



# **VALUATION OF THE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND**

**SEPTEMBER 30, 2007**

**DoD Office of the Actuary  
March 2009**

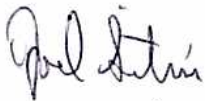


## ACTUARIAL CERTIFICATION


This report documents the results of an actuarial valuation of the postretirement medical benefits offered to Medicare-eligible retirees and dependents of the U.S. uniformed services. The primary purpose of this valuation is to determine the Actuarial Liability as of September 30, 2007, and the 2010 funding requirements for the Medicare-Eligible Retiree Health Care Fund (MERHCF), in support of the Secretary of Defense and the MERHCF Board of Actuaries (MERHCF Board). These valuation results meet the requirements of Chapter 56, Title 10, United States Code, and use of these results for other purposes may not be appropriate.

We have performed the valuation using methods and assumptions approved by the MERHCF Board. In general, the projected benefit costs and decrement rates used in the valuation are based on actual experience of the military and retired military population. The annual economic assumptions include a 5.75% discount rate and 6.25% ultimate medical trend rate. The assumption used in the valuation for investment return is based on the funding policy and on the MERHCF Board's estimate of long term Treasury yields.

In our opinion, the actuarial assumptions are reasonable and the valuation results present a fair picture of the financial condition of the Medicare-Eligible Retiree Health Care Fund.



Joel Sitrin \*  
Chief Actuary  
MAAA, ASA  
DoD Office of the Actuary  
4040 North Fairfax Drive  
Suite 308  
Arlington, VA 22203  
(703) 696-7412  
Joel.Sitrin@osd.pentagon.mil



Margot Kaplan \*  
Health Actuary  
FCA, MAAA, ASA  
DoD Office of the Actuary  
4040 North Fairfax Drive  
Suite 308  
Arlington, VA 22203  
(703) 696-7404  
Margot.Kaplan@osd.pentagon.mil



Chelsea Chu \*  
Health Actuary  
ASA  
DoD Office of the Actuary  
4040 North Fairfax Drive  
Suite 308  
Arlington, VA 22203  
(703) 696-7411  
Chelsea.Chu@osd.pentagon.mil

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

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# **VALUATION OF TRICARE BENEFITS FOR MEDICARE ELIGIBLE RETIREES**

## **Introduction**

The FY 2001 National Defense Authorization Act (NDAA) contained a provision for extending TRICARE coverage to Medicare-eligible members or former members of the uniformed services (and their Medicare eligible dependents and survivors) entitled to retired or retainer pay. Specifically, U.S. Code (U.S.C.), Chapter 56, Title 10 established the Department of Defense Medicare-Eligible Retiree Health Care Fund (MERHCF), administered by the Secretary of the Treasury. The purpose of the MERHCF is to accumulate funds needed to finance on an actuarially sound basis liabilities associated with uniformed services retiree health care programs for Medicare-eligible beneficiaries. Medical benefits were provided to Medicare-eligible retirees and dependents of the uniformed services beginning October 2001, and the MERHCF was established October 2002.

A description of the medical benefits provided to Medicare-eligible retirees and their eligible dependents can be found in Appendix A.

Section 1114 of Title 10 created a Medicare Eligible Retiree Health Care Board of Actuaries (the MERHCF Board). The three independent members who comprise the MERHCF Board are appointed by the Secretary of Defense. The MERHCF Board is required to approve methods and assumptions used in actuarial valuations of the MERHCF; 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 MERHCF at least every four years. The DoD Office of the Actuary (OACT) provides all technical and administrative support to the MERHCF Board. 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 Roland King (Chairman), Dale Yamamoto, and Lynette Trygstad. The DoD Chief Actuary is the Executive Secretary for the Board.

U.S.C., Title 10, Chapter 56 also requires that an actuarial valuation be performed at least once every four years, using an aggregate entry-age normal cost funding method. Under this law, 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. The Treasury Department also deposits funds for the annual accrued benefits based on each current year of service (normal cost), and the participating uniformed services reimburse the Treasury Department for these normal cost contributions.

## **Notification About Rounding**

Throughout this report (including the appendices), numbers in some cases may not appear to add properly; this is due to rounding.

**Summary of Valuation Results**

The purpose of the September 30, 2007, MERHCF valuation (2007 valuation) is to develop normal costs (NCs), actuarial accrued liabilities (ALs), unfunded accrued liabilities (UFLs), and UFL amortization payments associated with postretirement medical benefits payable from the MERHCF.

The 2007 valuation uses census population data as of September 30, 2007, aggregate claims data for FY 2007, and detailed claims data from fiscal years 2005 - 2007. The 2007 valuation produces AL and UFL figures as of September 30, 2007, an UFL amortization payment for October 1, 2008, and per capita NCs for FY 2008 that are projected to FY 2010. The total October 1, 2008, Treasury payment is the sum of the October 1, 2008, UFL amortization payment and the October 1, 2008, Treasury NC payment. The October 1, 2008 NC payment is a function of FY 2007 per capita NC amounts (projected to FY 2009) promulgated by the MERHCF Board last year, as well as budgeted average force strengths for FY 2009. The aggregate entry-age normal cost method is used to produce the per capita normal costs, as stated in the law. These per capita normal costs are contributed for each eligible full-time and part-time participant each year. The per capita normal costs are determined by projecting a new-entrant cohort and its expected benefit payments over the next 100 years.

TABLE 1  
LIABILITY SUMMARY  
(millions)

<u>As of</u>	<u>AL</u>	<u>Fund</u>	<u>UFL</u>
September 30, 2007	\$471,118	\$108,682	\$362,435

TABLE 2  
TREASURY PAYMENT  
(millions)

<u>Payable</u>	<u>UFL Amortization</u>	<u>NC</u>	<u>Total</u>
October 1, 2008	\$10,660	\$10,644	\$21,304

TABLE 3  
PER CAPITA NORMAL COSTS FOR FY 2010

<u>For NC Payment Made</u>	<u>Full-time</u>	<u>Part-time</u>
October 1, 2009	\$5,642	\$3,194



Additional tables containing further breakdowns of the AL and per capita normal costs are presented in Appendix K.

### **Funded Status**

The Actuarial Liability (AL) is defined as the Present Value of Future Benefits (PVFB) minus the Present Value of Future Normal Costs (PVFNC). The Unfunded Liability (UFL) is the AL minus MERHCF. The MERHCF represents the actuarial (not market) value of assets, and is adjusted to subtract estimates of incurred-but-not-paid liabilities. This adjustment is made because the actuarial liabilities are valued on an incurred basis.

TABLE 4  
FUNDED STATUS AS OF SEPTEMBER 30, 2007  
(millions)

PVFB	\$556,839
PVFNC	<u>\$85,721</u>
AL	\$471,118
Fund	\$108,682
UFL	\$362,435

### **Assets**

The assets of the MERHCF 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 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.

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 MERHCF, 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 actuarial value of assets during the year, and the inflation compensation accrued from the holdings of

Treasury Inflation-Protected Securities (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 5 presents a statement of the actuarial value of assets as of September 30, 2007; Table 6 presents a statement of changes in the actuarial value of assets.

TABLE 5  
STATEMENT OF ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30, 2007  
(millions)

Assets at book value	\$109,564
Accounts payable	\$257
IBNR	\$625
Actuarial Value of Assets	\$108,682

TABLE 6  
FY 2007 STATEMENT OF CHANGES IN THE ACTUARIAL VALUE OF ASSETS  
(millions)

Actuarial value of assets, beginning of plan year	\$84,565
Contributions	
Amortization of UFL	\$15,608
Normal Cost	\$11,547
Special, non-recurring deposit	\$186
Investment income	\$4,384
Total additions	\$31,725
Less: Benefit Payments	\$7,608
Actuarial value of assets, end of plan year	\$108,682

The MERHCF financial statements are required to include the market value of assets. Table 7 shows the market value of assets for comparison purposes.

TABLE 7  
 MARKET VALUE OF ASSETS AS OF SEPTEMBER 30, 2007  
 (millions)

Non-marketable, market-based securities	\$106,693
Interest receivable	\$1,106
Fund balance with Treasury	\$5
Accounts Receivable	\$10
Total market-based value of assets	\$107,814

**Actuarial Gains and Losses**

Gains and losses reflect the difference between expected results, based on rolling forward the prior year's valuation results, and actual results of the current year's valuation. The total gain or loss represents the difference between the actual and expected unfunded liabilities, including both asset and liability components of the gain or loss. The broad categories of (gain)/loss specified by Chapter 56 of Title 10 are:

- Experience (experience different from what was expected in the valuation model)
- Assumption changes, and
- Benefit changes.

Within the experience category, gains and losses are divided into an asset component and a liability component. Within the assumption and benefit changes categories there are only liability components.

The following tables display summary level (gain)/loss information from the September 30, 2007, valuation. A more detailed display of the step-by-step liability gain/loss reconciliation is contained in Appendix K.

TABLE 8  
TOTAL (GAIN) / LOSS SUMMARY  
(millions)

	<u>AL</u>	<u>Fund</u>	<u>UFL</u>
September 30, 2006 (actual)	\$485,329	\$84,565	\$400,765
September 30, 2007 (expected)	\$516,487	\$108,416	\$408,266
September 30, 2007 (actual)	\$471,118	\$108,682	\$362,435
(Gain) / loss			<b>(\$45,831)</b>

TABLE 9  
SEPTEMBER 30, 2007 ASSET AND LIABILITY (GAIN) / LOSS SUMMARY  
(millions)

	<u>Liability</u>	<u>Asset</u>	<u>TOTAL</u>
Experience	(\$24,275)	(\$462)	(\$24,737)
Assumption	(\$21,094)		(\$21,094)
TOTAL	(\$45,369)	(\$462)	(\$45,831)
(G) / L Expressed as a % of September 30, 2007 AL			
	<u>Liability</u>	<u>Asset</u>	<u>TOTAL</u>
Experience	-5.15%	-0.10%	-5.25%
Assumption	-4.48%		-4.48%
TOTAL	-9.63%	-0.10%	<b>-9.73%</b>

TABLE 10  
CHANGE IN UNFUNDED LIABILITY  
(millions)

1. Actual Unfunded Accrued Liability, 9/30/2007	\$362,435
2. Expected Unfunded Accrued Liability, 9/30/2007	\$408,266
3. Total (Gain) / Loss	(\$45,831)
a. Total experience (gain) / loss	(\$24,737)
census	\$1,313
claims	(\$25,588)
asset	(\$462)
b. Total benefit change gain	\$0
c. Total assumption (gain) / loss	(\$21,094)
discount rate	\$28,905
medical trend rates	(\$40,468)
plan participation rates	(\$495)
claim vectors, admin and Rx rebates	(\$19,976)
mortality	\$8,839
other demographic rates	\$2,101

**Past and Projected Unfunded Liability Payments**

The UFL is divided into four components: the initial UFL and the three categories of gain/loss previously mentioned, i.e., changes in the UFL arising from actuarial experience, actuarial assumption changes, and benefit changes. The Board chose to amortize the initial UFL over 50 years, with payments increasing at the rate of assumed salary increases in OACT's Military Retirement Fund valuation, currently 3.75%. New gains and losses in the other three categories are amortized over 30 years, with new gains and losses combined with existing unamortized balances and a weighted remaining period determined—30 years weighted by the absolute value of the new gain/loss, and the remaining period weighted by the absolute value of the remaining unamortized balance.

Historical and projected components of the UFL amortization payments and UFL balances are shown in Appendix J.

## **Valuation Data and Procedure**

### **Census Data**

The active employee census data is the same as the active employee census data used for OACT's September 30, 2007, retirement pay valuation for DoD members, supplemented by summary endstrength data provided by the other uniformed services. Several displays of summary census data are provided in Appendix C.

Retired sponsor counts for the MERHCF valuation are higher than counts in OACT's retirement (pay) valuation because of the inclusion of non-DoD uniformed Services in the MERHCF valuation, and because this valuation includes all living sponsors, regardless of whether they are in "pay" status. For similar reasons, survivor counts are higher in this valuation.

The valuation input census data were extracted from files maintained at the Defense Manpower Data Center (DMDC). Data on individual retirees 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. All eligible retirees and their eligible surviving spouses are included in the data. Data is matched to the Defense Eligibility and Enrollment System (DEERS) to obtain eligible spouses and children.

Active duty and reserve data came from files provided by the four military personnel centers (army, navy, air force, marines). Since the MERHCF provides benefits for retirees of additional uniformed services activities (as defined in section 1072(3) of Title 10), summary strength data is collected from the remaining units (Coast Guard, Public Health Service (PHS), and National Oceanic and Atmospheric Administration (NOAA)). The number of covered employees as of September 30, 2007, is shown in Table 11.

Adjustments were made to the classification of former spouse data so that some former spouses are valued as survivors and others are valued as dependents. Since the valuation model projects costs on a per-sponsor and per-survivor basis, it was necessary to treat former spouses who are not survivors as dependents (i.e., like spouses). Furthermore, since former spouses are represented in the census under their own ID (since FY 2004), former spouses must be allocated between dependent spouses and surviving spouses, based on their prior representation in the data.

TABLE 11  
ACTIVE EMPLOYEES AS OF SEPTEMBER 30, 2007

<u>DoD</u>	
Active Duty	1,438,141
Reserve	756,691
<u>Coast Guard</u>	
Active Duty	41,171
Reserve	7,992
PHS Active Duty	5,974
NOAA Active Duty	287
<u>TOTAL</u>	
Active Duty	1,485,573
Reserve	764,683

Population projections are generated by an actuarial projection model (called “HORG0” for the retiree medical valuation). The population projection structure used by OACT includes four broad categories of personnel, representing the **starting** status of the population. Each of the four categories is further divided into ten subcategories, representing projected **future** status, for a total of 40 categories.

The four broad categories (starting status) are:

- 1 All uniformed Services retirees
- 2 DoD retirees
- 3 DoD active employees (active duty and reserve duty)
- 4 New entrant cohort

The ten subcategories (future status) are:

- 1 Retiree, Active Duty component, Nondisabled, Enlisted
- 2 Retiree, Active Duty component, Nondisabled, Officer
- 3 Retiree, Active Duty component, Disabled, Enlisted
- 4 Retiree, Active Duty component, Disabled, Officer
- 5 Retiree, Reserve component, Nondisabled, Enlisted
- 6 Retiree, Reserve component, Nondisabled, Officer
- 7 Survivor, Active Duty component, Enlisted
- 8 Survivor, Active Duty component, Officer
- 9 Survivor, Reserve component, Enlisted
- 10 Survivor, Reserve component, Officer

Separate data arrays are maintained in HORG0 for each of the 40 population categories. These data are displayed in Appendix C.

The data on active duty personnel and drilling reservists (also called selected reserves) are grouped into cells by age and number of years of service. Each cell contains the number of personnel with that particular combination of age and length of service.

Non-selected reserves are reservists who have completed 20 good years of military service and have satisfied all requirements for retirement except for the minimum age needed to begin receiving the retiree pay benefit. Reservists also are not eligible for retiree medical benefits before age 60. Data on non-selected reserves are grouped into cells by age and number of years of service.

Data on the retired population and surviving families are grouped into cells by age. All retiree and survivor census tables are contained in Appendix C.

In HORGGO, 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 disabled or nondisabled retiree, 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. At the end of each year, the number of people are saved, and the population is aged. After 100 years, when none of the current active or retired personnel is left in the system, the present values of the series of future benefit payments are determined, using the valuation interest rate. Because no new entrants come into the system, the projection is said to be “closed group.”

#### Claims Data

OACT received detailed claims data and workload files for FY 2006 and 2007. Agreed Upon Procedures (AUPs) were followed to ensure data file integrity. Before OACT conducts its analysis on the data, the AUPs first require proof that the data received by OACT is reasonable for purposes of developing claim costs for the valuation. Details of the AUPs are in Appendix B.

OACT processes detailed claims data and workload data by matching individual claims in the incurred period to members who met the eligibility requirements at the time of the claim. This data matching process achieves the goal of separating claims incurred when a member is Medicare eligible from claims incurred when a member is not Medicare eligible. Since the MERHCF valuation only covers claims incurred when a member is Medicare eligible, this step is essential. OACT can also properly account for Medicare beneficiaries (and their claims) who turn Medicare eligible during the year.

Once the detail claims and workloads are processed and matched to the retiree population, OACT produces average expected benefit costs per retired sponsor and per survivor. OACT also produces average expected benefit costs associated with TRICARE's insured HMO. A detailed description of these average costs and how they are applied in the valuation model is contained in Appendix E.

#### Participation

There is no requirement to enroll in TRICARE for Life and there are no contributions. Retirees and their dependents become eligible for TFL upon becoming eligible for Medicare Part A and signing up for Medicare Part B. Since some retirees have coverage other than TFL and



Medicare, OACT must monitor several plan utilization statistics to determine any trends in plan participation and set assumptions for the ultimate level of plan usage within the Purchased Care and Direct Care environments. Identifying changes in plan participation help explain changes in aggregate and per capita plan cost, and allow for reasonable medical trend estimates. More details about plan participation assumptions and the rates used in the current valuation are contained in Appendix F.

Economic Assumptions

Economic assumptions, i.e., the annual rate of inflation, annual medical trend rates, and the annual valuation interest rate, were decided upon by the MERHCF Board of Actuaries after extensive analysis of past trends and future expectations. A discussion of these trends and other considerations is contained in Appendix D.

Decrement Rates

The decrement rates and other non-economic assumptions can be categorized as follows, and details are described in the Appendices as indicated:

- Active duty decrement rates (Appendix G)
- Drilling and non-drilling (with 20 good years) reserve decrement rates (Appendix H)
- Retiree and survivor decrement rates (Appendix I)
- Miscellaneous parameters (Appendix L)

Medical Trend Sensitivity

Future medical trend rates assumed in this valuation (described in Appendix D) represent an estimate of changes in the cost, mix and utilization of medical treatment over the next 100 years.

A one percentage point change in the assumed healthcare cost trend rate would have the following effects on the Actuarial Liability and per capita normal cost.

TABLE 12  
MEDICAL TREND SENSITIVITY  
(AL in millions)

	<b>Assumed Trend</b>	<b>1% Higher Trend</b>	<b>1% Lower Trend</b>
Actuarial Liability as of 9/30/2007	\$471,118	\$600,932	\$374,676
Per Capita Normal Cost for FY 2010			
Active Duty	\$5,642	\$9,151	\$3,480
Reserve	\$3,194	\$4,920	\$2,064



APPENDIX A

ELIGIBILITY AND PLAN PROVISIONS

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## SUMMARY OF PLAN PROVISIONS

### History

Military medical care for families dates back to the late 1700s. The program known today as TRICARE has gone through many changes over the years, and it continues to change each year according to provisions made in the National Defense Authorization Act (NDAA). The 2001 NDAA added “expanded” pharmacy benefits as well as TRICARE For Life (TFL), a benefit plan for Medicare eligible retirees and their Medicare eligible dependents. TFL is a Medicare wraparound plan, added by Congress with the provision that the plan be funded in an actuarially sound manner.

### General Eligibility Requirements - TRICARE

Retired service members of the uniformed services and their family members (spouses and children) are eligible for TRICARE. The uniformed services include the U.S. Army, U.S. Air Force, U.S. Navy, U.S. Marine Corps, U.S. Coast Guard, the Commissioned Corps of the Public Health Service and the Commissioned Corps of the National Oceanic and Atmospheric Association.

Children remain eligible up to their 21<sup>st</sup> birthday (or 23<sup>rd</sup> birthday if a full-time student).

### **Survivors**

Survivors retain coverage if the retired sponsor dies. Available health plan options and costs depend on the survivor's status: survivor or transitional survivor. "Transitional survivor" refers to a survivor of a sponsor who dies while on active duty. "Survivor" refers to a survivor of a sponsor who dies after retirement. A transitional surviving spouse maintains transitional survivor status for three years (or until remarriage, if earlier). A transitional surviving dependent child maintains transitional survivor status until the child reaches the eligibility age limit or marries, if earlier. Surviving spouses maintain TRICARE eligibility for life unless they remarry (a non-service member). Surviving dependents maintain TRICARE eligibility until the child reaches the eligibility age limit or marries, if earlier.

Transitional survivors pay costs and receive medical coverage equal to that of an active duty family member. Survivors pay costs and receive medical coverage equal to that of a retired family member.

OACT does not distinguish between transitional survivors and other survivors when developing the MERHCF retiree medical liabilities. Almost all of the survivors eligible for Medicare are no longer eligible for transitional benefits, and the medical plan that most Medicare eligible survivors use requires no contribution. Regardless, OACT does not value medical plan contributions explicitly; rather, the contributions are netted against plan administration costs.

### **Medically-Retired Service Members (Disabled)**

For a service member to be placed on the Temporary Disabled Retirement List (TDRL), their Service has determined that they have a physical condition, injury or disease that renders them unfit for military service, and the member must receive a disability rating from the service of at least 30 percent. This rating is a separate rating from the one given by the Department of Veteran's Affairs (VA).

TDRL members are re-evaluated by the Service at least every 18 months for a period of up to five years. At that time, the Service determines whether the situation has improved, remained the same or has gotten worse. Depending on the outcome, the member can be retained on the TDRL, separated from service, returned to duty or placed on Permanent Disability Retirement List (PDRL).

As long as the member is on TDRL or PDRL, he or she is eligible for TRICARE benefits as described above (as long as they are registered in DEERS). Eligible family members (registered in DEERS) are also eligible for TRICARE benefits like any other family member of a retired service member.

### **Retired National Guard or Reserve Members**

Retired members of the National Guard or Reserves are not eligible for TRICARE health benefits until they reach age 60 and are eligible for retiree pay.

### **Former (Divorced) Spouses**

Former (divorced) spouses of active, retired or former military members may be eligible for TRICARE if they meet the following requirements:

1. Must not have remarried. (If remarried, the loss of benefits remains applicable even if the remarriage ends in death or divorce.)
2. Must not be covered by an employer-sponsored health plan.
3. Must not be the former spouse of a North Atlantic Treaty Organization or Partners for Peace nation member.
4. Must meet the requirements of one (not all) of the following three situations:

#### Situation 1

- Must have been married to the SAME member or former member for at least 20 years, and at least 20 of those years must have been creditable in determining the member's eligibility for retirement pay.
- If the date of the final decree of divorce or annulment was on or after February 1, 1983, the former spouse is eligible for TRICARE coverage of health care that is received after the date of the divorce or annulment.
- If the date of the final decree is before February 1, 1983, the former spouse is eligible for TRICARE coverage of health care received on or after January 1, 1985

Eligibility of the former spouse continues as long as the preceding requirements continue to be met.

#### Situation 2

- Must have been married to the SAME member or former member for at least 20 years, and at least 15, but less than 20, of those years must have been creditable in determining the member's eligibility for retirement pay.
- If the date of the final decree of divorce or annulment is before April 1, 1985, the former spouse is eligible only for care received on or after January 1, 1985, or the date of the decree, whichever is later

Eligibility of the former spouse continues as long as the preceding requirements continue to be met. However, if the date of the final divorce decree or annulment is on or after April 1, 1985, but before September 29, 1988, the former spouse is eligible for care received from the date of the decree until December 31, 1988, or two years from the date of the decree, whichever is later.

### Situation 3

- Must have been married to the SAME member or former member for at least 20 years, and at least 15, but less than 20, of those years must have been creditable in determining the member's eligibility for retirement pay.

If the date of the final decree of divorce or annulment is on or after September 29, 1988, the former spouse is eligible only for care received for one year from the date of the decree.

### Plan Options and Plan Provisions for Retired Beneficiaries

Retired service members and their family members and survivors are eligible for the following health plan options depending on where they live:

- TRICARE Prime (if under age 65)
- TRICARE Standard and Extra
- US Family Health Plan (in specific U.S. locations)
- TRICARE For Life (with Medicare Part A & B coverage)
- TRICARE Standard Overseas

Note: Retired service members and their families are also eligible to purchase dental coverage through the TRICARE Retiree Dental Program. Since military retirees are required to pay the full cost of retiree dental benefits, OACT excludes dental coverage and claims from the development of the postretirement health valuation. Only a small, immaterial group of survivors of uniformed personnel who die while on active duty are eligible for up to three years of subsidized dental benefits, and most, if not all, of these transitional survivors are not eligible for Medicare. Therefore, dental plan options are not described in this report.

### **Eligible Benefit Payments to be Paid from the MERHCF**

U.S. Code (U.S.C.), Chapter 56, section 1113 states that the MERHCF is responsible for paying the costs of health care benefits for all eligible retirees of the uniformed services who are entitled to retired or retainer pay and who are eligible for Medicare Part A (and their eligible dependents who are eligible for Medicare Part A).

