2093	\$1,099,332,469	\$904,907,432	82.3%
2094	\$1,140,560,943	\$940,250,612	82.4%
2095	\$1,183,334,500	\$976,961,000	82.6%
2096	\$1,227,711,467	\$1,015,091,422	82.7%
2097	\$1,273,752,782	\$1,054,695,945	82.8%
2098	\$1,321,520,960	\$1,095,832,339	82.9%
2099	\$1,371,080,662	\$1,138,560,046	83.0%
2100	\$1,422,499,186	\$1,182,940,037	83.2%
2101	\$1,475,845,890	\$1,229,036,768	83.3%
2102	\$1,531,193,451	\$1,276,916,064	83.4%
2103	\$1,588,617,643	\$1,326,645,670	83.5%
2104	\$1,648,196,297	\$1,378,295,945	83.6%
2105	\$1,710,009,841	\$1,431,940,355	83.7%
2106	\$1,774,141,941	\$1,487,655,034	83.9%
2107	\$1,840,679,752	\$1,545,518,899	84.0%
2108	\$1,909,713,561	\$1,605,614,882	84.1%

*Basic pay includes reserve and active duty basic pay; outlays include retired pay and survivor benefits.

**This projection includes retired from active and reserve duty.

***This projection includes pay for those retirees eligible for Concurrent Receipt.

****This projection is adjusted for the increase in survivor benefits due to Public Law 110-181.

APPENDIX L

MARKET VALUE OF ASSETS

	<u>Page</u>
Statement of Net Assets Available for Benefits	L-2

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

Federal Trust Funds like the Military Retirement Fund are not subject to the same pension regulations as private sector and state/local governmental plans. Under generally accepted accounting principles (GAAP) (Financial Accounting Standards Board (FASB) 35), both private sector and state/local pension plans are required to include a table showing the “Statement of Net Assets Available for Benefits” and a “Statement of Changes in Net Assets Available for Benefits,” where assets are valued at fair market value in their accounting statements. For the Military Retirement Fund, fair market value is based on the bid prices of public issue securities with the same maturity dates and coupon rates as the special issue securities held by the Fund. These statements are included in Tables L-1 and L-2, respectively.

Measures of a retirement system’s liabilities (required for private sector plans under GAAP) are the “Accumulated Plan Benefits” and the “Market Value of Assets.” In prior years, both these items and explanatory notes were included in this appendix. Only the “Market Value of Assets” is shown for informational purposes.

The market values shown in this appendix can be found in the *Fiscal Year 2009 Military Retirement Fund Audited Financial Statements*. The financial statements are available through the website of the Office of the Under Secretary of Defense (Comptroller) at <http://www.defenselink.mil/comptroller/>.

TABLE L-1

DEPARTMENT OF DEFENSE
MILITARY RETIREMENT FUND
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
(\$ in thousands)

	For the Plan Year Ended September 30:	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
1) Investments, at fair market value, in U.S. Government securities: ¹	\$283,292,576	\$240,912,686
2) Accounts receivable:		
a) Accrued interest ²	\$2,870,605	\$2,748,171
b) Due from military retirees or their survivors	\$31,897	\$24,513
c) Intragovernmental	\$0	\$0
3) Cash:	\$20,488	\$17,515
<u>Total Assets (1 + 2 + 3):</u>	<u>\$286,215,566</u>	<u>\$243,702,885</u>
Accounts payable:	\$(3,698,756)	\$(3,359,247)
<u>Total Assets Available for Benefits</u>	<u>\$282,516,810</u>	<u>\$240,343,638</u>

¹ Fair market value of securities has been measured by quoted prices (bid price) in the active U.S. Government securities market. Bid price used represents the over-the-counter quotations as of 4 p.m. eastern time as reported by the U.S. Department of Treasury – Bureau of Public Debt on September 30, 2009, and September 30, 2008, respectively.

² Includes accrued interest receivable and interest purchased.

TABLE L-2

DEPARTMENT OF DEFENSE
MILITARY RETIREMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
(\$ in thousands)

	For the Plan Year Ended September 30:	
	<u>2009</u>	<u>2008</u>
Net assets available for benefits at beginning of plan year:	\$240,343,638	\$211,596,363
1) Investment income (coupons received)	\$4,714,430	\$17,321,627
2) Net appreciation (depreciation) in fair market value of investments	\$15,349,969	\$(8,027,377)
3) Contributions from services	\$17,542,736	\$16,138,795
4) Appropriation to amortize the initial unfunded liability	\$51,125,000	\$46,187,000
5) Appropriation for Treasury Normal Cost Contribution	\$3,745,000	\$2,776,000
Total additions (1 + 2 + 3 + 4 + 5)	<u>\$92,477,135</u>	<u>\$74,396,045</u>
Less: Benefits paid to participants ¹	<u>\$50,303,963</u>	<u>\$45,648,770</u>
Net assets available for benefits at end of plan year	<u>\$282,516,810</u>	<u>\$240,343,638</u>

¹ The statement has been revised to show benefits paid to participants on an accrual basis:

	<u>2009</u>	<u>2008</u>
Benefits paid on cash basis	\$49,964,454	\$45,819,719
Change in liability for benefits due at end of year	<u>\$339,509</u>	<u>\$(170,949)</u>
Benefits paid on accrual basis	\$50,303,963	\$45,648,770

APPENDIX M

TREASURY PAYMENTS

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Calculation of the October 1, 2010, Treasury Payment.....	M-8

METHOD OF AMORTIZING CHANGES IN THE UNFUNDED LIABILITY OF THE MILITARY RETIREMENT SYSTEM

Introduction

Section 1465 of Title 10 states that the Secretary of Defense shall determine amortization methods and schedules for the annual amortization of changes in the unfunded liability (UFL) of the military retirement system. The section also states that these methods and assumptions must be approved by the DoD Board of Actuaries. The resulting payments are made by the Department of the Treasury to the Military Retirement Fund and do not affect the DoD budget.

There are three causes of change in the military retirement system's unfunded liability: (1) changes in benefits, (2) annual experience gains or losses resulting from actual experience deviating from expected experience, and (3) changes in actuarial assumptions used in the projected liability calculations. When a change in the unfunded liability does not fit perfectly into one of the three categories, the Board of Actuaries will determine the most appropriate one. The following describes the technical procedure of amortizing these types of changes, as approved by the Board.

Amortization Procedure

All three types of changes in the UFL are amortized by means of payment schedules so that: (1) the annual amortization payments increase each year by the long-term basic pay scale assumption (currently 3.75 percent); (2) the payment stream completely liquidates the additional liability over 30 years; and (3) the payments are expressed to the nearest million dollars. The amortization payments increase at the same rate as the increase in the total basic payroll for a particular year—an outcome that is consistent with the way the normal cost payments and payments to amortize the system's initial UFL are determined. This method is no longer common for many private sector pension plans and has given way to an amortization schedule with level payments in order to cover interest costs. It is also required for these pension plans to amortize changes in unfunded liabilities over shorter than a 30 year schedule. However, the methods applied to the Military Retirement Fund are similar to those of other Federal and public sector pension plans.

Experience gains and losses, which create changes in the UFL, occur every year. Because these changes are usually small in relative terms, the payment streams to amortize them are combined. This produces one single payment stream for the category of experience gains and losses and eliminates the tedious tracking of up to thirty different small amortization schedules. The DoD Office of the Actuary can identify the separate segments if the need arises.

A similar method of combining amortization schedules is used for changes in the UFL caused by changes in actuarial assumptions. Beginning with the September 30, 1995, valuation, changes to the UFL due to all benefit changes are being combined and amortized in a single stream of payments. Detailed examples of how the amortization payments are calculated follow.