### **TRICARE Plan Options for Medicare Eligible Retirees and their Medicare Eligible Dependents**

The following medical plan options are available to Medicare eligible retired beneficiaries:

- TRICARE For Life (with Medicare Part A & Part B coverage)
- US Family Health Plan (in specific U.S. locations)
- TRICARE Prime (if under age 65)

- TRICARE Standard and Extra (if not eligible for premium free Medicare Part A)

Medicare eligible retirees and their Medicare eligible dependents can receive benefits under TFL if they sign up for Medicare Part B. There currently is no premium contribution required for TFL. Instead of TFL, Medicare eligible retirees can choose to enroll in (and pay for) a US Family Health Plan HMO (USFHP), depending on whether the plan is available in the members' location. The premium for USFHP is waived if the member pays for Medicare Part B. Medicare eligible retired beneficiaries who are under age 65 can also elect TRICARE Prime, and the premium is waived if the member pays for Medicare Part B.

*Key Features of TRICARE For Life*

TFL is a Medicare wrap-around plan that also covers prescription drugs. Therefore, Medicare is the primary payer for Medicare Part A and Part B services. If member is covered by other health insurance (other than Medicaid), that other coverage pays second, and TFL pays last. TFL pays similarly to TRICARE Standard when a member is overseas and Medicare is not available.

Table A1 summarizes medical coverage available to Medicare eligible beneficiaries under the TFL plan (both in the U.S. and overseas). Table A2 summarizes medical coverage available to Medicare eligible beneficiaries under TRICARE Prime and the USFHP.

TABLE A1  
**TRICARE FOR LIFE BENEFIT SUMMARY**  
 (For Retired Medicare-eligible Beneficiaries)

	<b>TRICARE For Life</b>	<b>TRICARE For Life (while in an overseas area that doesn't have Medicare)</b>
<b>Type of Plan</b>	TRICARE For Life (TFL) offers Medicare-wraparound coverage to TRICARE beneficiaries who are entitled to Medicare Part A due to age, disability or end-stage renal disease and have purchased Medicare Part B. TRICARE pays second to Medicare for services covered by both TRICARE and Medicare.	TRICARE For Life (TFL) is available to TRICARE beneficiaries overseas who are entitled to Medicare Part A due to age, disability or end-stage renal disease and who have Medicare Part B coverage. Because Medicare typically does not provide benefits overseas, TRICARE is the primary source of health benefits. TFL provides the same coverage as TRICARE Standard Overseas, with the same cost shares and deductibles.
<b>Eligibility Requirements</b>	TFL is available to TRICARE beneficiaries entitled to Medicare Part A and enrolled in Medicare Part B.	TFL is available to TRICARE beneficiaries entitled to Medicare Part A and enrolled in Medicare Part B.
<b>Providers</b>	Member may receive care from any Medicare provider. For referrals, Medicare rules apply. <i>Note:</i> If coverage is exhausted under Medicare, member may need to obtain authorization from regional contractor for some services.	Coverage under TFL is similar to TRICARE Standard Overseas in areas not covered by Medicare. Member may seek care from any qualified host nation provider without a referral.
<b>Filing Claims</b>	Provider will file the claims with Medicare. Medicare will pay its portion and automatically forward the claim electronically to TRICARE for processing.	Member may be required to pay for care up front and file claims with Wisconsin Physicians Service, the TRICARE Overseas claims processor.
<b>Enrollment</b>	There is no enrollment in TFL (and no enrollment fee). However, enrollment in Medicare Part B is required.	There is no enrollment in TFL (and no enrollment fee). However, enrollment in Medicare Part B is required.
<b>Annual Deductible</b>	For services covered by TRICARE and Medicare, no annual deductible applies.  For services covered by Medicare, but not TRICARE, the Medicare annual deductible applies.  For services covered by TRICARE, but not Medicare, the TRICARE annual deductible applies: <ul style="list-style-type: none"> <li>▪ \$150/Individual</li> <li>▪ \$300/Family</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$150/Individual</li> <li>▪ \$300/Family</li> </ul>
<b>Outpatient Visit</b>	<b>Services covered by TRICARE and Medicare</b> Member pays nothing	<b>Military Treatment Facility</b> No charge



	<p><b>Services covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➢ 20% of the negotiated rate after the annual deductible is met</li> </ul> </li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>▪ 25% of the allowable charge after the annual deductible is met</li> </ul> </li> </ul> <p><b>Services not covered by TRICARE or Medicare</b> Member pays the total amount</p>	<p><b>Host Nation Provider</b> 25% of billed charges after the annual deductible is met</p>
<p><b>Preventive Services</b></p>	<p><b>Services covered by TRICARE and Medicare</b> Member pays nothing</p> <p><b>Services covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➢ 20% of the negotiated rate after the annual deductible is met</li> </ul> </li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>➢ 25% of the allowable charge after the annual deductible is met</li> </ul> </li> </ul> <p><b>Services not covered by TRICARE or Medicare</b> Member pays the total amount</p>	<p><b>Military Treatment Facility</b> No charge</p> <p><b>Host Nation Provider</b> 25% of billed charges after the annual deductible is met</p>
<p><b>Inpatient Hospital</b></p>	<p><b>Services Covered by TRICARE and Medicare</b> Member pays nothing (days 1-150)</p> <p><b>Services Covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ 151+ days</li> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➢ \$250.00 per day or 25% of institutional charges, whichever is less, plus 20% of professional charges.</li> </ul> </li> <li>▪ Non-network provider:</li> </ul>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility for details)</p> <p><b>Host Nation Provider</b> \$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services</p>

	<ul style="list-style-type: none"> <li>➤ \$535 per day or 25% of billed charges for institutional services, whichever is less, plus 25% of allowable for professional charges</li> </ul> <p><b>Services not Covered by TRICARE or Medicare</b> Member pays the total amount</p>	
<b>Emergency Services</b>	<p><b>Services covered by TRICARE and Medicare</b> Member pays nothing</p> <p><b>Services covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): 15% of the negotiated rate after the annual deductible is met</li> <li>➤ All others: 20% of the negotiated rate after the annual deductible is met</li> </ul> </li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): 20% of the allowable charge after the annual deductible is met</li> <li>➤ All others: 25% of the allowable charge after the annual deductible is met</li> </ul> </li> </ul> <p><b>Services not covered by TRICARE or Medicare</b></p> <ul style="list-style-type: none"> <li>▪ Member pays the total amount</li> </ul>	<p><b>Military Treatment Facility</b></p> <ul style="list-style-type: none"> <li>▪ No charge</li> <li>▪ If admitted, nominal charges may apply (check with local facility for details)</li> </ul> <p><b>Host Nation Provider</b> 25% of billed charges after the annual deductible is met</p>
<b>Outpatient Behavioral Health care</b>	<p><b>Services covered by TRICARE and Medicare</b> Member pays nothing</p> <p><b>Services covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ TRICARE network provider:</li> </ul>	<p><b>Military Treatment Facility</b> No charge</p> <p><b>Host Nation Provider</b></p> <ul style="list-style-type: none"> <li>▪ Active duty family members (including family members of activated National Guard and Reserve members): 20% of billed charges after the annual deductible is met</li> <li>▪ All others: 25% of billed charges after the</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): 15% of the negotiated rate after the annual deductible is met</li> <li>➤ All others: 20% of the negotiated rate after the annual deductible is met</li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): 20% of the allowable charge after the annual deductible is met</li> <li>➤ All others: 25% of the allowable charge after the annual deductible is met</li> </ul> </li> </ul> <p><b>Services not covered by TRICARE or Medicare</b> Member pays the total amount</p>	<p>annual deductible is met</p>
<p><b>Inpatient Behavioral Health Care</b></p>	<p><b>Services Covered by TRICARE and Medicare</b> Member pays nothing (1-150 days)</p> <p><b>Services Covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ 151+ days</li> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): \$20 per day (\$25.00 minimum charge)</li> <li>➤ All others: 20% of total charge, plus, 20% for separately billed services</li> </ul> </li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): \$20 per day (\$25.00 minimum charge)</li> </ul> </li> <li>▪ All others: <ul style="list-style-type: none"> <li>➤ High-volume Hospitals: 25% hospital specific per diem, plus 25% for separately billed professional services</li> <li>➤ Low-volume Hospitals: \$187 per day or 25% of the billed charges, whichever is less, plus 25% for separately billed</li> </ul> </li> </ul>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility)</p> <p><b>Host Nation Provider</b></p> <ul style="list-style-type: none"> <li>▪ Active duty family members (including family members of activated National Guard and Reserve members): \$20 per day (\$25.00 minimum charge)</li> <li>▪ All others: <ul style="list-style-type: none"> <li>➤ High-volume Hospitals: 25% hospital specific per diem, plus 25% for separately billed professional services</li> <li>➤ Low-volume Hospitals: \$187 per day or 25% of the billed charges, whichever is less, plus 25% for separately billed services</li> <li>➤ Residential Treatment Center: 25% of the allowed amount</li> <li>➤ Partial hospitalization: 25% of the allowed amount, plus 25% of the allowable charge for separately billed professional services</li> </ul> </li> </ul>

	<p>services</p> <ul style="list-style-type: none"> <li>➤ Residential Treatment Center: 25% of the allowed amount</li> <li>➤ Partial Hospitalization: 25% of the allowed amount, plus 25% of the allowable charge for separately billed professional services</li> </ul> <p><b>Services not Covered by TRICARE or Medicare</b> Member pays the total amount</p>	
<b>Inpatient Skilled Nursing Care</b>	<p><b>Services Covered by TRICARE and Medicare</b> Member pays nothing (1-100 days)</p> <p><b>Services Covered by Medicare, but not TRICARE</b> Medicare cost shares apply</p> <p><b>Services covered by TRICARE, but not Medicare</b></p> <ul style="list-style-type: none"> <li>▪ 101+ days</li> <li>▪ TRICARE network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): \$15.15 per day (\$25.00 minimum charge)</li> <li>➤ All others: \$250.00 per day or 25% of institutional charges, whichever is less, plus 20% of professional charges</li> </ul> </li> <li>▪ Non-network provider: <ul style="list-style-type: none"> <li>➤ Active duty family members (including family members of activated National Guard and Reserve members): \$15.15 per day (\$25.00 minimum charge)</li> <li>➤ All others: \$535 per day or 25% of billed charges for institutional services, whichever is less, plus 25% of allowable for professional charges</li> </ul> </li> </ul> <p><b>Services not Covered by TRICARE or Medicare</b> Member pays the total amount</p>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility)</p> <p><b>Host Nation Provider</b></p> <ul style="list-style-type: none"> <li>▪ Active duty family members (including family members of activated National Guard and Reserve members): \$15.15 per day (\$25.00 minimum charge)</li> <li>▪ All others: \$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services</li> </ul>
<b>Annual Out-of-pocket Maximum</b>	\$3,000 per family, per fiscal year	\$3,000 per family, per fiscal year
<b>Pharmacy</b>	<p><b>Retail Network Pharmacy</b> (up to a 30-day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul>	<p><b>Host Nation</b> (up to a 30-day supply) Member pays 25% after annual outpatient deductible is met</p>

	<p><b>Mail Order Pharmacy</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul> <p><b>Military Treatment Facility</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$0</li> <li>▪ Tier 2 (formulary brand): \$0</li> <li>▪ Tier 3 (non-formulary): n/a</li> </ul> <p><b>Non-network Pharmacy</b> (up to a 30-day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$9 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met</li> <li>▪ Tier 2 (formulary brand): \$9 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met</li> <li>▪ Tier 3 (non-formulary): \$22 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met</li> </ul>	<p><b>Mail Order Pharmacy</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul> <p><b>Military Treatment Facility</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$0</li> <li>▪ Tier 2 (formulary brand): \$0</li> <li>▪ Tier 3 (non-formulary): n/a</li> </ul>
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**TABLE A2**  
**TRICARE PRIME AND USFHP BENEFIT SUMMARIES**  
(For Retired Medicare-eligible Beneficiaries)

	<b>TRICARE Prime</b>	<b>US Family Health Plan</b>
<b>Type of Plan</b>	TRICARE Prime is a managed care option offering the most affordable and comprehensive coverage.	The US Family Health Plan is a TRICARE Prime option available through networks of community-based, not-for-profit health care systems in six areas of the United States.
<b>Eligibility Requirements</b>	In general, retirees, their eligible family members and survivors under age 65 are eligible for TRICARE Prime if it's offered in their location	Retirees and their eligible family members and survivors, including Medicare-eligible beneficiaries over age 65, are eligible to enroll if they reside in one of the Zip code defined service areas in the following states: <ul style="list-style-type: none"> <li>▪ Connecticut</li> <li>▪ Louisiana</li> <li>▪ Maine</li> <li>▪ Maryland</li> <li>▪ Massachusetts</li> <li>▪ New Hampshire</li> <li>▪ New Jersey</li> <li>▪ New York</li> <li>▪ Pennsylvania</li> <li>▪ Rhode Island</li> <li>▪ Texas</li> <li>▪ Virginia</li> <li>▪ Washington</li> <li>▪ West Virginia</li> </ul>
<b>Main Features</b>	<ul style="list-style-type: none"> <li>▪ Assigned primary care manager (PCM) provides most care and gives referrals for specialty care</li> <li>▪ Point of service (POS) option available to receive care without a PCM referral</li> <li>▪ Fewer out-of-pocket costs</li> <li>▪ Enhanced vision coverage and preventive care</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assigned primary care physician from plan's network who will provide referrals for specialty care</li> <li>▪ Few out-of-pocket costs (all out-of-pocket costs are waived when member is enrolled in Medicare Part B, except the Medicare Part B premiums)</li> <li>▪ The only TRICARE Prime option that offers benefits to members age 65+, regardless of whether member signs up for Medicare Part B</li> <li>▪ Enhanced benefits and services including discounts for eyeglasses, hearing aids and dental care in some areas</li> </ul> <p><i>Note:</i> USFHP members can not access care at a military treatment facility (MTF) or any other TRICARE provider, or fill prescriptions at MTF pharmacies, TRICARE network pharmacies or the TRICARE mail order pharmacy. Each US Family Health Plan offers its own prescription drug plan.</p>
<b>Providers</b>	Member must select a PCM, or one is assigned. PCM may be a military	Member does not access Medicare, military treatment facilities or TRICARE network

	<p>treatment facility (MTF) provider or a civilian TRICARE network provider. The PCM:</p> <ul style="list-style-type: none"> <li>▪ Provides routine health care</li> <li>▪ Coordinates referrals for specialty care that he or she cannot provide</li> <li>▪ Assists with prior authorizations, when needed</li> <li>▪ Maintains patient health records</li> </ul> <p>Members have the first priority for appointments at MTFs, and when MTF care is not available, member will be referred to a TRICARE network provider. The POS option allows members to seek care from any provider without a referral from a PCM, but at a higher out-of-pocket cost.</p>	<p>providers, but instead obtains care from a primary care physician (PCP) selected from a network of private physicians affiliated with one of the not-for-profit health care systems offering the plan. A PCP will assist member in getting appointments for specialists in the area and in coordinating care.</p>
<b>Filing Claims</b>	<p>Provider will file claims (in most cases).</p>	<p>There are no claim forms when member sees providers approved by the plan.</p>
<b>Enrollment</b>	<p>Beneficiaries must enroll in TRICARE Prime in order to receive coverage.</p> <p>Retirees, their families and all others must pay an annual enrollment fee:</p> <ul style="list-style-type: none"> <li>▪ \$230/Individual</li> <li>▪ \$460/Family</li> </ul>	<p>Beneficiaries must enroll in USFHP in order to receive coverage.</p> <p>Retirees, their families and all others must pay an annual enrollment fee, unless enrolled in Medicare Part B.</p> <ul style="list-style-type: none"> <li>▪ \$230/Individual</li> <li>▪ \$460/Family</li> </ul>
<b>Annual Deductible</b>	<p>There is no annual deductible unless member uses the POS option (seeing any provider without a referral from the PCM).</p> <p>POS outpatient annual deductible:</p> <ul style="list-style-type: none"> <li>▪ \$300/Individual</li> <li>▪ \$600/Family</li> </ul>	<p>There is no annual deductible.</p>
<b>Outpatient Visit</b>	<p><b>Military Treatment Facility</b> Member pays nothing</p> <p><b>TRICARE Network Provider</b></p> <ul style="list-style-type: none"> <li>▪ PCM visit: \$12</li> <li>▪ Specialist with referral: \$12</li> <li>▪ Specialist without referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul> <p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: \$12</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$12 per visit</li> <li>▪ \$0 if enrolled in Medicare Part B</li> </ul>

<p><b>Preventive Services</b></p>	<p><b>Military Treatment Facility</b> Member pays nothing .</p> <p><b>TRICARE Network Provider</b> Member pays nothing.</p> <p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: No charge</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul>	<p>Member pays nothing.</p>
<p><b>Inpatient Hospital</b></p>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility for details)</p> <p><b>TRICARE Network Provider</b> \$11.00 per day (\$25.00 minimum)</p> <p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: \$11.00 per day (\$25.00 minimum)</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$11/day (\$25.00 minimum)</li> <li>▪ \$0 if enrolled in Medicare Part B</li> </ul>
<p><b>Emergency Services</b></p>	<p><b>Military Treatment Facility</b></p> <ul style="list-style-type: none"> <li>▪ No charge</li> <li>▪ Nominal charges may apply if admitted (check with local facility for details)</li> </ul> <p><b>TRICARE Network Provider</b> \$30 per visit</p> <p><b>Non-network Provider</b> \$30 per visit</p>	<ul style="list-style-type: none"> <li>▪ \$30 per visit</li> <li>▪ \$0 if enrolled in Medicare Part B</li> </ul>
<p><b>Outpatient Behavioral Health Care</b></p>	<p><b>Military Treatment Facility</b> Member pays nothing.</p> <p><b>TRICARE Network Provider</b></p> <ul style="list-style-type: none"> <li>▪ \$25.00 (individual visit)</li> <li>▪ \$17.00 (group visit)</li> </ul> <p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: Same as network provider costs</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$25 (individual visit)</li> <li>▪ \$17 (group visit)</li> <li>▪ \$0 if enrolled in Medicare Part B</li> </ul>
<p><b>Inpatient Behavioral Health Care</b></p>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility for details)</p> <p><b>TRICARE Network Provider</b> \$40 per day (\$25.00 minimum)</p>	<ul style="list-style-type: none"> <li>▪ \$40/day (\$25 minimum)</li> <li>▪ \$0 if enrolled in Medicare Part B)</li> </ul>



	<p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: Same as network provider costs</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</li> </ul>	
<b>Inpatient Skilled Nursing Care</b>	<p><b>Military Treatment Facility</b> Nominal charges may apply (check with local facility for details )</p> <p><b>TRICARE Network Provider</b> \$11.00 per day (\$25.00 minimum)</p> <p><b>Non-network Provider</b></p> <ul style="list-style-type: none"> <li>▪ With PCM referral: Same as network provider costs</li> <li>▪ Without PCM referral: 50% of the TRICARE allowable charge</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$11/day (\$25.00 minimum)</li> <li>▪ \$0 if enrolled in Medicare Part B</li> </ul>
<b>Annual Out-of-pocket Maximum</b>	<p>\$3,000 per family, per fiscal year</p> <p><i>Note:</i> POS fees do not apply toward meeting the annual out-of-pocket maximum</p>	\$3,000 per family, per fiscal year
<b>Pharmacy</b>	<p><b>Retail Network Pharmacy</b> (up to a 30-day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul> <p><b>Mail Order Pharmacy</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul> <p><b>Military Treatment Facility</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$0</li> <li>▪ Tier 2 (formulary brand): \$0</li> <li>▪ Tier 3 (non-formulary): n/a</li> </ul> <p><b>Non-network Pharmacy</b> (up to a 30-day supply)</p> <p>50% of total cost after POS deductible</p>	<p><b>Network Pharmacy</b> (up to a 30-day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul> <p><b>Mail Order Pharmacy</b> (up to a 90 day supply)</p> <ul style="list-style-type: none"> <li>▪ Tier 1 (generic): \$3</li> <li>▪ Tier 2 (formulary brand): \$9</li> <li>▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)</li> </ul>

<p style="text-align: center;"><b>Plan Availability</b></p>	<p>TRICARE Prime is available throughout the continental United States in areas known as Prime service areas.</p>	<p>The US Family Health Plan is available through not-for-profit health care systems in designated Zip codes in 6 areas of the country:</p> <ul style="list-style-type: none"> <li>▪ <b>Brighton Marine Health Center</b> Serving Massachusetts (including Cape Cod), northern Connecticut, southern New Hampshire and Rhode Island</li> <li>▪ <b>CHRISTUS Health</b> Serving southeast Texas and southwest Louisiana</li> <li>▪ <b>Johns Hopkins Medicine</b> Serving central Maryland, Washington DC and parts of Pennsylvania, Virginia and West Virginia</li> <li>▪ <b>Martin's Point Health Care</b> Serving Maine, Vermont, New Hampshire and northeastern New York</li> <li>▪ <b>PacMed Clinics</b> Serving the Puget Sound area of Washington State</li> <li>▪ <b>Saint Vincent Catholic Medical Centers</b> Serving parts of New York, all of New Jersey, eastern Pennsylvania and southern Connecticut</li> </ul>
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APPENDIX B

AGREED-UPON PROCEDURES FOR MERHCF CLAIMS DATA ANALYSIS

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## AGREED UPON PROCEDURES FOR POSTRETIREMENT CLAIMS DATA ANALYSIS

At the behest of the Department of Defense Office of Inspector of General (DoDIG), the Office of the Actuary (OACT) and Health Affairs (HA) wrote the above referenced, "Agreed Upon Procedures" (AUPs). These procedures establish a means for procuring valid health care data for use in actuarial valuations.

Under TRICARE, health care and supplies obtained at a military treatment facility (MTF) are called Direct Care, and are recorded as workloads. Health care and supplies obtained elsewhere are called Purchased Care, and are recorded in standard claims format.

Valuation claims costs are based on various claims-based and workload-based "detail" data files. OACT compares the total claim and workload values found in each of these files to claim and workload totals found in the MHS Management Analysis and Reporting Tool system (M2). Data from detail files are reconciled with M2 reported data, and comparison totals must be within a 2% variance.

Each of the detail claim files, workload files, and the M2 claims databases are comprised of claims incurred in FY 2006 (closed incurred, open paid), and similarly for claims incurred in FY 2007. HA advises OACT of the processing cut-off dates for each of the detailed files provided, and OACT prepares the M2 queries on dates that achieve a similar "paid through" period.

### **Purchased Care Institutional Costs**

OACT received TED\_I, an extract of FY 2006 Institutional (inpatient facility) TRICARE Encounter data (TED) claims, and a similar extract for FY 2007. The sum of the "Total Amount Paid" field was compared to the sum of the "Amount Paid" field from the appropriate M2 file.

For valuation (and comparison) purposes, OACT excluded cancelled and denied claims, resource sharing claims, claims for the handicapped, and claims having allowed amount less than or equal to zero.

	<b>Detail Data Extracts</b>	<b>M2</b>
File	TED_I	PC Institutional Detail
Select	Program Indicator = 'I'	Program Indicator = 'I'; FY = 2006 (for 2006 comparison); FY = 2007 (for 2007 comparison)
Exclude	Program Indicator = 'H'; Special Processing Codes 1-4 in ('S','RI'); Submission code in ('C', 'D', 'E'); Allowed Amount <= 0;	Program Indicator = 'H'; Special Processing Codes 1-3 in ('S', 'RI')

**Purchased Care Non-institutional Costs**

OACT received TED\_NI, an extract of FY 2006 non-institutional TED claims, and a similar extract for FY 2007. This file includes records for inpatient professional, outpatient professional, retail prescription drug and mail order prescription drug claims.

OACT used only the inpatient professional and outpatient professional claims from this file.

The sum of the "Total Amount Paid" field was compared to the sum of the "Amount Paid" field from files in M2: the Purchased Care Non-institutional Detail FY 2006 (or FY 2007, as appropriate) MERHCF file and the Purchased Care Non-institutional Detail FY 2006 (or FY 2007, as appropriate) DHP file. Since both the MERHCF and DHP files contain data for Medicare eligible retirees/dependents under age 65, OACT excluded the data for Medicare eligible retirees/dependents from the DHP file.

For valuation (and comparison) purposes, OACT excluded cancelled and denied claims, resource sharing claims, claims for the handicapped, dental claims, drug claims, claims incurred at an MTF, and claims having allowed amount less than or equal to zero.

<b>Inpatient Professional</b>		
	<b>Detail Data Extracts</b>	<b>M2</b>
File(s)	TED_NI	PC FY06 Non-institutional DHP; PC FY06 Non-institutional MERHCF; PC FY07 Non-institutional DHP; PC FY07 Non-institutional MERHCF
Select	Type of Service in ('I', 'M')	Service Type in ('I','M')
Exclude	Special Processing Codes 1-4 in ('S', 'RI'); Program Indicator in ('D', 'H', 'T'); Submission code in ('C', 'D', 'E'); Allowed Amount <= 0; Place of Service Code = 26	Special Processing Codes 1-3 in ('S', 'RI'); Place of Service Code = 26 Program Indicator in ('D', 'H', 'T'); Service Nature = 'B'; Enrollment Status = 'PS'; MERHCF flag = 'U' (DHP file only)

<b>Outpatient Professional</b>		
	<b>Detail Data Extracts</b>	<b>M2</b>
File(s)	TED_NI	PC FY06 Non-institutional DHP; PC FY06 Non-institutional MERHCF; PC FY07 Non-institutional DHP; PC FY07 Non-institutional MERHCF
Select		
Exclude	Special Processing Codes 1-4 in ('S', 'RI'); Program Indicator in ('D', 'H', 'T'); Type of Service Code in ('T','M'); Submission code in ('C', 'D', 'E'); Allowed Amount <= 0; Place of Service Code = 26	Special Processing Codes 1-3 in ('S', 'RI'); Place of Service Code = 26 Program Indicator in ('D', 'H', 'T'); Service Type Code in ('T','M'); Enrollment Status = 'PS'; Service Nature = 'B'; Provider tax ID = 431867735 MERHCF flag = 'U' (DHP file only)

### **Retail, Mail Order, and Direct Care (MTF) Prescription Drug Costs**

OACT received an extract of FY 2006 retail, mail order, and direct care (MTF) prescription drug claims from the Pharmacy Data Transaction Service system (PDTS), and a similar extract for FY 2007. Although retail and mail order Rx claims were included on the Non-institutional (TED\_NI) file, OACT compared the Rx claims totals from the PDTS file to the Rx claims totals from the PDTS file in M2.

For retail and mail order FY 2006 claims, the sum of the "Net Amount Due (Paid)" field was compared to the sum of the "Paid by TRICARE" field from the appropriate file in M2 (or FY 2007, as appropriate). For direct care (MTF) drug claims, the sum of "Raw Submitted Ingredient Cost" was compared to the sum of the "Ingredient Cost" field from the appropriate file in M2. Note that OACT includes direct care costs for clinically administered drugs (e.g., injectibles, Source System = C) with direct care pharmacy costs. This is not the practice with purchased care drugs that are clinically administered (in the purchased care arena, such costs are included with outpatient professional claims).

For an explanation of how OACT converts direct care drug ingredient cost into direct care drug claim costs, refer to the next section ("Converting Direct Care Workloads Into Claim Costs").

<b>Retail, Mail Order and Direct Care (MTF) Prescription Drugs</b>		
	<b>Detail Data Extracts</b>	<b>M2</b>
File(s)	PDTS	PDTS FY06; PDTS FY07
Select	Retail: Fill Location = 'M'; Mail: Fill Location = 'T'; MTF: Fill Location in ('C', 'D')	Retail: Source System = 'M' Mail: Source System = 'T'; MTF: Source System in ('C', 'D')
Exclude	No exclusions	No exclusions

**Direct Care Inpatient Workload**

OACT received SIDR, an extract of FY 2006 standard inpatient data records (SIDRs), and a similar extract for FY 2007. The sum of the "Total Relative Weighted Product" field was compared to the sum of the "RWP, Raw" field. RWPs measure the relative resource consumption of each hospitalization.

For an explanation of how OACT converts RWP weights into claim costs, refer to the next section ("Converting Direct Care Workloads Into Claim Costs").

<b>DC Inpatient Workload (RWPs)</b>		
	<b>Detail Data Extracts</b>	<b>M2</b>
File(s)	SIDRs	Inpatient Admissions Detail (SIDR)
Select	All	FY = 2006 (for 2006 comparison); FY = 2007 (for 2007 comparison)
Exclude	No exclusions	No exclusions

**Direct Care Outpatient Workload**

OACT received SADR, an extract of FY 2006 standard ambulatory data records (SADRs), and a similar extract for FY 2007. The sum of the "Total Ambulatory Patient Group Weight" field was compared to the sum of the "Aggregate APG Weight" from the M2 system. APGs, or Ambulatory Patient Groups, represent a classification of patient pathologies based on medical care needs.

For an explanation of how OACT converts APG weights into claim costs, refer to the next section (see "Converting Direct Care Workloads Into Claim Costs").

<b>DC Outpatient Workload (APGs)</b>		
	<b>Detail Data Extracts</b>	<b>M2</b>
File(s)	SADRs	FY06 Professional Encounters (SADR); FY07 Professional Encounters (SADR)
Select	All	FY = 2006 (for 2006 comparison); FY = 2007 (for 2007 comparison); MEPRS 1 code = B; MEPRS 3 code = 'FBN'
Exclude	No exclusions	All other MEPRS codes not selected

### **Converting Direct Care Workloads Into Claim Costs**

RWP and APG workloads are a means of allocating inpatient and outpatient professional costs, respectively, for direct care. Ingredient costs are a means of allocating total direct care pharmacy costs. HA provided OACT aggregate, direct care inpatient, outpatient professional and MTF pharmacy costs for FY 2007 as determined by the Level of Effort (LOE) analysis. From these aggregate figures, OACT determined an average cost per workload (for inpatient and outpatient professional) and total prescription drug costs per unit of ingredient cost. The LOE analysis was produced on both a Fund cost basis and on a financial statement basis (the latter basis includes certain costs that are not reimbursable by the MERHCF).

Direct care LOE is measured in terms of qualifying total (Military Personnel plus Operation and Maintenance appropriations) expenses recorded under the DoD Medical Expense and Performance Reporting System (MEPRS). Direct care expense data resides in DoD's Expense Assignment System (EAS) IV Repository. Qualifying expenses reflect the calculated full cost of direct care, excluding depreciation, "free receipts" and certain (corporate) administrative/overhead expenses in support of the military health system. This MERHCF LOE consists of three parts: (1) Direct Inpatient Care provided Medicare-eligible beneficiaries by MTFs; (2) Direct (non-pharmacy) Outpatient Care provided Medicare-eligible beneficiaries by MTFs; and (3) Outpatient Pharmacy Services provided Medicare-eligible beneficiaries by MTFs.



RESULTS

TABLE B1  
2006 DATA - AUP RESULTS

	FY 2006 Detail Data		FY 2006 M2 Report Data		Detail vs. M2 (Detail/M2 -1)
		As of Date		As of Date	
<b>Purchased Care</b>					
Inpatient					
Institutional	\$2,587,383,828	09-Oct-07	\$2,587,383,828	30-Sep-07	0.00%
Professional	\$594,263,975	09-Oct-07	\$593,960,454	30-Sep-07	0.05%
Total	\$3,181,647,803		\$3,181,344,283		0.01%
Outpatient	\$5,570,117,666	09-Oct-07	\$5,569,909,735	30-Sep-07	0.00%
Prescription Drug -- Retail	\$3,827,295,435	13-Oct-07	\$3,827,295,435	13-Oct-07	0.00%
Prescription Drug -- Mail Order	\$724,951,285	13-Oct-07	\$724,951,285	13-Oct-07	0.00%
<b>Direct Care</b>					
Inpatient (RWP)	224,517	10-Oct-07	224,517	10-Oct-07	0.00%
Outpatient (APG)	44,196,708	22-Oct-07	44,195,494	22-Oct-07	0.00%
Pharmacy – Ingredient					
Cost	\$1,600,807,262	13-Oct-07	\$1,600,807,262	13-Oct-07	0.00%

TABLE B2  
2007 DATA – AUP RESULTS

	FY 2007 Detail Data		FY 2007 M2 Report Data		Detail vs. M2 (Detail/M2 -1)
		As of Date		As of Date	
<b>Purchased Care</b>					
Inpatient					
Institutional	\$2,761,088,568	09-Jan-08	\$2,761,088,568	31-Dec-07	0.00%
Professional	\$623,756,693	09-Jan-08	\$623,449,659	31-Dec-07	0.05%
Total	\$3,384,845,261		\$3,384,538,227		0.01%
Outpatient	\$6,095,754,865	09-Jan-08	\$6,123,967,188	31-Dec-07	-0.46%
Prescription Drug -- Retail	\$4,180,793,237	29-Dec-07	\$4,180,793,237	29-Dec-07	0.00%
Prescription Drug -- Mail Order	\$861,744,406	29-Dec-07	\$861,744,406	29-Dec-07	0.00%
<b>Direct Care</b>					
Inpatient (RWP)	225,066	10-Jan-08	225,066	10-Jan-08	0.00%
Outpatient (APG)	43,926,148	10-Jan-08	43,925,667	31-Dec-07	0.00%
Pharmacy – Ingredient					
Cost	\$1,502,790,933	29-Dec-07	\$1,502,790,933	29-Dec-07	0.00%



APPENDIX C

VALUATION POPULATION DATA

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TABLE C1  
ACTIVE DUTY AND SELECTED RESERVE AS OF 9/30/2006 And 9/30/2007

All Uniformed

	<b>FYE 2006</b>	<b>FYE 2007</b>	<b>06 to 07 Increase</b>
<u>DoD</u>			
Active Duty	1,443,236	1,438,141	-0.4%
Reserve	754,515	756,691	0.3%
<u>Coast Guard</u>			
Active Duty	40,514	41,171	1.6%
Reserve	8,103	7,992	-1.4%
PHS Active Duty	5,906	5,974	1.2%
NOAA Active Duty	295	287	-2.7%
<u>TOTAL</u>			
Active Duty	1,489,951	1,485,573	-0.3%
Reserve	762,618	764,683	0.3%

TABLE C2  
ELIGIBLE RETIRED BENEFICIARIES AS OF 9/30/2006 AND 9/30/2007

All Uniformed		<b>FYE 2006</b>	<b>FYE 2007</b>	<b>06 to 07 Increase</b>
<u>Retired sponsors</u>				
Total		1,999,192	2,026,259	1.4%
Medicare-eligible		926,851	936,848	1.1%
<u>Spouses of Retirees</u>				
Total		1,598,776	1,621,456	1.4%
Medicare-eligible		569,598	580,615	1.9%
<u>Children of Retirees</u>				
Total		795,416	794,010	-0.2%
Medicare-eligible		6,785	6,857	1.1%
<u>Other Dependents of Retirees</u>				
Total		4,892	4,984	1.9%
Medicare-eligible		3,753	3,859	2.8%
<u>Survivors</u>				
Total spouses		510,781	524,328	2.7%
Total children		42,238	42,079	-0.4%
Total other		371	364	-1.9%
Medicare-eligible spouses		408,542	422,748	3.5%
Medicare-eligible children		4,973	5,218	4.9%
Medicare-eligible other		289	292	1.0%
<u>Retirees, dependents, survivors</u>				
Total		4,951,666	5,013,480	1.2%
Medicare-eligible		1,920,791	1,956,437	1.9%

Note: Beginning 9/30/05, former spouses are no longer connected to a sponsor; they are allocated, by age, to spouse and survivor status, based on 2003 data.

**TABLE C3**  
**DOD ACTIVE DUTY OFFICERS BY AGE AND YEARS OF SERVICE FOR THE FY2007 VALUATION**

Age	Years of Active Service																														Total		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		30+	
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	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	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	0	0	0	0	0	0	0	0	0	0	0
19	0	3	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	3
20	6	5	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	11
21	33	17	5	5	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	60
22	2,120	97	27	17	13	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	2,274
23	3,950	2,423	86	38	34	26	4	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	6,561
24	1,783	4,164	2,272	112	73	46	16	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	8,467
25	638	1,849	4,239	2,194	169	95	93	56	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,334
26	555	694	1,912	3,831	2,004	174	106	102	90	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,471
27	624	668	811	1,779	3,424	1,838	211	141	175	125	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,799
28	413	629	723	892	1,765	2,856	1,551	269	202	324	162	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,786
29	287	416	611	695	836	1,498	2,492	1,472	213	227	311	166	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,225
30	192	305	444	599	723	778	1,448	2,300	1,419	242	295	388	187	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,322
31	168	268	304	425	607	658	731	1,333	2,098	1,308	310	374	395	191	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,170
32	128	160	237	311	448	594	600	688	1,279	1,993	1,288	343	370	485	244	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,171
33	113	128	182	259	351	423	570	570	675	1,264	1,826	1,223	369	441	524	270	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,193
34	93	106	142	200	233	374	392	523	602	702	1,157	1,765	1,264	420	528	606	258	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,366
35	74	82	122	157	171	258	308	363	524	598	709	1,093	1,742	1,331	485	563	603	361	3	0	0	0	0	0	0	0	0	0	0	0	0	0	9,547
36	67	67	121	116	167	236	218	291	328	498	623	766	1,171	1,871	1,305	512	564	705	437	2	0	0	0	0	0	0	0	0	0	0	0	0	10,065
37	66	63	77	150	153	177	195	237	306	323	543	636	737	1,279	1,971	1,451	543	576	801	438	5	0	0	0	0	0	0	0	0	0	0	0	10,727
38	51	59	68	122	130	147	166	183	226	282	312	498	565	768	1,301	1,893	1,285	460	597	759	374	5	0	0	0	0	0	0	0	0	0	0	10,251
39	49	50	64	86	128	126	160	144	171	217	235	299	433	511	714	1,252	1,710	1,274	470	570	616	310	4	0	0	0	0	0	0	0	0	0	9,593
40	46	36	47	74	78	101	115	116	128	178	197	214	276	386	526	692	1,257	1,677	1,345	443	476	530	259	6	1	0	0	0	0	0	0	9,204	
41	31	35	48	52	73	98	103	96	106	131	138	173	200	258	366	547	679	1,155	2,058	1,284	340	369	442	180	3	0	0	0	0	0	0	8,965	
42	25	31	42	62	68	65	75	95	103	107	135	126	181	188	289	422	488	653	1,452	1,946	952	284	342	412	161	2	0	0	0	0	0	0	8,706
43	24	30	27	55	69	69	77	78	80	97	122	128	168	166	191	284	394	502	787	1,432	1,364	871	235	322	354	125	10	2	0	0	0	0	8,063
44	26	20	25	34	58	54	57	63	61	83	101	84	128	113	171	225	299	398	607	840	831	1,095	752	203	229	230	133	2	0	0	0	0	6,922
45	12	20	29	32	40	46	54	69	63	66	60	107	86	105	137	151	211	271	392	563	523	668	903	633	182	178	177	111	2	1	0	5,892	
46	20	21	13	17	27	31	54	42	49	55	57	70	96	77	91	138	182	178	266	403	377	434	552	749	589	153	133	108	87	3	1	5,073	
47	8	22	14	23	19	29	26	36	47	41	47	40	69	71	93	97	123	135	201	257	276	301	310	415	645	518	99	92	140	74	4	4,272	
48	8	15	8	16	15	19	23	21	28	20	31	44	49	48	58	85	94	101	156	202	171	210	245	237	403	535	400	76	92	117	41	3,568	
49	12	8	15	10	14	18	17	13	31	26	28	40	40	42	49	67	71	85	119	142	130	148	176	188	190	287	411	362	63	65	110	2,977	
50	8	17	14	12	13	10	17	23	16	14	23	20	39	42	41	49	52	80	63	101	93	102	119	134	149	180	213	335	284	54	101	2,418	
51	8	8	8	15	11	7	13	14	10	16	15	21	35	28	37	52	70	65	84	104	55	87	80	95	114	123	133	149	226	216	90	1,989	
52	3	8	9	6	7	8	11	10	13	14	11	10	17	23	28	40	35	67	78	74	53	59	50	74	78	107	103	95	108	205	154	1,558	
53	4	5	6	7	5	8	8	9	5	11	6	9	21	16	22	32	41	50	57	73	45	49	69	44	52	69	76	54	54	87	206	1,200	
54	6	5	1	5	7	6	4	5	6	13	9	12	9	16	35	27	29	44	58	37	46	35	45	38	66	52	66	51	56	199	994		
55	5	6	3	0	4	8	7	5	6	1	5	7	10	9	15	21	29	28	42	36	25	36	31	35	35	40	43	34	42	50	159	777	
56	5	5	7	1	4	3	7	2	3	6	8	5	4	4	14	16	18	31	23	27	17	23	34	24	31	30	28	37	28	23	143	611	
57	2	5	9	1	6	6	6	1	5	2	2	5	3	4	7	12	21	18	19	21	15	11	14	27	17	21	20	16	20	17	105	438	
58	4	4	2	3	5	5	2	8	1	9	10	8	3	6	3	11	10	12	15	15	10	16	16	22	18	16	11	12	9	9	74	349	
59	5	3	2	2	2	4	1	2	2	4	2	3	8	4	1	10	11	14	16	15	13	15	6	6	18	11	11	7	11	14	72	295	
60+	3	7	1	8	5	2	5	2	8	6	7	8	7	15	7	14	26	25	27	24	14	18	18	18	16	25	28	22	23	24	133	546	
Total	11,675	12,564	12,777	12,423	11,959	10,901	9,943	9,383	9,080	8,999	8,792	8,682	8,685	8,914	9,234	9,550	9,106	8,951	10,159	9,829	6,812	5,687	4,692	3,869	3,323	2,716	2,081	1,580	1,240	1,015	1,592	236,213	

Notes: Numbers have been adjusted to budget.  
 Age is age nearest birthday.

Average Age 35.5

Average Years of Service 11.0

Department of Defense - Office of the Actuary  
 Ran on 08/07/2008 at 9:33:25 AM

**TABLE C4**  
**DOD ACTIVE DUTY ENLISTEDS BY AGE AND YEARS OF SERVICE FOR THE FY2007 VALUATION**

Age	Years of Active Service																														Total				
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		30+			
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	0	0	0	0	0	0	0	0		
17	331	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	0	331		
18	15,850	210	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	16,060		
19	36,918	14,067	158	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	51,143		
20	29,243	34,378	11,859	99	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	0	0	75,580		
21	19,558	28,516	29,873	12,022	44	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	90,013		
22	13,774	19,311	24,955	30,652	9,000	27	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	97,719		
23	10,130	12,949	14,651	24,969	20,873	7,502	69	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	91,143		
24	7,263	9,083	9,896	15,250	16,018	16,403	6,740	52	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,706		
25	5,230	6,522	7,107	10,572	10,409	12,064	13,822	6,323	52	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	72,109	
26	3,772	4,618	5,237	7,550	7,292	7,999	9,701	12,684	4,934	35	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,828	
27	2,712	3,297	3,682	5,598	5,412	5,634	6,268	8,950	10,665	4,315	37	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56,577	
28	2,120	2,344	2,639	4,003	4,108	4,282	4,458	5,720	7,888	9,347	3,411	16	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,337	
29	1,540	1,698	1,900	2,870	3,118	3,143	3,120	3,841	4,894	7,073	7,620	2,699	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,523	
30	1,173	1,288	1,384	2,092	2,267	2,353	2,316	2,759	3,414	4,613	6,367	6,307	2,198	9	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,542
31	932	955	1,063	1,632	1,667	1,707	1,761	2,041	2,496	3,180	4,246	5,582	5,146	1,972	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,385	
32	765	717	792	1,242	1,264	1,358	1,373	1,532	1,856	2,280	2,927	3,753	4,641	5,049	1,995	10	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,555	
33	655	620	659	883	962	1,032	1,074	1,158	1,493	1,721	2,194	2,659	3,305	4,548	5,007	2,025	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,002	
34	552	489	518	713	805	841	812	870	1,047	1,308	1,637	1,916	2,186	2,954	4,890	5,025	1,873	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,448
35	534	472	458	602	608	639	675	713	853	1,000	1,312	1,460	1,738	2,127	3,238	4,717	4,589	2,291	13	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,043
36	400	426	433	547	591	542	527	638	755	766	1,014	1,177	1,332	1,576	2,282	3,295	4,289	5,689	2,634	15	3	0	0	0	0	0	0	0	0	0	0	0	0	0	28,931
37	419	262	414	494	554	502	477	534	614	725	821	1,001	1,045	1,271	1,693	2,411	3,025	4,736	6,146	2,548	11	2	0	0	0	0	0	0	0	0	0	0	0	0	29,705
38	312	191	188	460	453	434	426	434	472	549	654	700	761	934	1,138	1,662	1,968	2,862	4,990	5,492	1,924	7	0	0	0	0	0	0	0	0	0	0	0	0	27,011
39	255	180	114	210	439	358	310	330	393	412	460	552	548	673	904	1,283	1,392	1,956	3,028	4,533	3,686	1,518	12	0	0	0	0	0	0	0	0	0	0	0	23,546
40	242	151	94	121	221	278	283	312	324	364	394	443	434	502	626	928	1,090	1,446	2,038	2,789	3,004	2,939	1,110	4	1	0	0	0	0	0	0	0	0	20,138	
41	196	165	75	108	116	179	247	274	272	287	333	377	345	389	492	674	887	1,159	1,496	2,123	1,996	2,449	2,194	777	3	1	0	0	0	0	0	0	0	17,614	
42	193	90	79	89	96	105	138	272	257	297	263	308	288	318	440	517	699	938	1,301	1,557	1,511	1,710	1,845	1,732	475	4	0	0	0	0	0	0	0	15,522	
43	96	74	69	88	103	88	110	140	232	207	224	240	262	284	380	423	550	717	1,066	1,303	1,115	1,201	1,295	1,536	1,096	478	9	0	0	0	0	0	0	13,386	
44	44	45	51	74	83	96	73	98	147	209	212	204	203	248	279	373	447	511	768	1,151	860	900	869	1,004	903	947	365	7	0	0	0	0	0	11,171	
45	46	35	45	52	64	74	65	77	71	101	205	140	162	186	228	259	350	453	535	819	660	652	662	702	659	706	576	247	7	0	0	0	0	8,838	
46	25	31	36	41	41	57	55	52	55	74	95	166	150	154	166	194	247	284	406	551	558	486	418	523	431	443	380	378	221	3	0	0	6,721		
47	26	20	26	20	27	46	53	52	61	68	50	77	131	124	158	154	190	235	336	396	320	331	353	362	348	268	219	227	252	176	2	0	5,108		
48	17	26	17	25	22	32	24	44	48	47	42	49	62	105	124	130	175	202	228	288	257	266	275	242	233	211	147	166	169	276	34	0	3,983		
49	15	21	15	12	12	21	16	31	23	35	31	58	23	50	95	92	119	154	187	238	158	166	170	189	156	146	118	83	108	184	49	0	2,775		
50	10	16	13	13	15	7	21	17	28	17	22	28	34	32	39	75	109	110	147	163	121	101	135	127	138	109	63	71	70	91	54	0	1,996		
51	9	13	7	8	9	18	16	20	21	21	23	18	12	28	27	41	94	91	103	129	89	70	79	84	78	86	48	46	29	65	39	0	1,421		
52	8	7	6	9	11	7	9	12	8	16	15	17	14	18	26	34	42	80	103	120	66	78	63	57	59	41	31	38	25	46	35	0	1,101		
53	7	3	4	12	1	4	8	10	9	12	8	16	11	19	26	20	20	47	66	97	70	48	53	31	25	32	14	30	21	41	21	0	786		
54	5	6	6	4	8	2	6	6	7	7	5	15	13	8	13	15	21	21	41	63	47	37	35	35	20	28	13	20	8	19	18	0	552		
55	8	2	2	2	6	11	10	11	5	10	3	8	5	7	8	12	13	22	28	44	31	22	31	47	23	19	13	16	8	10	11	0	448		
56	0	0	1	1	5	5	8	7	4	2	1	7	5	6	8	8	16	25	15	20	26	20	20	20	24	18	9	4	4	8	10	0	315		
57	3	2	1	2	4	3	6	7	2	6	6	2	5	4	5	12	11	22	15	21	17	23	14	20	14	17	7	3	6	5	10	0	275		
58	4	3	2	1	2	1	5	7	3	3	1	5	2	5	6	9	10	13	14	25	24	15	12	10	15	11	5	4	2	3	4	0	226		
59	0	3	0	2	1	1	2	3	5	1	2	2	1	6	8	5	8	13	14	22	13	9	14	11	10	7	6	6	2	0	5	0	182		
60+	1	1	1	4	1	1	0	0	2	3	3	1	3	2	2	4	6	8	8	7	8	9	6	12	9	7	3	3	3	1	14	0	133		
Total	155,393	143,307	118,530	123,148	86,733	67,856	55,084	50,031	43,411	39,119	34,644	30,010	25,073	23,608	24,307	24,410	22,248	24,097	25,726	24,518	16,575	13,059	9,665	7,533	4,720	3,579	2,026	1,349	935	928	306	1,201,928			

Notes: Numbers have been adjusted to budget.  
 Age is age nearest birthday.