Actuarial gains and losses are changes in the UFL that result from actual experience in a pension plan deviating from what was expected. An actuarial gain is a *decrease* in the UFL and is therefore expressed as a negative number. Correspondingly, a loss represents an *increase* in the UFL and is expressed as a positive number. To avoid confusion, the terms negative and positive “experience changes” will be used in place of “experience gains” and “experience losses.”

The amortization payment for a negative experience change (gain) is also expressed as a negative number. These negative amortization payments reduce any positive amortization payments otherwise payable, including the (positive) payments amortizing the system’s initial UFL.

Amortization payments for changes in the UFL are structured to increase each year with the basic pay scale increase. When the payments are negative, their absolute values are made to increase. Although this means that the payments are actually decreasing mathematically, for simplicity of expression both positive and negative amortization payments are said to “increase” by the basic pay scale increase.

Benefit and Experience Changes

Below is an example of how three years’ changes in UFL due to actual experience differing from expected experience would be amortized. The amortization schedules would be identical if these changes in the UFL had been due to changes in benefits. This example is hypothetical.

In FY09 there is an assumed experience change of -\$13,800 million (representing a gain of \$13,800 million) determined as of the end of the fiscal year, or September 30, 2009. Since this is the first experience change in the example, it does not need to be combined with a schedule for a prior year. It is amortized with 30 annual payments that increase each year at the rate of the assumed annual increase in basic pay. The payment stream commences on October 1, 2010, and the last payment is made on October 1, 2039. The final payment reduces the amortization base to zero.

The amount of the first payment, -\$633 million, is determined by means of the following steps:

1. Bring forward unamortized balance with interest to September 30, 2010:

$$-\$13,800 \text{ million} \times (1 + i) = -\$14,594 \text{ million}$$

2. Calculate annuity due factor for 30 years at interest rate $j = [(1 + i) \div (1 + s)] - 1$:

$$= 23.056743$$

3. Divide unamortized balance by annuity factor to get annual payment:

$$-\$14,594 \text{ million} \div 23.056743 = -\$633 \text{ million}$$

where the annual increase in the basic pay scale $s = .0375$ and the valuation rate of interest $i = .0575$. The amortization period is 30 years. In general, the amortization interest rate, j , is defined by

$$j = [(1 + i) \div (1 + s)] - 1.$$

A hypothetical experience loss in FY10 creates a change in the UFL of +\$8,400 million, calculated as of the end of that fiscal year, or September 30, 2010. The amortization schedules for this change and for the FY09 change are combined as follows. First, the unamortized balance of the FY09 experience change is determined. After the -\$633 million amortization payment is made on October 1, 2010, the remaining unamortized balance is -\$13,961 million. This balance is calculated as $[-13,961 = (-13,800 \times 1.0575) - (-633)]$. The +\$8,400 million experience change for FY10 is then added to the -\$13,961 unamortized balance, leaving a combined balance of -\$5,561 million $(-5,561 = -13,961 + 8,400)$.

This combined balance will be amortized over a “combined amortization period.” The combined amortization period is equal to the weighted average of the remaining 29-year amortization period for the FY09 experience change and a new 30-year period for the FY10 experience change. The weights used in the calculation are the absolute values of the -\$13,961 million unamortized balance and the +\$8,400 million experience change, respectively.

Thus the combined amortization period is equal to:

$$\frac{(13,961 \times 29) + (8,400 \times 30)}{13,961 + 8,400} = 29.38 \text{ years}$$

An initial combined amortization payment of -\$259 million is determined by the following procedure:

1. Bring forward unamortized balance with interest to September 30, 2011:

$$-\$5,561 \text{ million} \times (1 + i) = -\$5,880 \text{ million}$$

2. Calculate annuity due factor for 29.38 years at interest rate $j = [(1 + i) \div (1 + s)] - 1$:

$$= 22.699155$$

3. Divide unamortized balance by annuity factor to get annual payment:

$$-\$5,880 \text{ million} \div 22.699155 = -\$259 \text{ million}$$

The payments in the amortization streams will increase at 3.75 percent (the annual increase in the basic pay scale) per year. The payment at the end of the 29th year is -\$726 million. A final, partial payment will be made at the end of the 30th year and is equal to the unamortized balance, or -\$285 million.