Average Age 28.0

Average Years of Service 6.5

Department of Defense - Office of the Actuary  
 Ran on 08/07/2008 at 9:33:26 AM

**TABLE C5**  
**DOD ACTIVE DUTY OFFICERS AND ENLISTEDS BY AGE AND YEARS OF SERVICE FOR THE FY2007 VALUATION**

Age	Years of Active Service																														Total			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		30+		
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	0	0	0	0	0	0	0	0	0
17	331	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	0	0	331
18	15,850	210	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	16,060	
19	36,918	14,070	158	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	51,146	
20	29,249	34,383	11,859	99	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	0	0	75,591	
21	19,591	28,533	29,878	12,027	44	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	90,073	
22	15,894	19,408	24,982	30,669	9,013	27	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	99,993	
23	14,080	15,372	14,737	25,007	20,907	7,528	73	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	97,704	
24	9,046	13,247	12,168	15,362	16,091	16,449	6,756	53	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,173	
25	5,868	8,371	11,346	12,766	10,578	12,159	13,915	6,379	53	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,443	
26	4,327	5,312	7,149	11,381	9,296	8,173	9,807	12,786	5,024	38	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73,299	
27	3,336	3,965	4,493	7,377	8,836	7,472	6,479	9,091	10,840	4,440	40	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	66,376	
28	2,533	2,973	3,362	4,895	5,873	7,138	6,009	5,989	8,090	9,671	3,573	16	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,123	
29	1,827	2,114	2,511	3,565	3,954	4,641	5,612	5,313	5,107	7,300	7,931	2,865	7	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52,748	
30	1,365	1,593	1,828	2,691	2,990	3,131	3,764	5,059	4,833	4,855	6,662	6,695	2,385	11	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47,864	
31	1,100	1,223	1,367	2,057	2,274	2,365	2,492	3,374	4,594	4,488	4,556	5,956	5,541	2,163	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,555	
32	893	877	1,029	1,553	1,712	1,952	1,973	2,220	3,135	4,273	4,215	4,096	5,011	5,534	2,239	13	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,726	
33	768	748	841	1,142	1,313	1,455	1,644	1,728	2,168	2,985	4,020	3,882	3,674	4,989	5,531	2,295	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,195	
34	645	595	660	913	1,038	1,215	1,204	1,393	1,649	2,010	2,794	3,681	3,450	3,374	5,418	5,631	2,131	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,814	
35	608	554	580	759	779	897	983	1,076	1,377	1,598	2,021	2,553	3,480	3,458	3,723	5,280	5,192	2,652	16	4	0	0	0	0	0	0	0	0	0	0	0	0	0	37,590
36	467	493	554	663	758	778	745	929	1,083	1,264	1,637	1,943	2,503	3,447	3,587	3,807	4,853	6,394	3,071	17	3	0	0	0	0	0	0	0	0	0	0	0	0	38,996
37	485	325	491	644	707	679	672	771	920	1,048	1,364	1,637	1,782	2,550	3,664	3,862	3,568	5,312	6,947	2,986	16	2	0	0	0	0	0	0	0	0	0	0	0	40,432
38	363	250	256	582	583	581	592	617	698	831	966	1,198	1,326	1,702	2,439	3,555	3,253	3,322	5,587	6,251	2,298	12	0	0	0	0	0	0	0	0	0	0	0	37,262
39	304	230	178	296	567	484	470	474	564	629	695	851	981	1,184	1,618	2,535	3,102	3,230	3,498	5,103	4,302	1,828	16	0	0	0	0	0	0	0	0	0	0	33,139
40	288	187	141	195	299	379	398	428	452	542	591	657	710	888	1,152	1,620	2,347	3,123	3,383	3,232	3,480	3,469	1,369	10	2	0	0	0	0	0	0	0	29,342	
41	227	200	123	160	189	277	350	370	378	418	471	550	545	647	858	1,221	1,566	2,314	3,554	3,407	2,336	2,818	2,636	957	6	1	0	0	0	0	0	0	26,579	
42	218	121	121	151	164	170	213	367	360	404	398	434	469	506	729	939	1,187	1,591	2,753	3,503	2,463	1,994	2,187	2,144	636	6	0	0	0	0	0	0	24,228	
43	120	104	96	143	172	157	187	218	312	304	346	368	430	450	571	707	944	1,219	1,853	2,735	2,479	2,072	1,530	1,858	1,450	603	19	2	0	0	0	0	21,449	
44	70	65	76	108	141	150	130	161	208	292	313	288	331	361	450	598	746	909	1,375	1,991	1,691	1,995	1,621	1,207	1,132	1,177	498	9	0	0	0	0	18,093	
45	58	55	74	84	104	120	119	146	134	167	265	247	248	291	365	410	561	724	927	1,382	1,183	1,320	1,565	1,335	841	884	753	358	9	1	0	0	14,730	
46	45	52	49	58	68	88	109	94	104	129	152	236	246	231	257	332	429	462	672	954	935	920	970	1,272	1,020	596	513	486	308	6	1	0	11,794	
47	34	42	40	43	46	75	79	88	108	109	97	117	200	195	251	251	313	370	537	653	596	632	663	777	993	786	318	319	392	250	6	9,380		
48	25	41	25	41	37	51	47	65	76	67	73	93	111	153	182	215	269	303	384	490	428	476	520	479	636	746	547	242	261	393	75	7,551		
49	27	29	30	22	26	39	33	44	54	61	59	98	63	92	144	159	190	239	306	380	288	314	346	377	346	433	529	445	171	249	159	5,752		
50	18	33	27	25	28	17	38	40	44	31	45	48	73	74	80	124	161	190	210	264	214	203	254	261	287	289	276	406	354	145	155	4,414		
51	17	21	15	23	20	25	29	34	31	37	38	39	47	56	64	93	164	156	187	233	144	157	159	179	192	209	181	195	255	281	129	3,410		
52	11	15	15	15	18	15	20	22	21	30	26	27	31	41	54	74	77	147	181	194	119	137	113	131	137	148	134	133	133	251	189	2,659		
53	11	8	10	19	6	12	16	19	14	23	14	25	32	35	48	52	61	97	123	170	115	97	122	75	77	101	90	84	75	128	227	1,986		
54	11	11	7	9	15	8	10	11	13	13	18	24	25	17	29	50	48	50	85	121	84	83	70	80	58	94	65	86	59	75	217	1,546		
55	13	8	5	2	10	19	17	16	11	11	8	15	15	16	23	33	42	50	70	80	56	58	62	82	58	59	56	50	50	60	170	1,225		
56	5	5	8	2	9	8	15	9	7	8	9	12	9	10	22	24	34	56	38	47	43	43	54	52	55	48	37	41	32	31	153	926		
57	5	7	10	3	10	9	12	8	7	8	8	7	8	8	12	24	32	40	34	42	32	34	28	47	31	38	27	19	26	22	115	713		
58	8	7	4	4	7	6	7	15	4	12	11	13	5	11	9	20	20	25	29	40	34	31	28	32	33	27	16	16	11	12	78	575		
59	5	6	2	4	3	5	3	5	7	5	4	5	9	10	9	15	19	27	30	37	26	24	20	17	28	18	17	13	13	14	77	477		
60+	4	8	2	12	6	3	5	2	10	9	10	9	10	17	9	18	32	33	35	31	22	27	24	30	25	32	31	25	26	25	147	679		
Total	167,068	155,871	131,307	135,571	98,692	78,757	65,027	59,414	52,491	48,118	43,436	38,692	33,758	32,522	33,541	33,960	31,354	33,048	35,885	34,347	23,387	18,746	14,357	11,402	8,043	6,295	4,107	2,929	2,175	1,943	1,898	1,438,141		

Notes: Numbers have been adjusted to budget.  
 Age is age nearest birthday.

Average Age 29.3

Average Years of Service 7.3

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**TABLE C6**  
**DOD SELECTED RESERVE OFFICERS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
19	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
20	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36
21	100	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	103
22	260	8	11	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	281
23	517	45	19	8	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	593
24	878	157	50	25	7	3	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,125
25	936	255	132	19	28	11	16	1	3	0	0	0	0	0	0	0	0	0	0	0	0	1,401
26	920	336	190	109	51	29	16	10	2	4	0	0	0	0	0	0	0	0	0	0	0	1,667
27	795	334	262	159	200	83	33	24	21	3	2	0	0	0	0	0	0	0	0	0	0	1,916
28	693	317	261	234	297	175	63	45	31	21	3	3	0	0	0	0	0	0	0	0	0	2,143
29	603	282	279	208	318	234	155	64	44	32	3	1	2	0	0	0	0	0	0	0	0	2,225
30	590	280	218	199	320	261	220	110	58	20	18	9	0	0	0	0	0	0	0	0	0	2,303
31	520	270	230	219	322	219	225	185	90	41	16	9	10	1	1	0	0	0	0	0	0	2,358
32	590	286	241	210	329	249	226	181	134	90	29	24	11	1	0	1	0	0	0	0	0	2,602
33	665	288	271	232	325	294	224	196	178	181	69	26	13	12	4	1	0	0	0	0	0	2,979
34	586	342	281	242	322	242	247	210	163	201	159	82	37	14	7	2	1	1	0	0	0	3,139
35	700	363	309	237	328	277	256	218	163	170	170	116	48	22	17	4	3	2	2	0	0	3,405
36	778	420	401	301	340	270	310	266	196	219	181	150	108	34	18	14	6	0	1	0	0	4,013
37	861	531	498	356	414	359	301	285	242	226	213	163	121	84	34	12	6	9	1	0	0	4,716
38	859	579	494	376	400	329	292	296	232	257	222	210	163	136	55	28	10	9	3	1	1	4,952
39	770	569	536	405	396	294	266	251	217	214	244	234	211	131	78	41	16	9	3	3	3	4,891
40	749	510	478	412	434	365	279	225	220	266	276	296	207	142	112	38	17	10	7	2	6	5,051
41	700	479	492	420	445	375	297	239	250	257	300	316	294	192	121	63	23	15	7	4	5	5,294
42	650	490	420	402	415	375	308	271	229	240	265	263	266	166	124	87	47	17	7	6	2	5,050
43	605	450	437	411	386	357	346	288	249	225	250	281	225	169	130	101	69	27	23	9	13	5,051
44	538	500	370	379	404	357	348	295	262	261	211	222	226	202	144	114	67	50	18	14	12	4,994
45	465	379	321	338	324	322	296	265	242	238	220	225	216	173	118	85	60	29	23	9	24	4,372
46	484	356	274	296	307	281	286	252	222	210	228	250	218	148	126	94	53	35	22	8	20	4,170
47	394	309	239	232	243	241	258	252	192	199	230	197	185	103	80	68	44	23	7	14	3,675	
48	271	280	190	208	242	233	227	221	192	166	158	169	166	160	99	73	54	49	18	8	22	3,206
49	311	226	160	175	206	192	217	174	180	163	145	141	145	138	106	76	48	35	14	6	21	2,879
50	273	227	184	171	178	195	214	158	146	140	123	127	144	118	89	66	42	39	11	9	20	2,674
51	252	193	171	152	195	177	177	163	138	113	88	112	99	95	79	63	41	33	9	3	10	2,363
52	229	251	131	148	138	157	142	134	107	111	82	64	79	95	74	45	49	29	17	7	11	2,100
53	187	213	148	124	145	133	124	96	79	76	65	55	59	62	61	44	22	20	17	9	15	1,754
54	203	213	165	118	108	117	121	99	76	56	55	53	46	48	39	26	30	19	5	4	10	1,611
55	145	191	124	132	117	120	119	64	75	57	51	43	30	35	30	23	19	19	7	1	13	1,415
56	131	182	133	100	108	106	74	67	52	45	38	34	38	24	19	27	11	10	6	3	5	1,213
57	123	135	159	111	117	87	55	73	48	28	41	29	15	20	22	11	19	7	5	2	5	1,112
58	95	132	126	126	88	86	84	46	44	36	32	20	22	21	13	14	7	10	4	5	5	1,016
59	103	151	121	103	84	103	74	52	55	31	16	24	17	17	7	11	5	5	3	1	7	990
60	63	97	96	80	79	69	64	36	32	18	14	12	13	11	9	12	4	6	2	0	4	721
61	22	32	43	23	32	15	14	9	6	2	5	4	6	3	4	1	1	2	1	2	2	229
62	15	20	8	7	4	12	6	3	1	1	1	2	1	0	0	0	1	0	0	0	0	82
63+	14	38	25	11	9	10	4	4	6	5	5	3	2	1	2	0	2	0	0	0	0	141
Total	19,681	11,719	9,698	8,220	9,207	7,814	6,991	5,828	4,877	4,623	4,228	3,969	3,443	2,640	1,845	1,257	801	540	259	123	250	108,013

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 40.9

Average Years of Active Service 5.0

Department of Defense - Office of the Actuary  
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**TABLE C7**  
**DOD SELECTED RESERVE ENLISTEDS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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	2,132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,132
18	16,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,189
19	27,938	261	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,203
20	30,248	1,229	62	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,545
21	28,266	3,486	418	111	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,286
22	25,051	6,669	1,255	603	391	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,976
23	21,792	9,049	2,281	1,507	1,554	205	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,400
24	18,081	9,276	3,356	2,441	2,844	695	141	39	0	0	0	0	0	0	0	0	0	0	0	0	0	36,873
25	14,552	8,540	3,838	2,718	3,761	1,186	508	90	21	0	0	0	0	0	0	0	0	0	0	0	0	35,214
26	11,470	6,662	3,401	2,653	3,793	1,487	972	261	88	29	0	0	0	0	0	0	0	0	0	0	0	30,816
27	9,151	5,055	2,744	2,324	3,321	1,413	1,096	470	264	38	30	0	0	0	0	0	0	0	0	0	0	25,906
28	7,401	4,065	2,393	1,922	2,980	1,358	1,068	571	480	128	36	11	0	0	0	0	0	0	0	0	0	22,413
29	6,067	3,180	2,086	1,629	2,571	1,196	939	583	554	282	99	15	8	0	0	0	0	0	0	0	0	19,209
30	5,022	2,693	1,804	1,487	2,203	1,213	893	579	549	335	171	39	12	11	0	0	0	0	0	0	0	17,011
31	4,543	2,400	1,571	1,325	2,039	1,101	809	552	504	393	222	84	39	11	5	0	0	0	0	0	0	15,598
32	3,963	2,021	1,508	1,148	1,739	989	769	578	526	386	258	148	68	30	11	8	0	0	0	0	0	14,150
33	3,771	1,926	1,411	1,137	1,596	970	754	506	499	428	252	159	120	67	14	12	5	0	0	0	0	13,627
34	3,575	1,795	1,387	1,065	1,525	902	723	554	503	439	302	186	146	86	37	14	11	6	0	0	0	13,256
35	3,784	1,889	1,591	1,197	1,452	899	765	604	487	466	357	218	167	112	52	43	16	4	1	0	0	14,104
36	3,755	2,007	1,697	1,284	1,674	1,014	861	665	594	483	450	325	200	114	89	58	31	6	4	4	0	15,315
37	3,857	2,131	1,777	1,489	1,856	1,176	914	760	651	545	518	370	247	145	117	59	42	13	1	5	2	16,675
38	3,541	2,032	1,610	1,492	1,847	1,215	954	669	675	527	515	370	282	167	118	79	50	20	14	4	8	16,189
39	3,243	1,845	1,544	1,356	1,753	1,189	954	806	663	498	528	363	268	191	134	94	42	33	11	7	8	15,530
40	2,889	1,619	1,400	1,279	1,581	1,161	947	711	640	495	529	367	270	163	124	90	58	32	25	7	14	14,401
41	2,653	1,551	1,304	1,204	1,451	1,118	948	743	618	502	478	379	250	183	167	99	55	44	13	10	9	13,779
42	2,405	1,373	1,250	1,229	1,386	1,090	850	715	611	484	492	355	250	179	150	120	70	44	24	8	17	13,102
43	2,127	1,257	1,197	1,187	1,312	1,031	853	644	590	508	525	431	310	211	170	145	93	57	30	14	37	12,729
44	1,805	1,244	1,067	1,095	1,188	1,039	812	614	575	480	503	398	330	228	179	150	103	52	28	19	33	11,942
45	1,582	1,146	1,054	986	1,110	952	759	616	450	461	491	404	330	248	170	135	82	60	27	13	38	11,114
46	1,412	1,004	886	955	981	770	704	505	391	412	374	313	278	282	182	126	84	56	30	10	26	9,781
47	1,190	853	785	826	900	771	647	506	364	337	339	288	270	238	208	147	80	55	21	9	27	8,861
48	921	685	658	697	693	674	575	420	349	287	244	250	194	180	141	130	94	62	32	15	27	7,328
49	762	651	592	627	649	617	502	375	294	242	223	183	161	132	126	98	73	52	27	10	21	6,417
50	652	569	554	581	588	558	483	335	257	200	171	170	148	102	103	86	61	54	18	12	19	5,721
51	569	501	472	534	549	494	448	332	208	173	160	138	112	76	76	66	56	30	12	11	24	5,041
52	434	456	461	487	492	459	392	258	197	170	173	129	87	76	70	53	39	38	15	13	14	4,513
53	385	354	387	404	411	375	329	239	181	155	105	102	103	58	49	40	27	24	13	13	10	3,764
54	319	332	394	415	365	362	298	186	164	120	98	83	68	62	39	30	19	23	11	2	8	3,398
55	329	347	425	426	320	316	245	174	139	118	80	65	54	43	22	21	23	17	7	4	11	3,186
56	224	295	387	364	318	267	198	172	113	97	67	58	43	31	33	14	11	14	5	5	11	2,727
57	214	296	393	359	285	250	168	126	99	61	43	34	35	33	16	19	11	10	3	0	6	2,461
58	169	244	336	336	303	262	186	117	96	55	46	48	31	23	25	16	13	5	6	3	6	2,326
59	117	193	269	311	303	258	181	123	74	64	41	31	25	23	20	14	10	5	6	4	13	2,085
60	86	105	190	210	169	144	115	62	46	41	29	15	15	7	6	5	4	9	0	1	6	1,265
61	19	8	19	20	8	8	6	4	0	2	3	1	1	0	2	0	1	0	1	0	1	104
62	2	2	4	1	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12
63+	1	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	4
Total	278,658	93,296	52,223	43,428	54,269	31,191	23,778	16,264	13,514	10,442	8,952	6,530	4,922	3,512	2,655	1,971	1,264	825	385	203	396	648,678

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 31.1

Average Years of Active Service 2.4

Department of Defense - Office of the Actuary  
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**TABLE C8  
DOD SELECTED RESERVE OFFICERS AND ENLISTEDS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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	2,132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,132
18	16,190	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,190
19	27,939	261	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,204
20	30,284	1,229	62	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,581
21	28,366	3,489	418	111	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,389
22	25,311	6,677	1,266	605	391	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,257
23	22,309	9,094	2,300	1,515	1,556	205	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,993
24	18,959	9,433	3,406	2,466	2,851	698	146	39	0	0	0	0	0	0	0	0	0	0	0	0	0	37,998
25	15,488	8,795	3,970	2,737	3,789	1,197	524	91	24	0	0	0	0	0	0	0	0	0	0	0	0	36,615
26	12,390	6,998	3,591	2,762	3,844	1,516	988	271	90	33	0	0	0	0	0	0	0	0	0	0	0	32,483
27	9,946	5,389	3,006	2,483	3,521	1,496	1,129	494	285	41	32	0	0	0	0	0	0	0	0	0	0	27,822
28	8,094	4,382	2,654	2,156	3,277	1,533	1,131	616	511	149	39	14	0	0	0	0	0	0	0	0	0	24,556
29	6,670	3,462	2,365	1,837	2,889	1,430	1,094	647	598	314	102	16	10	0	0	0	0	0	0	0	0	21,434
30	5,612	2,973	2,022	1,686	2,523	1,474	1,113	689	607	355	189	48	12	11	0	0	0	0	0	0	0	19,314
31	5,063	2,670	1,801	1,544	2,361	1,320	1,034	737	594	434	238	93	49	12	6	0	0	0	0	0	0	17,956
32	4,553	2,307	1,749	1,358	2,068	1,238	995	759	660	476	287	172	79	31	11	9	0	0	0	0	0	16,752
33	4,436	2,214	1,682	1,369	1,921	1,264	978	702	677	609	321	185	133	79	18	13	5	0	0	0	0	16,606
34	4,161	2,137	1,668	1,307	1,847	1,144	970	764	666	640	461	268	183	100	44	16	12	7	0	0	0	16,395
35	4,484	2,252	1,900	1,434	1,780	1,176	1,021	822	650	636	527	334	215	134	69	47	19	6	3	0	0	17,509
36	4,533	2,427	2,098	1,585	2,014	1,284	1,171	931	790	702	631	475	308	148	107	72	37	6	5	4	0	19,328
37	4,718	2,662	2,275	1,845	2,270	1,535	1,215	1,045	893	771	731	533	368	229	151	71	48	22	2	5	2	21,391
38	4,400	2,611	2,104	1,868	2,247	1,544	1,246	965	907	784	737	580	445	303	173	107	60	29	17	5	9	21,141
39	4,013	2,414	2,080	1,761	2,149	1,483	1,220	1,057	880	712	772	597	479	322	212	135	58	42	14	10	11	20,421
40	3,638	2,129	1,878	1,691	2,015	1,526	1,226	936	860	761	805	663	477	305	236	128	75	42	32	9	20	19,452
41	3,353	2,030	1,796	1,624	1,896	1,493	1,245	982	868	759	778	695	544	375	288	162	78	59	20	14	14	19,073
42	3,055	1,863	1,670	1,631	1,801	1,465	1,158	986	840	724	757	618	516	345	274	207	117	61	31	14	19	18,152
43	2,732	1,707	1,634	1,598	1,698	1,388	1,199	932	839	733	775	712	535	380	300	246	162	84	53	23	50	17,780
44	2,343	1,744	1,437	1,474	1,592	1,396	1,160	909	837	741	714	620	556	430	323	264	170	102	46	33	45	16,936
45	2,047	1,525	1,375	1,324	1,434	1,274	1,055	881	692	699	711	629	546	421	288	220	142	89	50	22	62	15,486
46	1,896	1,360	1,160	1,251	1,288	1,051	990	757	613	622	602	563	496	430	308	220	137	91	52	18	46	13,951
47	1,584	1,162	1,024	1,058	1,143	1,012	905	758	556	536	569	485	455	403	311	227	148	99	44	16	41	12,536
48	1,192	965	848	905	935	907	802	641	541	453	402	419	360	340	240	203	148	111	50	23	49	10,534
49	1,073	877	752	802	855	809	719	549	474	405	368	324	306	270	232	174	121	87	41	16	42	9,296
50	925	796	738	752	766	753	697	493	403	340	294	297	292	220	192	152	103	93	29	21	39	8,395
51	821	694	643	686	744	671	625	495	346	286	248	250	211	171	155	129	97	63	21	14	34	7,404
52	663	707	592	635	630	616	534	392	304	281	255	193	166	171	144	98	88	67	32	20	25	6,613
53	572	567	535	528	556	508	453	335	260	231	170	157	162	120	110	84	49	44	30	22	25	5,518
54	522	545	559	533	473	479	419	285	240	176	153	136	114	110	78	56	49	42	16	6	18	5,009
55	474	538	549	558	437	436	364	238	214	175	131	108	84	78	52	44	42	36	14	5	24	4,601
56	355	477	520	464	426	373	272	239	165	142	105	92	81	55	52	41	22	24	11	8	16	3,940
57	337	431	552	470	402	337	223	199	147	89	84	63	50	53	38	30	30	17	8	2	11	3,573
58	264	376	462	462	391	348	270	163	140	91	78	68	53	44	38	30	20	15	10	8	11	3,342
59	220	344	390	414	387	361	255	175	129	95	57	55	42	40	27	25	15	10	9	5	20	3,075
60	149	202	286	290	248	213	179	98	78	59	43	27	28	18	15	17	8	15	2	1	10	1,986
61	41	40	62	43	40	23	20	13	6	4	8	5	7	3	6	1	2	2	2	2	3	333
62	17	22	12	8	7	12	6	3	1	1	1	2	1	0	0	1	0	0	0	0	0	94
63+	15	38	26	12	9	10	4	4	6	6	5	3	2	1	2	0	2	0	0	0	0	145
Total	298,339	105,015	61,921	51,648	63,476	39,005	30,769	22,092	18,391	15,065	13,180	10,499	8,365	6,152	4,500	3,228	2,065	1,365	644	326	646	756,691