Because experience changes normally occur every year, the only payment that would actually be made under this particular combined schedule is the -\$259 million on October 1, 2011. A new combined amortization schedule covering FY09, FY10, and the new UFL caused by experience changes in FY11 is determined as follows.

First, the combined FY09 and FY10 amortization base of -\$5,561 million is increased by one year's interest and credited with the payment of -\$259 million. The remaining unamortized balance as of October 1, 2010, is -\$5,621 million [$-5,621 = (-5,561 \times 1.0575) - (-259)$]. This amount (-\$5,621) is then combined with an assumed FY11 experience change of +\$10,300 million, resulting in a new combined unamortized balance of \$4,679 million ($4,679 = -5,621 + 10,300$). This combined amortization base of \$4,679 million is then amortized over a new combined amortization period of 29.43 years, which is equal to the weighted average of the 28.38 years remaining for the old schedule and the 30-year period for the FY11 change. The new combined amortization period is calculated as follows:

$$\frac{(5,621 \times 28.38) + (10,300 \times 30)}{5,621 + 10,300} = 29.43 \text{ years}$$

The October 1, 2012, payment to amortize the new combined base of \$4,679 million is \$218 million and is determined by means of the following procedure:

1. Bring forward unamortized balance with interest to September 30, 2012:

$$\$4,679 \text{ million} \times (1 + i) = \$4,948 \text{ million}$$

2. Calculate annuity due factor for 29.43 years at interest rate $j = [(1 + i) \div (1 + s)] - 1$:

$$= 22.728433$$

3. Divide unamortized balance by annuity factor to get annual payment:

$$\$4,948 \text{ million} \div 22.728433 = \$218 \text{ million}$$

This is the payment to amortize the combined experience changes for all three years.

Table M-1 shows the schedule of amortization payments for the experience changes in FY09; FY09 and FY10 combined; and FY09, FY10, and FY11 combined.

<u>Date</u>	<u>Payment on the FY09 Experience Change</u>	<u>Payment on the Combined FY09 and FY10 Experience Change</u>	<u>Payment on the Combined FY09, FY10 and FY11 Experience Change</u>
10/1/10	\$ -633		
10/1/11	-657	\$ -259	
10/1/12	-681	-269	\$ 218
10/1/13	-707	-279	226
10/1/14	-733	-289	234
10/1/15	-761	-300	243

Changes in Actuarial Assumptions

The third type of change in the UFL is due to changes in actuarial assumptions. These assumption changes are amortized by the same method used for experience gains and losses and for benefit changes, i.e., by means of a combined schedule with initial 30-year payments that increase at the rate of the assumed basic pay scale increases.

If changes in economic assumptions include a change in either the valuation interest rate or the assumed basic pay scale increase, the amortization payments that have already been scheduled for all three categories of change in the UFL will be modified. Specifically, new series of payments will be determined to amortize the current amortization bases over their remaining periods, with payments that increase with the new basic pay scale assumption and are computed using the new valuation interest rate. The following example illustrates how this is done.

Suppose that on October 1 of a particular fiscal year, an amortization base is \$27,405 million, calculated immediately after the scheduled amortization payment is made. Say the remaining amortization period is 18 years. Also suppose that the valuation interest rate is changed to 5.5 percent and that the basic pay scale increase is changed to 3.0 percent.