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 32.5

Average Years of Active Service 2.7

Department of Defense - Office of the Actuary  
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**TABLE C9**  
**DOD NON-SELECTED RESERVE OFFICERS WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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+
<b>36</b>	0	0	0	0	0	0	0	1	0	2	3	1	1	0	0	0	0	0	0	0	0	8
<b>37</b>	0	1	0	0	0	0	0	0	0	4	5	3	1	1	0	0	0	0	0	0	0	15
<b>38</b>	1	4	1	1	1	0	3	3	1	4	11	11	3	5	0	1	1	0	0	0	1	52
<b>39</b>	1	16	14	12	8	7	1	2	5	9	7	6	13	7	2	0	1	0	0	0	1	112
<b>40</b>	3	26	23	22	10	13	13	7	9	8	5	7	5	6	4	2	4	0	0	1	0	168
<b>41</b>	4	27	49	22	24	26	11	10	14	8	17	13	16	11	7	2	4	1	0	0	0	266
<b>42</b>	1	41	52	35	46	24	37	14	22	29	21	18	24	11	14	10	7	3	4	0	3	416
<b>43</b>	8	81	64	47	65	67	39	39	38	45	43	36	37	24	38	19	10	5	2	1	2	710
<b>44</b>	9	83	85	74	72	85	81	74	73	71	61	61	49	44	42	27	17	5	4	4	3	1,024
<b>45</b>	12	73	80	57	98	99	109	118	129	85	73	72	63	39	74	30	24	14	5	1	4	1,259
<b>46</b>	10	98	61	60	85	132	113	134	167	129	98	95	99	58	68	47	21	18	2	4	5	1,504
<b>47</b>	20	99	69	69	117	175	149	161	198	154	130	119	113	75	63	39	23	14	5	3	4	1,799
<b>48</b>	35	99	72	75	139	184	179	201	230	195	163	145	91	74	53	48	30	16	11	3	3	2,046
<b>49</b>	33	115	71	77	173	213	189	217	258	181	166	153	136	101	72	53	33	19	12	5	11	2,288
<b>50</b>	38	134	68	90	203	255	227	259	238	185	176	189	162	119	74	69	53	25	9	9	6	2,588
<b>51</b>	26	128	100	133	228	296	249	329	279	224	219	221	188	133	111	73	50	20	8	7	6	3,028
<b>52</b>	42	141	110	137	246	309	260	312	285	224	240	275	189	169	146	89	59	35	13	13	5	3,299
<b>53</b>	62	174	129	136	253	337	305	299	309	243	221	237	198	155	144	93	41	34	13	6	6	3,395
<b>54</b>	55	183	143	176	274	373	344	338	278	225	254	238	245	172	136	83	46	31	19	4	2	3,619
<b>55</b>	76	286	216	221	369	433	416	347	295	241	209	209	226	168	123	102	50	30	19	11	4	4,051
<b>56</b>	88	354	251	273	398	444	386	346	255	235	236	212	215	164	101	68	60	33	13	5	1	4,138
<b>57</b>	79	514	309	353	512	490	439	371	302	273	251	183	159	142	92	96	58	29	9	12	4	4,677
<b>58</b>	98	716	460	516	599	556	450	428	348	277	232	206	197	124	105	103	54	45	20	4	6	5,544
<b>59</b>	122	879	593	673	828	645	530	491	396	296	278	244	193	158	91	78	54	32	19	6	4	6,610
<b>60</b>	57	461	339	445	481	366	284	241	189	145	140	122	96	69	74	50	39	17	4	1	0	3,620
<b>61</b>	3	1	16	17	26	19	12	7	4	4	4	4	0	1	1	0	0	1	0	0	0	120
<b>62</b>	3	5	5	16	12	5	4	5	1	1	0	3	5	0	1	3	1	1	0	0	0	71
<b>63+</b>	6	11	20	28	53	26	24	9	9	7	2	6	0	0	0	2	4	7	2	0	0	216
<b>Total</b>	892	4,750	3,400	3,765	5,320	5,579	4,854	4,763	4,332	3,504	3,265	3,089	2,724	2,030	1,636	1,187	744	435	193	100	81	56,643

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 53.7

Average Years of Active Service 6.9

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**TABLE C10**  
**DOD NON-SELECTED RESERVE ENLISTEDS WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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	0	0	1	1	1	1	1	0	1	2	4	1	0	0	1	0	0	0	0	0	1	15
37	1	6	3	3	2	0	2	1	2	4	2	3	3	3	0	0	0	0	1	0	0	36
38	2	26	20	19	7	12	7	5	5	4	8	1	5	2	4	0	0	0	0	0	1	128
39	4	96	76	41	41	44	35	29	17	24	21	23	15	16	13	7	1	0	3	0	1	507
40	22	142	125	111	102	100	73	31	47	49	59	43	26	34	24	16	13	2	1	2	1	1,023
41	19	233	197	163	178	158	138	113	89	72	83	68	45	39	25	28	19	12	2	1	3	1,685
42	24	300	243	205	267	220	172	120	117	132	144	96	67	66	40	40	32	16	0	0	4	2,305
43	30	418	264	241	373	358	240	168	168	169	206	146	108	94	68	52	50	17	4	3	3	3,180
44	27	462	291	286	463	369	283	218	262	223	253	231	160	136	83	69	48	15	4	0	3	3,886
45	31	564	329	299	551	530	372	284	283	244	305	234	205	145	113	82	69	19	8	2	1	4,670
46	39	599	341	356	610	586	434	279	338	299	326	274	221	234	167	105	66	24	2	2	5	5,307
47	52	640	340	381	718	648	458	322	397	326	317	241	241	254	199	128	78	29	21	0	5	5,795
48	42	701	366	471	852	688	501	371	331	302	325	253	194	215	194	139	82	45	28	0	5	6,105
49	63	727	338	527	902	692	562	362	357	333	300	258	173	188	182	153	78	69	14	6	9	6,293
50	100	781	423	544	1,136	814	519	387	342	306	342	257	198	188	196	133	97	69	17	6	6	6,861
51	111	943	454	653	1,223	813	568	452	323	290	253	218	199	191	144	111	103	74	27	14	6	7,170
52	134	876	513	753	1,155	844	587	450	340	290	286	213	207	156	106	87	60	61	24	10	4	7,156
53	150	932	505	813	1,196	790	536	442	391	308	267	211	198	101	106	69	74	36	20	11	14	7,170
54	163	1,005	600	833	1,201	796	554	452	478	376	293	156	196	128	102	82	60	41	15	5	2	7,538
55	198	1,689	1,020	1,174	1,372	760	635	424	546	387	311	210	173	136	90	72	62	51	18	18	4	9,350
56	223	1,847	1,149	1,278	1,419	806	618	466	532	417	393	222	168	134	79	45	35	24	12	12	7	9,886
57	215	2,009	1,801	1,462	1,632	925	533	403	461	345	308	237	195	116	90	67	39	30	21	2	13	10,904
58	207	1,999	2,168	1,886	1,973	1,112	650	436	474	413	342	226	175	124	71	52	28	19	12	3	6	12,376
59	229	1,861	2,373	2,048	2,497	1,199	720	414	476	367	356	249	229	123	109	60	44	19	9	12	4	13,398
60	134	1,024	1,332	1,184	1,438	773	392	223	270	211	189	103	103	70	38	36	21	26	7	5	9	7,588
61	6	21	63	35	85	41	15	14	6	3	3	3	5	2	2	0	0	0	2	0	0	306
62	2	11	28	28	37	20	8	8	3	3	2	0	0	0	0	2	0	2	0	0	0	154
63+	24	30	89	83	97	46	21	13	16	19	21	16	5	3	5	3	3	5	0	0	0	499
<b>Total</b>	<b>2,252</b>	<b>19,942</b>	<b>15,452</b>	<b>15,878</b>	<b>21,528</b>	<b>14,145</b>	<b>9,634</b>	<b>6,887</b>	<b>7,072</b>	<b>5,918</b>	<b>5,719</b>	<b>4,193</b>	<b>3,514</b>	<b>2,898</b>	<b>2,251</b>	<b>1,638</b>	<b>1,162</b>	<b>705</b>	<b>272</b>	<b>114</b>	<b>117</b>	<b>141,291</b>

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 52.7

Average Years of Active Service 5.3

Department of Defense - Office of the Actuary  
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TABLE C11

DOD NON-SELECTED RESERVE OFFICERS AND ENLISTEDS WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2007 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	0	0	1	1	1	1	1	1	1	4	7	2	1	0	1	0	0	0	0	0	1	23
37	1	7	3	3	2	0	2	1	2	8	7	6	4	4	0	0	0	1	0	0	51	
38	3	30	21	20	8	12	10	8	6	8	19	12	8	7	4	1	1	0	0	2	180	
39	5	112	90	53	49	51	36	31	22	33	28	29	28	23	15	7	2	0	3	0	619	
40	25	168	148	133	112	113	86	38	56	57	64	50	31	40	28	18	17	2	1	3	1,191	
41	23	260	246	185	202	184	149	123	103	80	100	81	61	50	32	30	23	13	2	1	3	1,951
42	25	341	295	240	313	244	209	134	139	161	165	114	91	77	54	50	39	19	4	0	7	2,721
43	38	499	328	288	438	425	279	207	206	214	249	182	145	118	106	71	60	22	6	4	5	3,890
44	36	545	376	360	535	454	364	292	335	294	314	292	209	180	125	96	65	20	8	4	6	4,910
45	43	637	409	356	649	629	481	402	412	329	378	306	268	184	187	112	93	33	13	3	5	5,929
46	49	697	402	416	695	718	547	413	505	428	424	369	320	292	235	152	87	42	4	6	10	6,811
47	72	739	409	450	835	823	607	483	595	480	447	360	354	329	262	167	101	43	26	3	9	7,594
48	77	800	438	546	991	872	680	572	561	497	488	398	285	289	247	187	112	61	39	3	8	8,151
49	96	842	409	604	1,075	905	751	579	615	514	466	411	309	289	254	206	111	88	26	11	20	8,581
50	138	915	491	634	1,339	1,069	746	646	580	491	518	446	360	307	270	202	150	94	26	15	12	9,449
51	137	1,071	554	786	1,451	1,109	817	781	602	514	472	439	387	324	255	184	153	94	35	21	12	10,198
52	176	1,017	623	890	1,401	1,153	847	762	625	514	526	488	396	325	252	176	119	96	37	23	9	10,455
53	212	1,106	634	949	1,449	1,127	841	741	700	551	488	448	396	256	250	162	115	70	33	17	20	10,565
54	218	1,188	743	1,009	1,475	1,169	898	790	756	601	547	394	441	300	238	165	106	72	34	9	4	11,157
55	274	1,975	1,236	1,395	1,741	1,193	1,051	771	841	628	520	419	399	304	213	174	112	81	37	29	8	13,401
56	311	2,201	1,400	1,551	1,817	1,250	1,004	812	787	652	629	434	383	298	180	113	95	57	25	17	8	14,024
57	294	2,523	2,110	1,815	2,144	1,415	972	774	763	618	559	420	354	258	182	163	97	59	30	14	17	15,581
58	305	2,715	2,628	2,402	2,572	1,668	1,100	864	822	690	574	432	372	248	176	155	82	64	32	7	12	17,920
59	351	2,740	2,966	2,721	3,325	1,844	1,250	905	872	663	634	493	422	281	200	138	98	51	28	18	8	20,008
60	191	1,485	1,671	1,629	1,919	1,139	676	464	459	356	329	225	199	139	112	86	60	43	11	6	9	11,208
61	9	22	79	52	111	60	27	21	10	7	7	7	5	3	3	0	0	1	2	0	0	426
62	5	16	33	44	49	25	12	13	4	4	2	3	5	0	1	5	1	3	0	0	0	225
63+	30	41	109	111	150	72	45	22	25	26	23	22	5	3	5	5	7	12	2	0	0	715
Total	3,144	24,692	18,852	19,643	26,848	19,724	14,488	11,650	11,404	9,422	8,984	7,282	6,238	4,928	3,887	2,825	1,906	1,140	465	214	198	197,934

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary.

Average Age 53.0

Average Years of Active Service 5.8

Department of Defense - Office of the Actuary  
 Ran on 08/07/2008 at 9:33:33 AM

TABLE C12  
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

Retired Officers											
----- DoD Only -----					----- All Uniformed -----						
Age	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	Total	
16	0	0	0	0	0	0	0	0	0	0	
17	0	0	0	0	0	0	0	0	0	0	
18	0	0	0	0	0	0	0	0	0	0	
19	0	0	0	0	0	0	0	0	0	0	
20	0	0	0	0	0	0	0	0	0	0	
21	0	0	1	0	1	0	0	1	0	1	
22	0	0	1	0	1	0	0	1	0	1	
23	0	0	2	0	2	0	0	2	0	2	
24	0	0	2	0	2	0	1	2	0	3	
25	0	2	12	0	14	0	2	12	0	14	
26	0	3	16	0	19	0	3	16	0	19	
27	0	10	19	0	29	0	10	19	0	29	
28	0	15	22	0	37	0	17	23	0	40	
29	0	14	33	0	47	0	14	33	0	47	
30	0	20	29	0	49	0	21	29	0	50	
31	0	24	35	0	59	0	25	35	0	60	
32	0	27	40	0	67	0	32	41	0	73	
33	0	33	46	0	79	0	33	46	0	79	
34	0	39	34	0	73	0	41	34	0	75	
35	0	55	38	0	93	0	57	40	0	97	
36	0	59	43	0	102	0	62	44	0	106	
37	0	74	36	0	110	0	75	36	0	111	
38	28	89	24	0	141	28	91	25	0	144	
39	167	88	31	0	286	172	94	32	0	298	
40	300	97	33	0	430	307	107	34	0	448	
41	573	119	26	0	718	599	125	27	0	751	
42	1,039	138	31	0	1,208	1,088	145	32	0	1,265	
43	1,957	183	22	0	2,162	2,044	191	22	0	2,257	
44	3,084	180	20	0	3,284	3,213	182	20	0	3,415	
45	3,746	228	28	0	4,002	3,932	242	29	0	4,203	
46	4,405	233	14	0	4,652	4,663	239	14	0	4,916	
47	5,072	217	20	0	5,309	5,334	226	21	0	5,581	
48	5,762	243	20	0	6,025	6,052	256	20	0	6,328	
49	6,611	262	21	0	6,894	6,946	275	23	0	7,244	
50	7,597	291	14	0	7,902	7,954	312	14	0	8,280	
51	8,217	303	12	0	8,532	8,633	317	13	0	8,963	
52	8,970	270	16	0	9,256	9,395	289	18	0	9,702	
53	9,409	325	8	0	9,742	9,868	343	9	0	10,220	
54	9,884	363	12	0	10,259	10,322	378	14	0	10,714	
55	10,076	357	11	0	10,444	10,598	373	12	0	10,983	
56	10,069	343	14	0	10,426	10,560	368	14	0	10,942	
57	10,504	379	6	0	10,889	11,049	407	7	0	11,463	
58	11,250	430	9	0	11,689	11,807	454	9	0	12,270	
59	12,117	469	4	0	12,590	12,691	500	4	0	13,195	
60	13,111	630	6	3,519	17,266	13,769	655	6	3,605	18,035	
61	14,030	754	3	9,252	24,039	14,687	793	3	9,403	24,886	
62	9,819	589	2	6,709	17,119	10,280	615	2	6,826	17,723	
63	10,017	575	2	6,822	17,416	10,484	599	3	6,909	17,995	
64	10,243	572	1	6,484	17,300	10,743	595	1	6,616	17,955	
65	10,191	590	0	6,481	17,262	10,720	607	0	6,597	17,924	

TABLE C12 (continued)

DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

Retired Officers

Age	DoD Only				Total	All Uniformed				Total
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired		Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	
66	8,977	446	0	5,268	14,691	9,441	468	0	5,361	15,270
67	9,135	440	0	4,777	14,352	9,563	467	0	4,870	14,900
68	9,194	358	0	4,482	14,034	9,613	376	0	4,583	14,572
69	8,920	357	0	4,528	13,805	9,308	372	0	4,640	14,320
70	8,496	326	0	4,412	13,234	8,858	339	0	4,509	13,706
71	8,135	321	0	4,222	12,678	8,487	344	0	4,315	13,146
72	8,065	320	0	4,040	12,425	8,369	335	0	4,122	12,826
73	8,478	316	0	4,177	12,971	8,776	334	0	4,270	13,380
74	8,184	286	0	3,873	12,343	8,428	299	0	3,945	12,672
75	8,325	336	0	3,979	12,640	8,565	353	0	4,064	12,982
76	7,991	390	0	4,194	12,575	8,249	402	0	4,276	12,927
77	7,963	379	0	4,496	12,838	8,173	400	0	4,566	13,139
78	7,259	402	0	4,265	11,926	7,443	413	0	4,361	12,217
79	5,968	376	0	3,804	10,148	6,149	395	0	3,861	10,405
80	4,301	274	0	2,659	7,234	4,460	291	0	2,717	7,468
81	3,569	264	0	2,504	6,337	3,691	272	0	2,545	6,508
82	3,835	290	0	2,946	7,071	3,952	298	0	2,971	7,221
83	4,327	449	0	3,636	8,412	4,454	456	0	3,664	8,574
84	4,463	625	0	3,757	8,845	4,570	631	0	3,780	8,981
85	4,481	715	0	3,897	9,093	4,601	723	0	3,932	9,256
86	5,020	835	0	3,953	9,808	5,142	845	0	3,982	9,969
87	4,500	913	0	3,784	9,197	4,609	925	0	3,822	9,356
88	3,939	816	0	3,207	7,962	4,020	826	0	3,244	8,090
89	3,229	659	0	2,714	6,602	3,286	668	0	2,746	6,700
90	2,333	558	0	2,159	5,050	2,387	566	0	2,173	5,126
91	1,651	389	0	1,539	3,579	1,703	394	0	1,554	3,651
92	1,274	290	0	1,083	2,647	1,303	295	0	1,094	2,692
93	742	173	0	803	1,718	769	176	0	811	1,756
94	510	125	0	494	1,129	534	128	0	503	1,165
95	273	84	0	327	684	283	84	0	331	698
96	205	46	0	225	476	214	46	0	226	486
97	126	35	0	173	334	128	36	0	173	337
98	78	19	0	97	194	81	19	0	98	198
99	44	10	0	64	118	47	10	0	64	121
100	38	6	0	36	80	39	6	0	36	81
101	17	5	0	15	37	19	5	0	15	39
102	6	4	0	10	20	8	5	0	10	23
103	6	1	0	3	10	6	1	0	3	10
104	5	1	0	3	9	5	1	0	3	9
105	3	0	0	0	3	3	0	0	0	3
106	1	0	0	1	2	1	0	0	1	2
107	2	0	0	1	3	2	0	0	1	3
108	1	0	0	0	1	1	0	0	0	1
109	0	0	0	0	0	0	0	0	0	0
110	0	0	0	1	1	0	0	0	1	1
Total	362,317	22,331	819	139,875	525,342	377,678	23,175	842	142,199	543,894
60+	231,480	16,349	14	139,875	387,718	240,423	16,868	15	142,199	399,505
62+	204,339	14,965	5	127,104	346,413	211,967	15,420	6	129,191	356,584
65+	174,260	13,229	0	107,089	294,578	180,460	13,611	0	108,840	302,911

Note: 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.



TABLE C13  
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

Retired Enlistees

Age	----- DoD Only -----				Total	----- All Uniformed -----				Total
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired		Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	
16	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
19	0	0	27	0	27	0	0	27	0	27
20	0	2	90	0	92	0	2	91	0	93
21	0	17	199	0	216	0	17	201	0	218
22	0	66	404	0	470	0	67	410	0	477
23	0	108	610	0	718	0	111	620	0	731
24	0	180	703	0	883	0	195	714	0	909
25	0	255	757	0	1,012	0	268	767	0	1,035
26	0	287	716	0	1,003	0	304	732	0	1,036
27	0	414	662	0	1,076	0	433	675	0	1,108
28	0	457	554	0	1,011	0	481	566	0	1,047
29	0	513	527	0	1,040	0	533	543	0	1,076
30	0	587	468	0	1,055	0	608	475	0	1,083
31	0	656	451	0	1,107	0	673	455	0	1,128
32	0	663	362	0	1,025	0	690	367	0	1,057
33	0	799	378	0	1,177	0	831	381	0	1,212
34	0	845	291	0	1,136	0	880	298	0	1,178
35	0	1,073	328	0	1,401	0	1,099	334	0	1,433
36	2	1,213	282	0	1,497	2	1,252	287	0	1,541
37	2	1,442	270	0	1,714	2	1,478	273	0	1,753
38	653	1,424	229	0	2,306	657	1,486	234	0	2,377
39	3,597	1,559	212	0	5,368	3,621	1,620	216	0	5,457
40	7,883	1,635	207	0	9,725	7,947	1,698	209	0	9,854
41	12,163	1,891	164	0	14,218	12,266	1,961	164	0	14,391
42	16,100	2,135	158	0	18,393	16,278	2,213	161	0	18,652
43	20,648	2,389	160	0	23,197	20,927	2,492	161	0	23,580
44	24,490	2,537	136	0	27,163	24,893	2,650	137	0	27,680
45	28,277	2,703	132	0	31,112	28,839	2,856	134	0	31,829
46	31,575	2,731	117	0	34,423	32,340	2,861	120	0	35,321
47	33,866	2,882	107	0	36,855	34,636	3,047	107	0	37,790
48	34,366	3,076	86	0	37,528	35,149	3,226	88	0	38,463
49	34,356	3,037	72	0	37,465	35,049	3,190	73	0	38,312
50	34,303	3,215	72	0	37,590	35,018	3,358	72	0	38,448
51	33,319	3,181	52	0	36,552	33,973	3,337	52	0	37,362
52	32,733	3,300	43	0	36,076	33,359	3,422	43	0	36,824
53	32,674	3,396	37	0	36,107	33,186	3,491	38	0	36,715
54	31,867	3,456	37	0	35,360	32,371	3,554	37	0	35,962
55	31,953	3,580	21	0	35,554	32,413	3,697	22	0	36,132
56	29,485	3,710	24	0	33,219	29,891	3,812	24	0	33,727
57	28,389	4,914	26	0	33,329	28,785	5,015	26	0	33,826
58	29,016	6,629	19	0	35,664	29,389	6,726	19	0	36,134
59	29,430	8,108	21	0	37,559	29,810	8,200	21	0	38,031
60	29,793	8,407	13	7,013	45,226	30,172	8,513	13	7,135	45,833
61	29,730	6,990	16	17,643	54,379	30,103	7,080	16	17,962	55,161
62	20,899	4,306	5	12,654	37,864	21,156	4,375	5	12,863	38,399
63	21,642	3,580	4	11,873	37,099	21,931	3,641	4	12,080	37,656
64	23,765	3,089	2	11,474	38,330	24,058	3,143	2	11,683	38,886
65	26,085	2,816	0	10,935	39,836	26,419	2,870	0	11,163	40,452

TABLE C13 (continued)  
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

Retired Enlistees

Age	DoD Only				Total	All Uniformed				Total
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired		Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	
66	24,540	2,360	0	8,812	35,712	24,872	2,420	0	8,981	36,273
67	23,936	2,031	0	7,706	33,673	24,335	2,094	0	7,877	34,306
68	24,194	1,734	0	7,631	33,559	24,619	1,791	0	7,815	34,225
69	25,638	1,768	0	7,599	35,005	26,112	1,825	0	7,761	35,698
70	27,623	1,730	0	7,560	36,913	28,073	1,773	0	7,668	37,514
71	27,522	1,684	0	7,192	36,398	27,933	1,740	0	7,308	36,981
72	27,158	1,687	0	6,919	35,764	27,470	1,717	0	7,014	36,201
73	25,553	1,757	0	6,140	33,450	25,862	1,804	0	6,244	33,910
74	23,657	1,844	0	5,106	30,607	23,918	1,888	0	5,192	30,998
75	23,429	2,435	0	5,011	30,875	23,718	2,489	0	5,072	31,279
76	22,690	2,743	0	5,017	30,450	22,930	2,810	0	5,089	30,829
77	23,676	2,817	0	4,830	31,323	23,899	2,854	0	4,883	31,636
78	21,647	2,622	0	3,919	28,188	21,846	2,658	0	3,960	28,464
79	17,185	1,972	0	3,143	22,300	17,420	1,999	0	3,185	22,604
80	13,866	1,479	0	2,279	17,624	14,034	1,512	0	2,295	17,841
81	10,620	946	0	1,973	13,539	10,769	961	0	1,994	13,724
82	9,071	764	0	1,787	11,622	9,213	779	0	1,811	11,803
83	8,317	674	0	1,758	10,749	8,436	684	0	1,788	10,908
84	7,335	564	0	1,441	9,340	7,420	571	0	1,459	9,450
85	6,209	483	0	1,236	7,928	6,292	491	0	1,243	8,026
86	5,597	375	0	1,168	7,140	5,663	379	0	1,180	7,222
87	4,525	279	0	882	5,686	4,582	286	0	892	5,760
88	3,823	246	0	725	4,794	3,866	252	0	731	4,849
89	2,710	218	0	514	3,442	2,738	223	0	519	3,480
90	1,843	110	0	422	2,375	1,865	113	0	425	2,403
91	1,229	84	0	241	1,554	1,247	87	0	243	1,577
92	795	64	0	190	1,049	807	66	0	191	1,064
93	571	41	0	123	735	579	43	0	124	746
94	330	18	0	74	422	334	19	0	74	427
95	193	15	0	52	260	198	16	0	52	266
96	133	6	0	24	163	134	6	0	24	164
97	74	6	0	15	95	76	8	0	15	99
98	46	4	0	16	66	50	5	0	16	71
99	35	3	0	6	44	36	3	0	6	45
100	28	5	0	4	37	30	5	0	4	39
101	15	1	0	4	20	15	1	0	4	20
102	15	2	0	0	17	15	2	0	0	17
103	8	1	0	1	10	8	1	0	1	10
104	6	2	0	1	9	6	2	0	1	9
105	2	3	0	0	5	2	3	0	0	5
106	7	2	0	0	9	7	2	0	0	9
107	3	0	0	0	3	3	0	0	0	3
108	4	1	0	0	5	4	1	0	0	5
109	3	0	0	0	3	3	0	0	0	3
110	5	1	0	0	6	5	1	0	0	6
Total	1,128,927	145,834	10,251	173,113	1,458,125	1,146,084	149,840	10,414	176,027	1,482,365
60+	567,780	64,769	40	173,113	805,702	575,283	66,006	40	176,027	817,356
62+	508,257	49,372	11	148,457	706,097	515,008	50,413	11	150,930	716,362
65+	441,951	38,397	0	112,456	592,804	447,863	39,254	0	114,304	601,421

Note: 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.