The initial, revised payment, to be made on the following October 1, is determined by the following procedure:

1. Bring forward unamortized balance with interest to September 30 of next year:

$$\$27,405 \text{ million} \times (1 + \mathbf{i}) = \$28,912 \text{ million}$$

where in this case, $\mathbf{i} = .055$

2. Calculate annuity due factor for 18 years at interest rate $\mathbf{j} = [(1 + \mathbf{i}) \div (1 + \mathbf{s})] - 1$:

$$= 14.794469$$

where $\mathbf{i} = .055$ and $\mathbf{s} = .03$

3. Divide unamortized balance by annuity factor to get annual payment:

$$\$28,912 \text{ million} \div 14.794469 = \$1,954 \text{ million}$$

The second and succeeding payments will increase at the rate of 3.0 percent per year, which is the new basic pay scale increase. The \$27,405 million amortization base will be credited with 5.5 percent interest. This new series of amortization payments will reduce the \$27,405 million amortization base to zero at the end of the 18th year.

**CALCULATION OF THE OCTOBER 1, 2010,
TREASURY PAYMENT**

The following pages (Tables M-2 through M-6) display the calculation of the October 1, 2010, Treasury payment based on the September 30, 2009, valuation results and on amortization methods and assumptions approved by the DoD Board of Actuaries. In order to avoid a projected shortfall in the Military Retirement Fund, the Board determined that, beginning with the FY98 payment, the total amortization period of the initial unfunded liability would be decreased from 60 to 50 years. The Board again shortened the initial unfunded liability amortization period in 2007 to 42 years in order for the payments to cover interest on the unfunded liability each year.

Public Law 108-136 required the Department of Treasury to pay for the increase in the normal cost due to Concurrent Receipt. Beginning with FY05, Treasury includes the annual normal cost payment due to Concurrent Receipt along with the unfunded liability payment in the October 1st contribution. For the October 1, 2010, Treasury payment, the amount due to Concurrent Receipt totals \$4.950 billion. This is computed using the full- and part-time normal cost percentages (NCPs) in Table 7 of the main text (item 7). The NCPs are multiplied against the budgeted FY11 full- and part-time basic payroll, \$56.2 billion and \$11.1 billion, respectively. Hence, \$4.950 billion is the sum of \$56.2 billion x 8.2% and \$11.1 billion x 3.2% (The numbers may not add due to rounding).

TABLE M-2
TOTAL TREASURY PAYMENT
OCTOBER 1, 2010 AND OCTOBER 1, 2009

(\$ in billions)

	<u>October 1, 2010</u>	<u>October 1, 2009</u>
Amortization payment for:		
1. Initial unfunded liability	\$73.018	\$70.379
2. Changes in benefits	\$7.367	\$7.100
3. Gains and Losses Amortization		
a. Changes in actuarial assumptions	\$(1.012)	\$(1.241)
b. Actuarial experience	\$(17.969)	\$(17.619)
Total amortization payment	<u>\$61.404</u>	<u>\$58.619</u>
Normal cost payment	<u>\$4.950</u>	<u>\$4.516</u>
Total Treasury payment	<u>\$66.354</u>	<u>\$63.135</u>

TABLE M-3

CALCULATION OF OCTOBER 1, 2010,
PAYMENT ON INITIAL UNFUNDED LIABILITY (UFL)

(\$ in billions)

1.	Unamortized balance of initial UFL (10/1/08 balance \times 1.0575)	9/30/09	\$ 1,031.462
2.	Payment on UFL	10/1/09	\$ 70.379
3.	Unamortized balance of initial UFL (1. - 2.)	10/1/09	\$ 961.083
4.	Balance on 9/30/10 (3. \times 1.0575)	9/30/10	\$ 1,016.345
5.	Number of Annual Payments Remaining	9/30/10	16
6.	Value of an annuity due for remaining amortization period at interest rate equal to $(1.0575 \div 1.0375) - 1$		13.919
7.	Payment on initial UFL due 10/1/10 (4. \div 6.)		<u>\$ 73.018</u>