TABLE C14  
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

All Retirees

Age	DoD Only				Total	All Uniformed				Total
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired		Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	
16	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
19	0	0	27	0	27	0	0	27	0	27
20	0	2	90	0	92	0	2	91	0	93
21	0	17	200	0	217	0	17	202	0	219
22	0	66	405	0	471	0	67	411	0	478
23	0	108	612	0	720	0	111	622	0	733
24	0	180	705	0	885	0	196	716	0	912
25	0	257	769	0	1,026	0	270	779	0	1,049
26	0	290	732	0	1,022	0	307	748	0	1,055
27	0	424	681	0	1,105	0	443	694	0	1,137
28	0	472	576	0	1,048	0	498	589	0	1,087
29	0	527	560	0	1,087	0	547	576	0	1,123
30	0	607	497	0	1,104	0	629	504	0	1,133
31	0	680	486	0	1,166	0	698	490	0	1,188
32	0	690	402	0	1,092	0	722	408	0	1,130
33	0	832	424	0	1,256	0	864	427	0	1,291
34	0	884	325	0	1,209	0	921	332	0	1,253
35	0	1,128	366	0	1,494	0	1,156	374	0	1,530
36	2	1,272	325	0	1,599	2	1,314	331	0	1,647
37	2	1,516	306	0	1,824	2	1,553	309	0	1,864
38	681	1,513	253	0	2,447	685	1,577	259	0	2,521
39	3,764	1,647	243	0	5,654	3,793	1,714	248	0	5,755
40	8,183	1,732	240	0	10,155	8,254	1,805	243	0	10,302
41	12,736	2,010	190	0	14,936	12,865	2,086	191	0	15,142
42	17,139	2,273	189	0	19,601	17,366	2,358	193	0	19,917
43	22,605	2,572	182	0	25,359	22,971	2,683	183	0	25,837
44	27,574	2,717	156	0	30,447	28,106	2,832	157	0	31,095
45	32,023	2,931	160	0	35,114	32,771	3,098	163	0	36,032
46	35,980	2,964	131	0	39,075	37,003	3,100	134	0	40,237
47	38,938	3,099	127	0	42,164	39,970	3,273	128	0	43,371
48	40,128	3,319	106	0	43,553	41,201	3,482	108	0	44,791
49	40,967	3,299	93	0	44,359	41,995	3,465	96	0	45,556
50	41,900	3,506	86	0	45,492	42,972	3,670	86	0	46,728
51	41,536	3,484	64	0	45,084	42,606	3,654	65	0	46,325
52	41,703	3,570	59	0	45,332	42,754	3,711	61	0	46,526
53	42,083	3,721	45	0	45,849	43,054	3,834	47	0	46,935
54	41,751	3,819	49	0	45,619	42,693	3,932	51	0	46,676
55	42,029	3,937	32	0	45,998	43,011	4,070	34	0	47,115
56	39,554	4,053	38	0	43,645	40,451	4,180	38	0	44,669
57	38,893	5,293	32	0	44,218	39,834	5,422	33	0	45,289
58	40,266	7,059	28	0	47,353	41,196	7,180	28	0	48,404
59	41,547	8,577	25	0	50,149	42,501	8,700	25	0	51,226
60	42,904	9,037	19	10,532	62,492	43,941	9,168	19	10,740	63,868
61	43,760	7,744	19	26,895	78,418	44,790	7,873	19	27,365	80,047
62	30,718	4,895	7	19,363	54,983	31,436	4,990	7	19,689	56,122
63	31,659	4,155	6	18,695	54,515	32,415	4,240	7	18,989	55,651
64	34,008	3,661	3	17,958	55,630	34,801	3,738	3	18,299	56,841
65	36,276	3,406	0	17,416	57,098	37,139	3,477	0	17,760	58,376

TABLE C14 (continued)  
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2007

All Retirees

Age	DoD Only				Total	All Uniformed				Total
	Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired		Non Disabled	Perm Disabled	Temp Disabled	Reserve Retired	
66	33,517	2,806	0	14,080	50,403	34,313	2,888	0	14,342	51,543
67	33,071	2,471	0	12,483	48,025	33,898	2,561	0	12,747	49,206
68	33,388	2,092	0	12,113	47,593	34,232	2,167	0	12,398	48,797
69	34,558	2,125	0	12,127	48,810	35,420	2,197	0	12,401	50,018
70	36,119	2,056	0	11,972	50,147	36,931	2,112	0	12,177	51,220
71	35,657	2,005	0	11,414	49,076	36,420	2,084	0	11,623	50,127
72	35,223	2,007	0	10,959	48,189	35,839	2,052	0	11,136	49,027
73	34,031	2,073	0	10,317	46,421	34,638	2,138	0	10,514	47,290
74	31,841	2,130	0	8,979	42,950	32,346	2,187	0	9,137	43,670
75	31,754	2,771	0	8,990	43,515	32,283	2,842	0	9,136	44,261
76	30,681	3,133	0	9,211	43,025	31,179	3,212	0	9,365	43,756
77	31,639	3,196	0	9,326	44,161	32,072	3,254	0	9,449	44,775
78	28,906	3,024	0	8,184	40,114	29,289	3,071	0	8,321	40,681
79	23,153	2,348	0	6,947	32,448	23,569	2,394	0	7,046	33,009
80	18,167	1,753	0	4,938	24,858	18,494	1,803	0	5,012	25,309
81	14,189	1,210	0	4,477	19,876	14,460	1,233	0	4,539	20,232
82	12,906	1,054	0	4,733	18,693	13,165	1,077	0	4,782	19,024
83	12,644	1,123	0	5,394	19,161	12,890	1,140	0	5,452	19,482
84	11,798	1,189	0	5,198	18,185	11,990	1,202	0	5,239	18,431
85	10,690	1,198	0	5,133	17,021	10,893	1,214	0	5,175	17,282
86	10,617	1,210	0	5,121	16,948	10,805	1,224	0	5,162	17,191
87	9,025	1,192	0	4,666	14,883	9,191	1,211	0	4,714	15,116
88	7,762	1,062	0	3,932	12,756	7,886	1,078	0	3,975	12,939
89	5,939	877	0	3,228	10,044	6,024	891	0	3,265	10,180
90	4,176	668	0	2,581	7,425	4,252	679	0	2,598	7,529
91	2,880	473	0	1,780	5,133	2,950	481	0	1,797	5,228
92	2,069	354	0	1,273	3,696	2,110	361	0	1,285	3,756
93	1,313	214	0	926	2,453	1,348	219	0	935	2,502
94	840	143	0	568	1,551	868	147	0	577	1,592
95	466	99	0	379	944	481	100	0	383	964
96	338	52	0	249	639	348	52	0	250	650
97	200	41	0	188	429	204	44	0	188	436
98	124	23	0	113	260	131	24	0	114	269
99	79	13	0	70	162	83	13	0	70	166
100	66	11	0	40	117	69	11	0	40	120
101	32	6	0	19	57	34	6	0	19	59
102	21	6	0	10	37	23	7	0	10	40
103	14	2	0	4	20	14	2	0	4	20
104	11	3	0	4	18	11	3	0	4	18
105	5	3	0	0	8	5	3	0	0	8
106	8	2	0	1	11	8	2	0	1	11
107	5	0	0	1	6	5	0	0	1	6
108	5	1	0	0	6	5	1	0	0	6
109	3	0	0	0	3	3	0	0	0	3
110	5	1	0	1	7	5	1	0	1	7
Total	1,491,244	168,165	11,070	312,988	1,983,467	1,523,762	173,015	11,256	318,226	2,026,259
60+	799,260	81,118	54	312,988	1,193,420	815,706	82,874	55	318,226	1,216,861
62+	712,596	64,337	16	275,561	1,052,510	726,975	65,833	17	280,121	1,072,946
65+	616,211	51,626	0	219,545	887,382	628,323	52,865	0	223,144	904,332

Note: 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.

TABLE C15

DOD AND ALL UNIFORMED SURVIVING SPOUSE VALUATION DATA AS OF 9/30/2007

Age	----- DoD Only -----					Total	----- All Uniformed -----					Total
	----- Active -----		----- Reserve -----				----- Active -----		----- Reserve -----			
	Officer	Enlisted	Officer	Enlisted	Officer		Enlisted	Officer	Enlisted	Officer	Enlisted	
0	0	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0	0
16	0	3	0	0	3	0	3	0	0	0	0	3
17	0	15	0	0	15	0	15	0	0	0	0	15
18	0	40	0	0	40	0	40	0	0	0	0	40
19	0	98	0	0	98	0	98	0	0	0	0	98
20	0	141	0	0	141	0	142	0	0	0	0	142
21	3	160	0	0	163	3	162	0	0	0	0	165
22	6	202	0	0	208	6	202	0	0	0	0	208
23	6	231	0	0	237	6	232	0	0	0	0	238
24	11	253	0	0	264	11	255	0	0	0	0	266
25	16	239	0	1	256	16	241	0	1	0	0	258
26	20	224	0	1	245	20	228	0	1	0	0	249
27	15	222	0	0	237	15	222	0	0	0	0	237
28	21	223	0	0	244	21	226	0	0	0	0	247
29	34	255	1	0	290	34	257	1	0	0	0	292
30	27	286	0	0	313	27	290	0	0	0	0	317
31	30	271	0	0	301	31	275	0	0	0	0	306
32	43	272	0	0	315	44	278	0	0	0	0	322
33	45	311	0	1	357	47	314	0	1	0	0	362
34	44	343	0	1	388	45	346	0	1	0	0	392
35	54	393	0	1	448	55	404	0	1	0	0	460
36	54	382	0	1	437	54	391	0	1	0	0	446
37	62	400	0	5	467	64	403	0	5	0	0	472
38	74	472	0	1	547	75	479	0	1	0	0	555
39	57	507	0	1	565	60	517	0	1	0	0	578
40	85	566	0	3	654	87	574	0	3	0	0	664
41	90	665	0	1	756	93	673	0	1	0	0	767
42	86	749	0	4	839	88	759	0	4	0	0	851
43	102	805	0	5	912	104	821	0	5	0	0	930
44	120	878	0	6	1,004	124	904	0	6	0	0	1,034
45	126	962	2	4	1,094	130	986	2	4	0	0	1,122
46	112	1,003	2	9	1,126	120	1,018	2	9	0	0	1,149
47	161	1,104	2	10	1,277	168	1,128	2	10	0	0	1,308
48	176	1,264	2	6	1,448	178	1,294	2	6	0	0	1,480
49	210	1,299	3	12	1,524	220	1,321	3	12	0	0	1,556
50	201	1,364	0	9	1,574	206	1,386	0	9	0	0	1,601
51	194	1,564	5	13	1,776	202	1,587	5	13	0	0	1,807
52	269	1,671	0	14	1,954	282	1,695	0	14	0	0	1,991

TABLE C15 (continued)

DOD AND ALL UNIFORMED SURVIVING SPOUSE VALUATION DATA AS OF 9/30/2007

Age	----- DoD Only -----				Total	----- All Uniformed -----				Total
	----- Active -----		----- Reserve -----			----- Active -----		----- Reserve -----		
	Officer	Enlisted	Officer	Enlisted		Officer	Enlisted	Officer	Enlisted	
60	824	3,710	100	285	4,919	849	3,761	103	292	5,005
61	976	4,415	115	346	5,852	1,019	4,463	118	350	5,950
62	1,064	4,980	151	417	6,612	1,112	5,048	153	423	6,736
63	1,032	5,145	143	369	6,689	1,058	5,210	145	377	6,790
64	1,267	5,608	172	496	7,543	1,314	5,699	175	506	7,694
65	1,341	6,229	235	638	8,443	1,389	6,352	239	645	8,625
66	1,445	7,103	271	754	9,573	1,507	7,222	276	769	9,774
67	1,477	8,239	340	789	10,845	1,530	8,369	343	797	11,039
68	1,709	9,417	394	900	12,420	1,771	9,548	404	912	12,635
69	1,801	10,394	419	971	13,585	1,870	10,499	427	986	13,782
70	2,112	11,278	453	881	14,724	2,178	11,388	460	892	14,918
71	2,325	11,618	555	1,043	15,541	2,383	11,716	568	1,060	15,727
72	2,711	12,887	720	1,199	17,517	2,770	12,997	741	1,211	17,719
73	2,959	14,319	913	1,280	19,471	3,048	14,444	936	1,293	19,721
74	3,255	16,197	976	1,206	21,634	3,343	16,333	998	1,213	21,887
75	3,456	16,485	926	1,057	21,924	3,549	16,640	937	1,066	22,192
76	3,228	14,922	766	896	19,811	3,311	15,079	787	901	20,078
77	2,639	13,122	827	933	17,521	2,716	13,264	842	943	17,765
78	2,501	10,981	1,068	922	15,472	2,569	11,155	1,079	935	15,738
79	2,972	10,731	1,548	920	16,171	3,041	10,877	1,563	930	16,411
80	3,810	10,767	1,868	983	17,428	3,893	10,895	1,877	987	17,652
81	4,508	10,480	2,185	989	18,162	4,589	10,593	2,205	997	18,384
82	5,268	9,876	2,469	932	18,545	5,359	9,959	2,499	940	18,757
83	6,823	10,185	2,694	890	20,592	6,921	10,300	2,719	903	20,843
84	7,421	9,329	2,586	742	20,078	7,533	9,415	2,616	748	20,312
85	7,103	8,627	2,662	673	19,065	7,173	8,733	2,690	678	19,274
86	6,831	7,061	2,292	485	16,669	6,902	7,139	2,306	494	16,841
87	6,154	5,756	1,942	383	14,235	6,226	5,808	1,951	387	14,372
88	5,049	4,554	1,538	302	11,443	5,119	4,617	1,549	303	11,588
89	4,148	3,829	1,339	236	9,552	4,214	3,881	1,351	238	9,684
90	3,251	2,968	1,045	191	7,455	3,307	3,004	1,057	192	7,560
91	2,568	2,260	893	122	5,843	2,618	2,286	908	122	5,934
92	1,988	1,657	748	113	4,506	2,030	1,685	755	114	4,584
93	1,746	1,487	616	87	3,936	1,780	1,509	619	87	3,995
94	1,487	1,130	482	57	3,156	1,525	1,158	484	57	3,224
95	1,170	802	382	35	2,389	1,205	823	388	35	2,451
96	944	649	287	30	1,910	976	671	288	30	1,965
97	853	587	233	19	1,692	883	610	234	19	1,746
98	634	405	149	10	1,198	660	433	153	10	1,256
99	492	333	114	6	945	506	341	114	6	967
100	394	284	76	10	764	410	294	77	10	791
101	264	223	60	8	555	278	232	60	8	578
102	243	187	42	1	473	260	193	43	1	497
103	181	162	27	0	370	193	165	27	0	385
104	164	165	26	3	358	173	174	26	3	376
105	107	134	14	1	256	111	138	14	1	264
106	79	97	13	0	189	81	99	13	0	193
107	72	80	5	0	157	72	80	5	0	157
108	50	72	23	0	145	54	74	23	0	151
109	335	530	0	0	865	347	546	0	0	893
Total	121,555	332,930	38,112	24,257	516,854	124,287	336,961	38,557	24,523	524,328
60+	115,231	292,456	37,902	23,610	469,199	117,725	295,919	38,345	23,871	475,860
62+	113,431	284,331	37,687	22,979	458,428	115,857	287,695	38,124	23,229	464,905
65+	110,068	268,598	37,221	21,697	437,584	112,373	271,738	37,651	21,923	443,685

Note: 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.

APPENDIX D

ECONOMIC ASSUMPTIONS

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## ECONOMIC ASSUMPTIONS

In July, 2008, the DoD MERHCF Board of Actuaries adopted the following economic assumptions for use in the valuation as of September 30, 2007:

- General inflation rate = 3.00%;
- Valuation discount rate = 5.75 %;
- Medical trend rates as shown in the Table D4.

As background for determining the economic assumptions, DoD Office of the Actuary (OACT) presents the Board with a number of external and internal analyses prepared by economists and actuaries, and provides the MERHCF Board with extensive historical data on inflation, interest rates, and health care cost trends. The Board also considers the analysis and assumptions developed by the Center for Medicare and Medicaid Services as well as the assumptions made by the DoD Board of Actuaries (in reference to the assumptions made for the actuarial valuation of the Military Retirement Plan).

### Inflation

The CPI-W (here-in referred to as CPI), published by the Bureau of Labor Statistics, is the consumer price index for urban wage earners and clerical workers. The CPI is used as an inflation assumption, a component of nominal interest and also of long term medical trend. Table D1 shows the average annual CPI 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 32-year period ending in 2007 is approximately 4.04 percent.

The CPI assumption chosen in 2008 by the MERHCF Board of Actuaries is 3.00 percent, unchanged from the prior year and the same as the CPI assumption selected in 2008 by the DoD Board of Actuaries for the Military Retirement Fund. This assumption is reasonably consistent with the 2.80 percent intermediate CPI assumption selected by both the Trustees of the Center for Medicare and Medicaid Services and the Trustees of the Social Security Administration in both of their 2008 Trustees' Reports.

### Interest Rate

The MERHCF Board analyzed the real interest rate data in Tables D2 and D3 when setting the interest rate assumption. 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 MERHCF must be invested in obligations of the U.S. Government, a highly secure investment, the real interest rates are expected to be relatively low. The MERHCF Board examines past real interest rates that would have been earned by the types of public debt securities in which the military retirement level is invested. The MERHCF



Board members recognize the importance of selecting a real interest rate that would prevail on the average over a long period of time and that would not unduly weight recent experience or expected results during the near-term.

Table D2 shows average real yield rates on new purchases. Because the MERHCF was established in 2002, OACT compiled a Composite Series to simulate what new purchases would have yielded in the past. Particular emphasis is given to the rates since 1950.

Table D3 shows the average real MERHCF effective yield. 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. Since the MERHCF’s inception, the average annual real yield is 0.4 percent; its average annual nominal yield is 4.04%.

After analyzing past trends of government trust fund earnings, 2.75 percent was adopted as the rate of real interest. Since 3.00 percent had been adopted as the inflation rate, the nominal rate of interest is 5.75 percent. This rate reflects the expected long term rate of return on the MERHCF's assets.

It is relevant to note the real interest rate being assumed by two other major public benefit systems. The Trustees of the Center for Medicare and Medicaid Services and the Trustees of the Social Security Administration both assumed an intermediate ultimate real interest rate assumption of 2.9 percent in their 2008 Trustees' reports.

The comparisons to Medicare and Social Security are not meant to imply an expectation that all three systems should use the same assumptions.

### Medical Trend Rates

Medical trend rates are used in the actuarial valuation to project the starting average plan costs to each future year's cost level. During a 25 year select period, there are separate trend rate assumptions for Inpatient costs (IP), Outpatient costs (OP), and pharmacy costs (Rx). In addition, these trend rates are determined separately for Purchased Care (PC) and Direct Care (DC) costs. All costs grow at the same ultimate trend rate, since over the long term, all plan costs are assumed to experience the same growth in prices, and utilization of services.

In July 2008, The MERHCF Board approved the use of the medical trend rates contained in Table D4 to be used for the MERHCF actuarial valuation as of September 30, 2007. Consistent across all benefit trends (inpatient, outpatient, and Rx), the MERHCF Board maintained its original position that there be a 25-year select period, with an ultimate trend rate of 6.25%.

### Inpatient Medical Trend

Following the MERHCF Board's recommendation, OACT based preliminary inpatient medical trend for Purchased Care (PC) benefits on the trend assumptions implied in the projections of Medicare Part A deductibles and copayments, produced by the Centers for Medicaid and Medicare Services Office of the Actuary (CMS OACT). In particular, the CMS OACT provided:

- Table V.C1 — HI Cost Sharing and Premium Amounts, from its 2008 Medicare Trustees Report, and
- Projected Medicare Part A utilization and enrollment

From this data, which included projections through 2017 (ten years), OACT developed inpatient medical trend on a fiscal year basis through 2017. For the remainder of the 25-year select period, the inpatient trend rates grade linearly to the ultimate assumption of 6.25%. Adjustments were made to obtain the final IP trend rates for PC and DC costs:

- PC IP trends for years 2007 – 2017 were increased 1% during the first ten years to reflect the higher expected growth in the TRICARE IP utilization component of trend compared to the lower expected growth in the Medicare Part A utilization component of trend due to the impending influx of baby boomers into Medicare. Military member strength did not increase commensurate with general population increases caused by the "baby boom" generation. CMS OACT assumed that the reduction in the average age of Medicare-eligible retirees resulting from baby boomers aging into Medicare would result in a reduction in the utilization component of the CMS trend rates (utilization of services increases with age).
- DC IP trends for years 2007 – 2017 were reduced one percent per year during the first 10 years to reflect the recent low and negative trend experienced in the MTFs.

### Outpatient Medical Trend

Following the MERHCF Board's recommendation, OACT based outpatient medical trend for Purchased Care (PC) on the trend assumptions implied in the projections of Medicare Part B out-of-pocket costs for Part B enrollees, produced by CMS OACT. In particular, CMS OACT provided:

- Table IV.B1 — Components of increases in Total Allowed Charges per Fee-for-Service Enrollee for Carrier Services
- Table IV.B2 — Incurred Reimbursement Amounts per Fee-for-Service Enrollee for Carrier Services, from its 2008 Medicare Trustees Report, and
- Table IV.B4 — Incurred Reimbursement Amounts per Fee-for-Service Enrollee for Intermediary Services, from its 2008 Medicare Trustees Report
- Projected per capita Medicare Part B deductible and coinsurance payments for fee-for-service enrollees

From this data, which included projections through 2017 (ten years), OACT developed outpatient medical trend on a fiscal year basis through 2017. In addition, an adjustment was made to add back the physician fee savings assumed in the CMS projection with respect to the Sustainable Growth Rate System. For the remainder of the 25-year select period, the inpatient trend rates grade linearly to the ultimate assumption of 6.25%. Similar to IP trends, adjustments were made to obtain the final OP trend rates for PC and DC costs:

- PC OP trends for years 2007 – 2017 were increased 1% during the first ten years to reflect the higher expected growth in the TRICARE OP utilization component of trend compared to the lower expected growth in the Medicare Part B utilization component of trend due to the impending influx of baby boomers into Medicare. Military member strength did not increase commensurate with general population increases caused by the "baby boom" generation.. CMS OACT assumed that the reduction in the average age of Medicare-eligible retirees resulting from baby boomers aging into Medicare would result in a reduction in the utilization component of the CMS trend rates (utilization of services increases with age).
- DC OP trends for years 2007 – 2017 were reduced one percent per year during the first 10 years to reflect the recent low and negative trend experienced in the MTFs.

### Prescription Drug Trend

After reviewing OACT's analyses, the MERHCF Board approved a set of prescription drug trends for the September 30, 2007, MERHCF actuarial valuation, as shown in Table D4.

OACT analyzed three years of PC and DC prescription drug data, from FY 2005 through FY 2007. The study focused on per capita trends in drug cost and utilization. Also noted was the impact on recent Rx trends resulting from increases in generic dispense rates and popular brand drugs coming off patent. In addition to claims experience, OACT reflected the expected impact of federal drug pricing formulas on retail drug trend, as stipulated in the 2008 National Defense Authorization Act. OACT developed initial, aggregate drug trend rates based on recent and anticipated near-term experience. The aggregate rate was graded linearly to an ultimate 6.25%.

The aggregate trend rates were then split into DC and PC rates, first by setting the DC trend rates, and then solving for the PC rates based on cost proportions. Per the MERHCF Board's recommendation, the DC Rx trend rates were set equal to 3% for three years, then grading linearly to 6.25% over the next seven years. Drug prices are expected to move lower as a result of federal drug price formulas that limit the annual increase in drug prices to inflation rates, and that now apply to all three dispensing venues: Mail Order, MTF, and retail pharmacy. The trend assumptions adopted by the MERHCF Board incorporate assumed inflation in drug prices, utilization increases, the introduction of new brand drugs (specialty and nonspecialty), and the expiration of patent protections.

### USFHP Trend

This was the first year OACT received the entire set of USFHP premiums by age, gender and HMO plan (or location). Therefore, the only historical premium data available was average premiums by age group. While the Board agreed that the valuation model should apply the same ultimate trend rate to USFHP premiums, there is reason to believe that USFHP will experience higher short term trend rates compared to TRICARE.

OACT assumed that the cost of health care services and pharmaceuticals will experience greater increases in the USFHP environment because the USFHP program does not contain the same underlying price controls that exist with TRICARE (Medicare allowable charges — for inpatient and outpatient care, and federal ceiling prices — for Rx). The MERHCF Board approved a set of USFHP medical trend rates as shown in Table D4.

Previously, USFHP costs were allocated over aggregate TRICARE claim costs (IP, OP, Rx); therefore, TRICARE trends were implicitly applied to USFHP premiums. This was the first year that OACT trended USFHP premium explicitly. This also was the first year that USFHP enrollment was used to produce liabilities weighted more heavily among the younger ages.

TABLE D1  
AVERAGE CONSUMER PRICE INDEX (CPI-W) INCREASES

FROM PERIOD CORRESPONDING TO END OF:		1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
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													
1996	3.44	3.99	4.32	4.22	3.97	4.29	4.59	5.13	5.24	4.85	3.51	3.38	2.93	2.90												
1997	3.42	3.96	4.28	4.18	3.93	4.24	4.52	5.03	5.12	4.72	3.43	3.27	2.81	2.50	2.10											
1998	3.39	3.91	4.22	4.13	3.88	4.17	4.44	4.92	4.99	4.57	3.31	3.12	2.62	2.10	1.70	1.30										
1999	3.37	3.89	4.19	4.10	3.85	4.13	4.39	4.84	4.89	4.48	3.26	3.06	2.60	2.17	1.93	1.85	2.40									
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	2.32	2.40	2.95	3.50								
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	2.38	2.45	2.83	3.05	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	2.21	2.24	2.47	2.50	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	2.20	2.21	2.40	2.40	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	2.26	2.28	2.45	2.46	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	2.46	2.51	2.68	2.73	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	2.55	2.60	2.76	2.81	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	2.52	2.57	2.71	2.75	2.64	2.65	2.90	3.10	3.23	2.80	2.30	

All figures are average annual December to December percentage increases.  
Source of CPI-W indices: Bureau of Labor Statistics.

TABLE D2  
AVERAGE REAL YIELD RATES ON NEW PURCHASES\*\*\*

FROM DECEMBER 31 OF:		TO DECEMBER 31 OF:																								
	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
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													
1996	1.75	1.37	1.30	1.76	2.45	2.63	2.79	2.81	3.10	3.88	5.29	3.94	3.02	3.47												
1997	1.78	1.41	1.35	1.80	2.49	2.66	2.82	2.85	3.14	3.89	5.22	3.95	3.17	3.78	4.09											
1998	1.80	1.44	1.38	1.83	2.50	2.68	2.83	2.86	3.14	3.85	5.10	3.89	3.17	3.57	3.62	3.15										
1999	1.83	1.47	1.41	1.86	2.52	2.69	2.85	2.88	3.14	3.83	5.01	3.85	3.18	3.51	3.52	3.23	3.32									
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	3.32	3.28	3.01	2.94	2.56								
2001	1.82	1.47	1.41	1.85	2.48	2.64	2.78	2.80	3.04	3.66	4.67	3.56	2.88	2.85	2.73	2.39	2.14	1.55	0.55							
2002	1.79	1.45	1.39	1.81	2.43	2.58	2.72	2.73	2.95	3.52	4.46	3.35	2.65	2.45	2.28	1.92	1.61	1.05	0.30	0.05						
2003	1.78	1.44	1.39	1.80	2.41	2.55	2.68	2.68	2.89	3.43	4.30	3.22	2.52	2.26	2.09	1.76	1.48	1.03	0.53	0.51	0.98					
2004	1.78	1.44	1.38	1.79	2.38	2.52	2.64	2.64	2.84	3.35	4.17	3.11	2.42	2.15	1.98	1.69	1.44	1.07	0.70	0.76	1.11	1.24				
2005	1.78	1.45	1.39	1.79	2.37	2.51	2.62	2.62	2.81	3.30	4.08	3.05	2.38	2.11	1.96	1.70	1.50	1.19	0.92	1.02	1.34	1.52	1.81			
2006	1.78	1.45	1.40	1.80	2.37	2.50	2.61	2.61	2.79	3.26	4.00	3.00	2.37	2.11	1.98	1.75	1.57	1.32	1.12	1.23	1.53	1.72	1.96	2.11		
2007	1.78	1.46	1.41	1.80	2.36	2.49	2.60	2.60	2.77	3.23	3.93	2.96	2.35	2.12	1.99	1.79	1.64	1.43	1.27	1.39	1.66	1.83	2.02	2.13	2.15	

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.



**TABLE D4**  
**SEPTEMBER 30, 2007 MERHCF VALUATION MEDICAL TRENDS**

From FY:	To FY:	Non-USFHP						USFHP
		IP	DC OP	Rx	IP	PC OP	Rx	
2007	2008	5.65%	3.33%	3.00%	6.65%	4.33%	8.55%	10.00%
2008	2009	4.35%	3.37%	3.00%	5.35%	4.37%	8.44%	9.85%
2009	2010	2.68%	3.73%	3.00%	3.68%	4.73%	8.33%	9.70%
2010	2011	3.23%	4.05%	3.41%	4.23%	5.05%	8.14%	9.55%
2011	2012	3.63%	4.21%	3.81%	4.63%	5.21%	7.97%	9.40%
2012	2013	3.77%	5.36%	4.22%	4.77%	6.36%	7.81%	9.25%
2013	2014	3.80%	3.57%	4.63%	4.80%	4.57%	7.66%	9.10%
2014	2015	3.91%	3.97%	5.03%	4.91%	4.97%	7.52%	8.95%
2015	2016	4.12%	4.53%	5.44%	5.12%	5.53%	7.38%	8.80%
2016	2017	4.17%	5.63%	5.84%	5.17%	6.63%	7.25%	8.65%
2017	2018	4.30%	5.67%	6.25%	5.23%	6.60%	7.12%	8.50%
2018	2019	4.43%	5.71%	6.25%	5.30%	6.58%	7.06%	8.35%
2019	2020	4.56%	5.74%	6.25%	5.37%	6.56%	7.01%	8.20%
2020	2021	4.69%	5.78%	6.25%	5.44%	6.53%	6.95%	8.05%
2021	2022	4.82%	5.82%	6.25%	5.50%	6.51%	6.89%	7.90%
2022	2023	4.95%	5.86%	6.25%	5.57%	6.49%	6.83%	7.75%
2023	2024	5.08%	5.90%	6.25%	5.64%	6.46%	6.77%	7.60%
2024	2025	5.21%	5.94%	6.25%	5.71%	6.44%	6.71%	7.45%
2025	2026	5.34%	5.98%	6.25%	5.78%	6.42%	6.65%	7.30%
2026	2027	5.47%	6.02%	6.25%	5.84%	6.39%	6.60%	7.15%
2027	2028	5.60%	6.06%	6.25%	5.91%	6.37%	6.54%	7.00%
2028	2029	5.73%	6.09%	6.25%	5.98%	6.34%	6.48%	6.85%
2029	2030	5.86%	6.13%	6.25%	6.05%	6.32%	6.42%	6.70%
2030	2031	5.99%	6.17%	6.25%	6.11%	6.30%	6.37%	6.55%
2031	2032	6.12%	6.21%	6.25%	6.18%	6.27%	6.31%	6.40%
Ultimate		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

DC            Direct Care  
PC            Purchased Care  
IP            Inpatient Hospital  
OP            Outpatient  
Rx            Pharmacy  
non-USFHP   Plans other than USFHP  
USFHP        US Family Health Plan



APPENDIX E

AVERAGE BENEFIT COSTS

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## DEVELOPMENT OF EXPECTED BENEFIT COSTS

The average expected claim costs in this model are stored in claim vectors (CVs) and represent average family costs per retired sponsor, by sponsor age, where the retiree is the sponsor for the retiree CVs and the surviving spouse is the sponsor for the survivor CVs. A CV is computed as the ratio of the total cost to the government (DoD) to the total number of retired sponsors/survivors of the specified age who incur the costs. Separate CVs are developed for:

- (i) average family costs derived from claims in which the patient was Medicare eligible (Medicare eligible CV), and from
- (ii) average family costs derived from claims in which the patient was not Medicare eligible (non-Medicare eligible CV).

Since the MERHCF valuation projects the liability associated with claims incurred by Medicare eligible beneficiaries, only the CVs in (i) are used for this valuation.

As an example, the Medicare eligible CVs contain a value for age 80 that represents the plan's average annual claims cost for claims incurred by Medicare eligible beneficiaries associated with an 80 year old sponsor:

(Annual costs for all Medicare-eligible, retiree-related beneficiaries associated with 80-year old sponsors) ÷ (number of 80-year old retired sponsors, both Medicare and non-Medicare eligible)

The Medicare eligible CVs include average costs by each retired sponsor (or survivor) age from 18 to 118. A survivor CV value at age 110 represents the average cost for survivors who are associated with deceased retired sponsors who would have been 110 in the claims experience year.

For the September 30, 2007, MERHCF valuation, there are 60 claim vectors, derived from six benefit categories and 10 population subcategories. The six benefit categories are:

- Direct care inpatient (DC IP)
- Direct care outpatient (DC OP)
- Direct care prescription drugs (DC Rx)
- Purchased care inpatient (PC IP)
- Purchased care outpatient (PC OP)
- Purchased care prescription drugs (PC Rx)

Direct care refers to care obtained at a military treatment facility (MTF), and purchased care refers to care obtained outside the MTFs.

The 10 population subcategories correspond to the 10 population subcategories identified in the “Valuation Data and Procedure” section of this report.

The CVs represent starting costs in the valuation year. These CVs are multiplied by cumulative trend rates in each projection year of the model.

## Purchased Care Starting Costs

Purchased care benefit CVs are developed on a “claims-only” basis. The CVs are used to compute preliminary PVFB amounts, and then loads are applied to account for administrative costs. An additional adjustment factor is applied to the prescription drug CV to account for formulary rebates which are received outside the claims data.

Purchased care CVs for the September 30, 2007, valuation were developed by blending detail data from 2005 – 2007 fiscal years. Before blending, the claims in each age cell for 2005 and 2007 were brought to 2006 claim cost levels by multiplying each element by the following ratio:

Adjustment to 2005 claim cells before blending:

$$\frac{[2006 \text{ weighted average cost per 2006 sponsor and family }]}{[2005 \text{ weighted average cost per 2005 sponsor and family}]}$$

Adjustment to 2007 claim cells before blending:

$$\frac{[2006 \text{ weighted average cost per 2006 sponsor and family }]}{[2007 \text{ weighted average cost per 2007 sponsor and family}]}$$

The adjustments shown above use "sponsor and family" as an illustration. The same adjustments apply to all CVs, including the survivor CVs.

The preliminary September 30, 2007, CVs (i.e., those based on the raw 2005 - 2007 detailed claims data) were smoothed (with a combination of formulaic and manual methods).

Next, the IP, OP and Rx CVs were adjusted to reflect aggregate 2007 incurred purchased care claims levels for IP, OP and Rx benefits, respectively (which the valuation model refers to as the “true up” process). Estimates of 2007 incurred PC claims were produced from aggregate claims paid through March 2008.

2007 incurred PC claims (completed) are shown in Table E1.

TABLE E1  
2007 PURCHASED CARE AGGREGATE INCURRED CLAIMS – MERHCF  
(millions).

Inpatient Hospital	\$602
Outpatient	\$1,642
<u>Pharmacy</u>	<u>\$2,938</u>
Total	\$5,181

Administration costs associated with claims processing and network management were also loaded onto the CVs. A separate administration cost load is developed for pharmacy vs. non-pharmacy claims.

### Administrative Costs

Costs associated with plan administration, including claims processing, are added to the average claims costs in the form of a load. For the September 30, 2007, valuation, the MERHCF Board approved purchased care claim loads for administrative costs of 6.3% (IP and OP) and 1.1% (Rx). These loads are based on amounts paid for claims administration that were not already reflected in the claims data. The administration load for Rx was adjusted to reflect the adjustment for brand drug rebates (see below). The effective Rx administration cost load was 1.24% (a higher percentage load on a lower Rx claim cost produces the same expected administration costs for Rx).

### Adjustment for Ultimate Plan Participation

As described in Appendix F (Participation Rates), the purchased care CVs are adjusted to reflect the ultimate level of plan participation. Therefore, it is necessary to back out this adjustment in years prior to 2021 (when ultimate participation is assumed to be reached).

For each year prior to 2021, the purchased care cash flow generated by the valuation model is also adjusted to back out the difference between full participation levels and the assumed level of plan participation in each year.

### Adjustment for Retail Brand Drug Rebates

The National Defense Authorization Act for Fiscal Year 2008 included a law requiring that prescriptions dispensed under TRICARE's retail pharmacy program be subject to federal ceiling prices. The drug price reduction comes in the form of rebates (i.e., not in the claims), so the purchased care pharmacy CVs need to be adjusted to reflect this discount.

An adjustment factor was developed after comparing the unit cost of each brand drug dispensed through retail pharmacies and TRICARE's mail order service, and estimating the impact this mandatory rebate program will have on federal ceiling prices. Based on this analysis and discussions between OACT and the chief of TMA's Pharmaceutical Operations Directorate, the MERHCF Board decided to approve a conservative adjustment factor equal to half of the estimated discount factor, because there is no adequate experience data under this new pricing mandate. For the September 30, 2007, valuation, the assumed value of applying federal ceiling prices on retail brand prescriptions was represented by an 11.6% discount on all purchased care (retail plus mail order) drug claims paid by the MERHCF.

### Direct Care Starting Costs

Direct care benefit CVs are developed from workload units rather than claim costs (workload for prescription drugs is measured by ingredient cost). Workloads are converted to costs when the model performs the "true-up" to 2007 aggregate claim levels. Unlike PC CVs, the DC CVs have no loads applied for administration costs, since the DC true-up values already include the applicable overhead costs.

DC CVs for the September 30, 2007, valuation were developed by blending detail data from 2005 – 2007 fiscal years. Before blending, the claims in each age cell for 2005 and 2007 were brought to 2006 claim levels by multiplying each element by the following ratio:

Adjustment to 2005 workloads before blending:

$$\frac{[2006 \text{ weighted average workload per 2006 sponsor}]}{[2005 \text{ weighted average workload per 2005 sponsor}]}$$

Adjustment to 2007 workload cells before blending:

$$\frac{[2006 \text{ weighted average workload per 2006 sponsor}]}{[2007 \text{ weighted average workload per 2007 sponsor}]}$$

The preliminary 2007 CVs (i.e., those based on the raw 2005 - 2007 detailed workload data) were smoothed (with a combination of formulaic and manual methods).

Next, the IP, OP and Rx CVs were adjusted to reflect aggregate 2007 incurred direct care claims levels for IP, OP and Rx benefits, respectively. Estimates of 2007 incurred DC claims were provided by Health Affairs in their annual "level of effort" (LOE) analysis of Military Treatment Facilities. The LOE values are shown in Table E2.

Adjustment for Ultimate Plan Participation

As described in Appendix F (Participation Rates), the DC CVs are adjusted to reflect the ultimate level of plan participation. Therefore, it is necessary to back out this adjustment in years prior to 2021 (when ultimate participation is assumed to be reached).

For each year prior to 2021, the DC cash flow generated by the valuation model is also adjusted to back out the difference between full participation levels and the assumed level of plan participation in each year.

TABLE E2  
FY 2007 DIRECT CARE COSTS – MERHCF  
(millions)

Inpatient	\$452
Outpatient	\$481
<u>Pharmacy</u>	<u>\$688</u>
Total	\$1,621

Table E3 contains the 60 PC and DC CVs, in abbreviated form (quinquennial ages).

**U.S. Family Health Plan (USFHP) Starting Costs**

Approximately 1.82% of the MERHCF-eligible population enrolls in a USFHP plan. Average costs for USFHP enrollees' are higher than costs for other enrollees because USFHP benefits are richer, and because enrollees' costs are not offset first by Medicare and other health insurance (USFHP is primary payer). In addition, the negotiated provider and facility discounts may not be as favorable as Medicare allowable charges (which define TRICARE's allowable charges).

Effective for the September 30, 2007, valuation, the MERHCF Board approved a new method of incorporating the cost of USFHP premiums in the valuation. Previously, USFHP aggregate incurred premiums were applied to the purchased care CVs in the form of a load. OACT produced USFHP HMO premium vectors, or HVs, based on the average family premium per retired sponsor enrolled in USFHP. The HVs were produced by determining the average premium per retired sponsor and family members who are Medicare-eligible, and the average premium per survivor who is Medicare-eligible. Actual monthly premiums for each of the six USFHP HMOs were weighted by monthly USFHP enrollment of retired members eligible for Medicare to compute average premiums by age and gender. The smoothing techniques that were used to develop the CVs were also used to develop the HVs. Since the USFHP premium is all inclusive (all benefits), only 10 HVs were produced—one for each population subcategory.

#### Administrative Costs

Most of the administration costs for the USFHP HMOs are incorporated in the premiums. There is a small, additional administrative cost associated with enrollment administration and premium consolidation. For the September 30, 2007 valuation, the MERHCF Board approved an administration cost load of 0.45% for the USFHP HVs.

The valuation is run with the HVs and their assumed trend rates, assuming all retirees receive USFHP. The results are then weighted by USFHP enrollment and added to the valuation results based on PC and DC costs.

Table E4 contains the 10 USFHP HVs, in abbreviated form (quinquennial ages).

TABLE E3  
2007 MERHCF CLAIM VECTORS

Age	Direct Care									
	Inpatient Retiree Active Duty Nondisabled Enlisted	Inpatient Retiree Active Duty Nondisabled Officer	Inpatient Retiree Active Duty Disabled Enlisted	Inpatient Retiree Active Duty Disabled Officer	Inpatient Retiree Reserve Nondisabled Enlisted	Inpatient Retiree Reserve Nondisabled Officer	Inpatient Survivor Active Duty Enlisted	Inpatient Survivor Active Duty Officer	Inpatient Survivor Reserve Enlisted	Inpatient Survivor Reserve Officer
20	\$21.64	\$0.00	\$17.29	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
25	\$21.64	\$0.00	\$31.26	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
30	\$21.64	\$0.00	\$47.48	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
35	\$21.64	\$0.00	\$63.37	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
40	\$3.53	\$6.63	\$76.33	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
45	\$8.98	\$8.16	\$84.68	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
50	\$18.95	\$10.55	\$88.78	\$129.18	\$0.00	\$0.00	\$11.75	\$9.02	\$5.88	\$0.00
55	\$35.70	\$14.11	\$92.25	\$129.18	\$0.00	\$0.00	\$21.73	\$9.02	\$5.88	\$0.00
60	\$62.15	\$19.22	\$103.28	\$129.18	\$1.58	\$0.51	\$46.49	\$9.02	\$5.88	\$0.00
65	\$144.38	\$62.26	\$203.46	\$241.42	\$20.43	\$21.52	\$85.72	\$24.93	\$5.88	\$0.00
70	\$385.37	\$298.70	\$395.02	\$377.17	\$45.77	\$44.24	\$129.00	\$88.31	\$5.88	\$1.71
75	\$472.89	\$387.37	\$376.84	\$508.15	\$70.22	\$61.25	\$168.05	\$122.86	\$26.34	\$38.67
80	\$533.64	\$480.93	\$501.59	\$499.48	\$93.87	\$89.66	\$196.21	\$141.72	\$26.34	\$38.67
85	\$602.58	\$581.10	\$730.78	\$499.48	\$116.80	\$109.78	\$216.65	\$155.69	\$26.34	\$38.67
90	\$646.99	\$692.48	\$756.87	\$499.48	\$116.13	\$130.45	\$216.65	\$173.71	\$26.34	\$38.67
95	\$410.62	\$692.48	\$48.38	\$499.48	\$116.13	\$196.15	\$216.65	\$203.30	\$94.71	\$46.33
100	\$410.62	\$692.48	\$48.38	\$499.48	\$116.13	\$196.15	\$216.65	\$221.71	\$94.71	\$46.33
105	\$410.62	\$692.48	\$48.38	\$499.48	\$116.13	\$196.15	\$216.65	\$221.71	\$94.71	\$46.33
110	\$410.62	\$692.48	\$48.38	\$499.48	\$116.13	\$196.15	\$216.65	\$221.71	\$94.71	\$46.33
115	\$410.62	\$692.48	\$48.38	\$499.48	\$116.13	\$196.15	\$216.65	\$221.71	\$94.71	\$46.33

TABLE E3 (continued)  
2007 MERHCF CLAIM VECTORS

Age	Direct Care									
	Outpatient Retiree Active Duty Nondisabled Enlisted	Outpatient Retiree Active Duty Nondisabled Officer	Outpatient Retiree Active Duty Disabled Enlisted	Outpatient Retiree Active Duty Disabled Officer	Outpatient Retiree Reserve Nondisabled Enlisted	Outpatient Retiree Reserve Nondisabled Officer	Outpatient Survivor Active Duty Enlisted	Outpatient Survivor Active Duty Officer	Outpatient Survivor Reserve Enlisted	Outpatient Survivor Reserve Officer
20	\$10.52	\$0.00	\$25.11	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
25	\$10.52	\$0.00	\$28.54	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
30	\$10.52	\$0.00	\$41.49	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
35	\$10.52	\$0.00	\$63.76	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
40	\$10.67	\$3.70	\$87.85	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
45	\$14.94	\$6.67	\$102.33	\$110.67	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
50	\$23.38	\$11.29	\$98.68	\$176.02	\$0.00	\$0.00	\$15.12	\$24.99	\$0.00	\$0.00
55	\$39.40	\$18.18	\$81.28	\$176.02	\$0.00	\$0.00	\$20.57	\$24.99	\$0.00	\$0.00
60	\$67.91	\$28.09	\$80.05	\$176.02	\$2.24	\$4.42	\$71.42	\$24.99	\$8.70	\$6.23
65	\$169.93	\$123.49	\$222.03	\$185.96	\$21.80	\$21.74	\$119.07	\$64.16	\$8.70	\$6.23
70	\$445.33	\$476.32	\$352.55	\$588.95	\$70.37	\$91.67	\$157.20	\$152.18	\$11.41	\$15.02
75	\$483.19	\$541.92	\$328.97	\$558.95	\$93.78	\$101.63	\$181.06	\$176.99	\$29.63	\$32.77
80	\$473.33	\$569.28	\$367.31	\$481.98	\$108.40	\$142.42	\$188.96	\$170.80	\$29.63	\$32.77
85	\$445.65	\$561.93	\$496.72	\$420.13	\$105.72	\$130.01	\$183.87	\$158.93	\$29.63	\$32.77
90	\$425.01	\$522.89	\$530.47	\$372.82	\$105.72	\$124.58	\$172.75	\$150.16	\$29.63	\$32.77
95	\$308.32	\$345.00	\$115.93	\$345.49	\$105.72	\$132.37	\$172.75	\$150.16	\$62.12	\$42.21
100	\$308.32	\$345.00	\$115.93	\$345.49	\$105.72	\$132.37	\$172.75	\$150.16	\$62.12	\$42.21
105	\$308.32	\$345.00	\$115.93	\$345.49	\$105.72	\$132.37	\$172.75	\$150.16	\$62.12	\$42.21
110	\$308.32	\$345.00	\$115.93	\$345.49	\$105.72	\$132.37	\$172.75	\$150.16	\$62.12	\$42.21
115	\$308.32	\$345.00	\$115.93	\$345.49	\$105.72	\$132.37	\$172.75	\$150.16	\$62.12	\$42.21