TABLE M-4

CALCULATION OF OCTOBER 1, 2010,
PAYMENT ON UNFUNDED LIABILITY (UFL)
RESULTING FROM BENEFIT CHANGES

(\$ in billions)

1. Unamortized UFL balance due to benefit changes (10/1/08 balance x 1.0575)	9/30/09	\$ 142.785
2. Payment on UFL	10/1/09	\$ 7.100
3. Unamortized UFL balance after payment (1. - 2.)	10/1/09	\$ 135.685
4. Additional (new) UFL due to benefit changes	9/30/09	\$ 0.000
5. Unamortized UFL balance due to benefit changes (3. + 4.)	10/1/09	\$ 135.685
6. Balance on 9/30/10 (5. × 1.0575)	9/30/10	\$ 143.487
7. Total number of years of prior amortization schedule		25.06
8. Remaining number of years of prior amortization schedule (7. - 1)		24.06
9. Total number of years of new amortization schedule (absolute values used for all numbers) [(3. × 8.) + (4. × 30)] ÷ (3. + 4.)		24.06
10. Value of an annuity due for remaining amortization period at interest rate equal to (1.0575 ÷ 1.0375) - 1		19.478
11. Payment on UFL due to benefit changes (6. ÷ 10.)	10/1/10	<u>\$ 7.367</u>

TABLE M-5

CALCULATION OF OCTOBER 1, 2010,
PAYMENT ON UNFUNDED LIABILITY (UFL)
RESULTING FROM ASSUMPTION CHANGES

(\$ in billions)

1. Unamortized balance of UFL due to assumption changes (10/1/08 balance \times 1.0575)	9/30/09	\$ (24.232)
2. Payment on UFL	10/1/09	\$ (1.241)
3. Unamortized UFL balance after payment (1. - 2.)	10/1/09	\$ (22.991)
4. Additional (new) UFL	9/30/09	\$ 4.258
5. Unamortized UFL balance due to assumption changes (3. + 4.)	10/1/09	\$ (18.733)
6. Balance on 9/30/10 (5. \times 1.0575)	9/30/10	\$ (19.810)
7. Number of years in prior amortization schedule		24.13
8. Remaining number of years in prior amortization schedule (7. - 1)		23.13
9. Number of years in new amortization schedule (absolute values used for all numbers) [(3. \times 8.) + (4. \times 30)] \div (3. + 4.)		24.21
10. Value of an annuity due for remaining amortization period at interest rate equal to (1.0575 \div 1.0375) - 1		19.569
11. Payment on UFL due to assumption changes (6. \div 10.)	10/1/10	<u>\$ (1.012)</u>

TABLE M-6

CALCULATION OF OCTOBER 1, 2010,
PAYMENT ON UNFUNDED LIABILITY (UFL)
RESULTING FROM EXPERIENCE GAINS AND LOSSES

(\$ in billions)

1. Unamortized UFL balance due to experience gains and losses (10/1/08 balance \times 1.0575)	9/30/09	\$ (247.881)
2. Payment on UFL	10/1/09	\$ (17.619)
3. Unamortized UFL balance after payment (1. - 2.)	10/1/09	\$ (230.262)
4. Additional (new) UFL	9/30/09	\$ 2.156
5. Unamortized UFL balance due to experience gains and losses (3. + 4.)	10/1/09	\$ (228.107)
6. Balance on 9/30/10 (5. \times 1.0575)	9/30/10	\$ (241.223)
7. Number of years in prior amortization schedule		16.20
8. Remaining number of years in prior amortization schedule (7. - 1)		15.20
9. Number of years in new amortization schedule (absolute values used for all numbers) [(3. \times 8.) + (4. \times 30)] \div (3. + 4.)		15.34
10. Value of an annuity due for remaining amortization period at interest rate equal to $(1.0575 \div 1.0375) - 1$		13.425
11. Payment on UFL due to experience gains and losses (6. \div 10.)	10/1/10	<u>\$ (17.969)</u>