TABLE E3 (continued)  
2007 MERHCF CLAIM VECTORS

Age	Direct Care									
	Drugs Retiree Active Duty Nondisabled Enlisted	Drugs Retiree Active Duty Nondisabled Officer	Drugs Retiree Active Duty Disabled Enlisted	Drugs Retiree Active Duty Disabled Officer	Drugs Retiree Reserve Nondisabled Enlisted	Drugs Retiree Reserve Nondisabled Officer	Drugs Survivor Active Duty Enlisted	Drugs Survivor Active Duty Officer	Drugs Survivor Reserve Enlisted	Drugs Survivor Reserve Officer
20	\$22.39	\$0.00	\$0.55	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
25	\$22.39	\$0.00	\$3.33	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
30	\$22.39	\$0.00	\$16.25	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
35	\$22.39	\$0.00	\$58.59	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
40	\$7.99	\$9.77	\$104.65	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
45	\$14.64	\$10.49	\$128.31	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
50	\$24.32	\$12.43	\$117.41	\$150.44	\$0.00	\$0.00	\$21.27	\$11.93	\$7.60	\$36.66
55	\$43.99	\$18.38	\$85.59	\$150.44	\$0.00	\$0.00	\$21.66	\$11.93	\$7.60	\$36.66
60	\$87.28	\$32.89	\$83.68	\$150.44	\$10.53	\$15.54	\$96.29	\$13.35	\$7.60	\$36.66
65	\$220.12	\$122.06	\$188.71	\$150.44	\$78.99	\$53.44	\$184.82	\$122.45	\$31.95	\$36.66
70	\$703.17	\$594.44	\$484.65	\$683.34	\$349.95	\$305.39	\$256.43	\$216.33	\$109.12	\$89.09
75	\$768.38	\$705.36	\$452.90	\$733.70	\$426.32	\$388.08	\$300.50	\$262.29	\$162.53	\$122.43
80	\$694.88	\$705.95	\$444.58	\$593.07	\$396.01	\$396.40	\$310.90	\$264.73	\$166.77	\$125.04
85	\$548.92	\$617.41	\$498.52	\$425.52	\$296.60	\$326.32	\$288.73	\$235.10	\$134.67	\$112.76
90	\$385.59	\$463.23	\$442.08	\$322.72	\$167.75	\$214.75	\$245.34	\$192.21	\$121.24	\$98.74
95	\$199.18	\$268.79	\$57.25	\$285.10	\$167.75	\$137.41	\$205.60	\$152.39	\$121.24	\$94.03
100	\$199.18	\$76.86	\$57.25	\$285.10	\$167.75	\$124.91	\$168.68	\$152.39	\$121.24	\$94.09
105	\$199.18	\$76.86	\$57.25	\$285.10	\$167.75	\$124.91	\$158.42	\$152.39	\$121.24	\$94.09
110	\$199.18	\$76.86	\$57.25	\$285.10	\$167.75	\$124.91	\$158.42	\$152.39	\$121.24	\$94.09
115	\$199.18	\$76.86	\$57.25	\$285.10	\$167.75	\$124.91	\$158.42	\$152.39	\$121.24	\$94.09

TABLE E3 (continued)  
2007 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Inpatient Retiree Active Duty Nondisabled Enlisted	Inpatient Retiree Active Duty Nondisabled Officer	Inpatient Retiree Active Duty Disabled Enlisted	Inpatient Retiree Active Duty Disabled Officer	Inpatient Retiree Reserve Nondisabled Enlisted	Inpatient Retiree Reserve Nondisabled Officer	Inpatient Survivor Active Duty Enlisted	Inpatient Survivor Active Duty Officer	Inpatient Survivor Reserve Enlisted	Inpatient Survivor Reserve Officer
20	\$0.86	\$0.00	\$23.56	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
25	\$0.86	\$0.00	\$40.35	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
30	\$0.86	\$0.00	\$57.34	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
35	\$0.86	\$0.00	\$70.48	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
40	\$8.67	\$1.98	\$76.85	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
45	\$9.12	\$3.56	\$76.64	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
50	\$13.37	\$6.03	\$75.38	\$72.01	\$0.00	\$0.00	\$18.29	\$13.26	\$20.98	\$49.83
55	\$27.19	\$9.72	\$86.44	\$72.01	\$0.00	\$0.00	\$60.59	\$13.26	\$20.98	\$49.83
60	\$59.61	\$15.02	\$133.59	\$72.01	\$30.42	\$9.51	\$80.98	\$38.51	\$20.98	\$26.28
65	\$127.09	\$56.62	\$324.72	\$254.23	\$106.62	\$33.02	\$151.34	\$137.91	\$97.69	\$48.90
70	\$422.91	\$292.57	\$519.23	\$427.25	\$311.40	\$250.62	\$251.05	\$233.56	\$170.33	\$94.20
75	\$599.01	\$483.16	\$645.27	\$638.33	\$454.51	\$401.83	\$357.30	\$325.85	\$251.11	\$163.39
80	\$777.85	\$708.57	\$799.21	\$890.58	\$600.74	\$548.07	\$452.08	\$415.11	\$330.77	\$252.75
85	\$934.77	\$926.68	\$1,057.12	\$1,187.09	\$811.61	\$711.48	\$530.38	\$501.62	\$395.51	\$351.72
90	\$1,035.40	\$1,096.77	\$1,057.12	\$1,530.92	\$1,085.67	\$846.92	\$609.58	\$585.63	\$485.43	\$441.00
95	\$1,034.26	\$1,248.40	\$1,057.12	\$1,679.22	\$1,085.67	\$921.68	\$653.41	\$667.33	\$485.43	\$490.43
100	\$805.14	\$1,248.40	\$1,057.12	\$1,679.22	\$1,085.67	\$921.68	\$653.41	\$746.90	\$485.43	\$456.73
105	\$805.14	\$1,248.40	\$1,057.12	\$1,679.22	\$1,085.67	\$921.68	\$653.41	\$775.33	\$485.43	\$387.52
110	\$805.14	\$1,248.40	\$1,057.12	\$1,679.22	\$1,085.67	\$921.68	\$653.41	\$775.33	\$485.43	\$387.52
115	\$805.14	\$1,248.40	\$1,057.12	\$1,679.22	\$1,085.67	\$921.68	\$653.41	\$775.33	\$485.43	\$387.52

TABLE E3 (continued)  
2007 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Outpatient Retiree Active Duty Nondisabled Enlisted	Outpatient Retiree Active Duty Nondisabled Officer	Outpatient Retiree Active Duty Disabled Enlisted	Outpatient Retiree Active Duty Disabled Officer	Outpatient Retiree Reserve Nondisabled Enlisted	Outpatient Retiree Reserve Nondisabled Officer	Outpatient Survivor Active Duty Enlisted	Outpatient Survivor Active Duty Officer	Outpatient Survivor Reserve Enlisted	Outpatient Survivor Reserve Officer
20	\$27.57	\$0.00	\$121.69	\$245.27	\$0.00	\$0.00	\$22.55	\$75.06	\$82.67	\$74.99
25	\$27.57	\$0.00	\$120.96	\$245.27	\$0.00	\$0.00	\$22.55	\$75.06	\$82.67	\$74.99
30	\$27.57	\$0.00	\$130.69	\$245.27	\$0.00	\$0.00	\$22.55	\$75.06	\$82.67	\$74.99
35	\$27.57	\$0.00	\$162.17	\$245.27	\$0.00	\$0.00	\$22.55	\$75.06	\$82.67	\$74.99
40	\$18.93	\$13.96	\$211.22	\$245.27	\$0.00	\$0.00	\$22.55	\$75.06	\$82.67	\$74.99
45	\$26.34	\$10.96	\$261.06	\$245.27	\$0.00	\$0.00	\$27.02	\$75.06	\$82.67	\$74.99
50	\$50.23	\$19.23	\$293.18	\$245.27	\$0.00	\$0.00	\$38.22	\$75.06	\$82.67	\$74.99
55	\$87.64	\$39.36	\$305.37	\$245.27	\$0.00	\$0.00	\$116.42	\$75.06	\$82.67	\$74.99
60	\$169.43	\$71.94	\$336.14	\$245.27	\$108.42	\$51.95	\$311.25	\$75.06	\$82.67	\$74.99
65	\$465.85	\$289.00	\$654.14	\$491.87	\$315.04	\$191.91	\$513.31	\$340.77	\$259.30	\$298.99
70	\$1,583.92	\$1,570.97	\$1,404.07	\$1,856.74	\$1,248.37	\$1,248.99	\$700.73	\$657.15	\$586.55	\$527.90
75	\$1,880.80	\$2,049.78	\$1,541.46	\$2,235.22	\$1,527.01	\$1,652.14	\$851.39	\$914.22	\$760.76	\$685.73
80	\$1,902.33	\$2,256.42	\$1,587.10	\$2,218.03	\$1,547.80	\$1,813.08	\$945.74	\$1,048.74	\$808.78	\$779.48
85	\$1,714.88	\$2,202.73	\$1,606.12	\$1,980.05	\$1,393.41	\$1,748.56	\$970.06	\$1,058.49	\$768.51	\$815.06
90	\$1,374.02	\$1,923.16	\$1,357.94	\$1,674.88	\$1,132.78	\$1,512.64	\$920.08	\$986.79	\$689.36	\$797.55
95	\$926.64	\$1,477.68	\$452.29	\$1,438.89	\$500.72	\$1,202.82	\$804.84	\$911.25	\$628.59	\$731.31
100	\$195.39	\$954.77	\$452.29	\$1,222.07	\$500.72	\$966.28	\$668.25	\$864.86	\$628.59	\$620.13
105	\$195.39	\$477.74	\$452.29	\$1,222.07	\$500.72	\$862.40	\$668.25	\$864.86	\$628.59	\$566.32
110	\$195.39	\$477.74	\$452.29	\$1,222.07	\$500.72	\$862.40	\$668.25	\$864.86	\$628.59	\$566.32
115	\$195.39	\$477.74	\$452.29	\$1,222.07	\$500.72	\$862.40	\$668.25	\$864.86	\$628.59	\$566.32

TABLE E3 (continued)  
2007 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Drugs Retiree Active Duty Nondisabled Enlisted	Drugs Retiree Active Duty Nondisabled Officer	Drugs Retiree Active Duty Disabled Enlisted	Drugs Retiree Active Duty Disabled Officer	Drugs Retiree Reserve Nondisabled Enlisted	Drugs Retiree Reserve Nondisabled Officer	Drugs Survivor Active Duty Enlisted	Drugs Survivor Active Duty Officer	Drugs Survivor Reserve Enlisted	Drugs Survivor Reserve Officer
20	\$32.90	\$0.00	\$18.51	\$315.94	\$0.00	\$0.00	\$48.08	\$97.07	\$241.64	\$184.05
25	\$32.90	\$0.00	\$71.22	\$315.94	\$0.00	\$0.00	\$48.08	\$97.07	\$241.64	\$184.05
30	\$32.90	\$0.00	\$150.80	\$315.94	\$0.00	\$0.00	\$48.08	\$97.07	\$241.64	\$184.05
35	\$32.90	\$0.00	\$245.49	\$315.94	\$0.00	\$0.00	\$48.08	\$97.07	\$241.64	\$184.05
40	\$35.17	\$102.97	\$337.57	\$315.94	\$0.00	\$0.00	\$48.08	\$97.07	\$241.64	\$184.05
45	\$59.36	\$29.06	\$409.44	\$315.94	\$0.00	\$0.00	\$49.51	\$97.07	\$241.64	\$184.05
50	\$91.97	\$43.76	\$451.49	\$630.53	\$0.00	\$0.00	\$53.07	\$97.07	\$241.64	\$184.05
55	\$154.41	\$78.92	\$471.71	\$630.53	\$0.00	\$0.00	\$142.88	\$97.07	\$241.64	\$184.05
60	\$289.81	\$137.06	\$506.62	\$630.53	\$115.84	\$110.10	\$427.13	\$176.48	\$241.64	\$184.05
65	\$637.74	\$444.27	\$759.06	\$831.06	\$523.78	\$377.58	\$802.59	\$627.31	\$535.65	\$458.41
70	\$2,198.80	\$2,393.50	\$1,974.35	\$2,781.63	\$2,110.62	\$2,163.15	\$1,175.01	\$1,164.00	\$1,133.07	\$1,075.26
75	\$2,531.57	\$2,985.79	\$2,075.18	\$3,248.67	\$2,470.54	\$2,685.17	\$1,470.43	\$1,609.99	\$1,483.61	\$1,453.34
80	\$2,481.42	\$3,183.48	\$1,989.64	\$3,165.44	\$2,407.96	\$2,826.00	\$1,639.78	\$1,876.66	\$1,609.41	\$1,647.91
85	\$2,211.08	\$3,086.92	\$1,995.59	\$2,917.84	\$2,141.55	\$2,740.43	\$1,662.38	\$1,949.09	\$1,559.78	\$1,704.76
90	\$1,855.98	\$2,780.06	\$1,839.80	\$2,598.38	\$1,853.00	\$2,493.21	\$1,548.82	\$1,875.03	\$1,413.45	\$1,662.19
95	\$1,529.77	\$2,333.69	\$819.27	\$2,069.41	\$959.85	\$2,078.37	\$1,343.11	\$1,756.19	\$1,280.81	\$1,552.52
100	\$750.91	\$1,808.04	\$819.27	\$1,881.60	\$959.85	\$1,433.70	\$1,124.48	\$1,611.46	\$1,306.13	\$1,403.24
105	\$750.91	\$1,114.18	\$819.27	\$1,881.60	\$959.85	\$1,086.11	\$1,112.17	\$1,611.46	\$1,277.14	\$1,237.90
110	\$750.91	\$1,114.18	\$819.27	\$1,881.60	\$959.85	\$1,086.11	\$1,099.86	\$1,611.46	\$1,277.14	\$886.88
115	\$750.91	\$1,114.18	\$819.27	\$1,881.60	\$959.85	\$1,086.11	\$1,097.40	\$1,611.46	\$1,277.14	\$886.88

TABLE E4  
MERHCF USFHP HMO VECTORS

Age	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled Enlisted	Active Duty Nondisabled Officer	Active Duty Disabled Enlisted	Active Duty Disabled Officer	Active Duty Nondisabled Enlisted	Reserve Nondisabled Officer	Active Duty Enlisted	Active Duty Officer	Reserve Enlisted	Reserve Officer
20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$933.62	\$0.00	\$0.00	\$0.00	\$0.00
30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,309.11	\$0.00	\$0.00	\$0.00	\$0.00
35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,581.74	\$0.00	\$0.00	\$0.00	\$0.00
40	\$19.51	\$0.00	\$0.00	\$0.00	\$0.00	\$1,688.54	\$0.00	\$0.00	\$0.00	\$0.00
45	\$19.51	\$95.31	\$0.00	\$0.00	\$0.00	\$1,648.99	\$1,186.34	\$0.00	\$0.00	\$0.00
50	\$177.04	\$95.31	\$0.00	\$0.00	\$0.00	\$1,621.17	\$1,543.85	\$735.11	\$0.00	\$0.00
55	\$485.13	\$95.31	\$0.00	\$0.00	\$0.00	\$1,962.89	\$1,959.23	\$735.11	\$176.19	\$0.00
60	\$1,045.15	\$531.18	\$200.07	\$112.40	\$0.00	\$3,297.20	\$2,435.33	\$1,722.24	\$499.72	\$0.00
65	\$5,752.38	\$4,737.22	\$4,899.58	\$4,409.74	\$0.00	\$9,738.09	\$4,104.43	\$4,823.28	\$4,281.91	\$3,222.65
70	\$21,560.21	\$22,227.37	\$20,645.11	\$21,079.75	\$0.00	\$21,671.55	\$19,960.78	\$8,305.03	\$8,576.24	\$8,147.32
75	\$27,102.78	\$28,539.23	\$26,000.87	\$26,543.30	\$0.00	\$27,314.63	\$26,571.74	\$11,629.10	\$12,316.95	\$11,869.64
80	\$29,081.41	\$30,986.77	\$28,097.45	\$28,715.85	\$0.00	\$30,221.00	\$29,566.10	\$14,361.94	\$14,935.64	\$14,508.02
85	\$29,007.56	\$30,746.91	\$28,713.39	\$29,770.79	\$0.00	\$30,643.59	\$29,278.09	\$16,150.67	\$16,280.39	\$16,162.66
90	\$28,314.62	\$30,746.91	\$28,594.32	\$29,267.97	\$0.00	\$30,568.99	\$25,993.47	\$16,705.49	\$16,553.30	\$16,647.75
95	\$28,314.62	\$30,746.91	\$28,594.32	\$20,065.72	\$0.00	\$30,568.99	\$26,227.01	\$15,786.55	\$16,261.29	\$16,647.75
100	\$28,314.62	\$30,746.91	\$28,594.32	\$20,065.72	\$0.00	\$30,568.99	\$26,227.01	\$14,575.69	\$16,176.62	\$16,647.75
105	\$28,314.62	\$30,746.91	\$28,594.32	\$20,065.72	\$0.00	\$30,568.99	\$26,227.01	\$14,575.69	\$16,339.47	\$16,647.75
110	\$28,314.62	\$30,746.91	\$28,594.32	\$20,065.72	\$0.00	\$30,568.99	\$26,227.01	\$14,575.69	\$16,339.47	\$16,647.75
115	\$28,314.62	\$30,746.91	\$28,594.32	\$20,065.72	\$0.00	\$30,568.99	\$26,227.01	\$14,575.69	\$16,339.47	\$16,647.75



APPENDIX F

PLAN PARTICIPATION RATES

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## Plan Participation Rates

Normally, medical plan management and administration includes an annual plan election to enroll members in coverage. Annual enrollments serve many purposes, including updating member eligibility and key demographic information (including dependents), determining enrollment for billing purposes, and communicating important plan information to members. When TRICARE for Life (TFL) was introduced without a contribution requirement, military retirees were supplied with educational communications and an invitation to use the plan. Participation was voluntary and there was no need to enroll in the plan. To date, there has been no enrollment in TFL. Only retirees who participate in TRICARE Prime or USFHP must enroll. However, once a retiree turns age 65 (and becomes eligible for Medicare), TRICARE Prime is no longer available, and only a small percentage sign up for USFHP (less than 2%). Therefore, the bulk of Medicare-eligible retirees are given free coverage in TFL, and it is up to the retiree and survivors to update their information in the Defense Eligibility and Enrollment System (DEERS).

Analysis of per capita claims and utilization within both the Direct Care (DC) and Purchased Care (PC) environments indicates that TFL's current utilization levels generally fall below expected utilization levels for similar populations. One reason for the lower utilization is other health insurance (OHI). Without an annual enrollment, retirees don't have an opportunity to either elect or opt out of TFL. It's possible that some retirees prefer health insurance from another former employer or from a spouse's (former) employer.

In the case of TFL, the denominator of a per capita rate is the eligible population, not the enrolled population. As more claims are filed with TFL from members with other health plans, the per capita rate goes up even if the population doesn't change and even if the new users of TFL are healthier and incurs lower average costs.

There is a common belief within DoD Health Affairs, OACT, and the MERHCF Board that eligible retirees will migrate away from their other coverage and use the TRICARE and TFL programs more exclusively over time. This belief is based on the following:

- Reduction in alternative, viable sources of medical coverage (employers restricting or terminating eligibility and/or subsidy)
- Military retirees will learn of the TRICARE and TFL programs' great value
- Over time, military families will "grow up" with a greater awareness of the significance TRICARE and TFL play in financial well-being during retirement (similar to an awareness of Medicare)
- Annual surveys of military personnel and retirees have shown a decline in both the percentage of military retirees who are offered OHI and the percentage of those military retirees offered OHI who elect OHI coverage.

At the same time, analysis of DC plan utilization indicates a decline in use of Military Treatment Facilities (MTFs). It makes sense that Medicare eligible retirees are using MTF services less, since they are seen at MTFs on a space available basis, and they may no longer want to pay for the extra gas to drive to an MTF. The decline in DC utilization can also help explain the higher utilization trends in PC (due to a change in venue). OACT needs to reflect this decline in DC



usage in order to avoid an overstatement of plan cost. Similarly, OACT needs to reflect the shift to PC appropriately.

Participation rates were created to account for the two phenomena that are somewhat unique to TRICARE and TFL: existing eligible members trading other health insurance for TFL, and the shift of medical services away from DC and into PC. OACT did not want to incorporate the impact of these events into the medical trend rates so that the MERHCF trend rates would remain comparable to other medical trends (for benchmarking purposes).

### **Development of Participation Rates**

Combined participation rates (PC and DC) were determined after analyzing two data sources:

- TRICARE user rate and utilization data (compared to a benchmark database, adjusted for demographic differences)
  - Percent of members who file a claim (separate for IP, OP, Rx)
  - Average utilization of services (separate for IP, OP, Rx)
- Tabulated survey responses contained in TMA's annual survey data. The survey included questions related to other health insurance (OHI).

These combined participation rates were graded to ultimate assumed participation rates over 15 years, beginning with the September 30, 2006, valuation (previously, participation rates were used over a shorter time horizon). The MERHCF Board decided to reduce the select period of the participation rates so that the participation rates disappear after 15 years.

OACT set ultimate plan participation at 90% for the eligible MERHCF population (combined DC and PC), which means there is an expectation that 10% of the Medicare eligible retirees will continue to retain other health insurance in the long run. This assumption is based on the fact that there are few opportunities to obtain free Medicare supplement coverage besides TFL, but that there will always be some members who prefer to buy other coverage to help defray the out-of-pocket costs of TFL (up to \$3,000 per year).

The initial total participation rates were developed by adding together two components:

- Full participation, measured as one minus the assumed percentage of retirees with OHI
- Partial participation by the retirees who have OHI, measured by estimating the adjusted plan value of TFL after the OHI pays first

Next, the overall participation rates were normalized so that the ultimate participation rate is 100%. Therefore, in determining the starting rates of plan participation for DC and PC, initial DC participation is greater than 100% (since it is declining), and initial PC participation rate is less than 100% (since it is increasing).

For each benefit component (IP, OP, Rx), PC participation rates were derived from the following formula that sets PC per capita claims costs (at the ultimate participation level) equal to Total per capita claims cost (at the ultimate participation level) minus DC per capita claims cost (at the ultimate participation level):

$PC\$ / PCP = (T\$ / TP) - (DC\$ / DCP)$ , where

PC\$ = Purchased Care per capita claims cost (including costs absorbed by Medicare)

PCP = initial Purchased Care participation rate (the variable to solve for)

T\$ = total (Purchased + Direct Care) per capita claims cost (including costs absorbed by Medicare)

TP = total (Purchased + Direct Care) initial participation rate

DC\$ = Direct Care per capita claims cost

DCP = initial Direct Care participation rate

### **Application of Participation Rates**

The claim vectors are adjusted by dividing each average cost in each PC and DC CV by the valuation year's participation rate for the respective benefit (IP, OP, Rx). This adjustment converts current costs to what they would be at ultimate participation levels. For each year prior to 2021, the purchased care cash flow generated by the valuation model is also adjusted to back out the difference between full participation levels and the assumed level of plan participation in each year. The cash flow adjustment for each year prior to 2021 is achieved by multiplying by:

$P(n, x, y)$ , where

$P(n, x, y)$  = participation rate in year  $n$  for benefit  $x$  and place of service  $y$

$x$  = IP, OP, or Rx

$y$  = DC or PC

$n$  = future year between valuation year and 2021

Participation rates are not applied to USFHP HMO vectors (HVs). Since members must enroll in USFHP, enrollment has remained steady since the inception of TFL, and the plan is insured (detailed claims are unavailable), there is no evidence that members are changing their participation patterns.

TABLE F1

MERHCF PLAN PARTICIPATION RATES

<b>FY</b>	<b>DC IP</b>	<b>DC OP</b>	<b>DC Rx</b>	<b>PC IP</b>	<b>PC OP</b>	<b>PC Rx</b>
2007	1.093	1.093	1.047	0.900	0.900	0.890
2008	1.087	1.087	1.043	0.910	0.910	0.901
2009	1.080	1.080	1.040	0.920	0.920	0.911
2010	1.073	1.073	1.037	0.929	0.929	0.921
2011	1.067	1.067	1.033	0.937	0.937	0.931
2012	1.060	1.060	1.030	0.946	0.946	0.940
2013	1.053	1.053	1.027	0.953	0.953	0.948
2014	1.047	1.047	1.023	0.961	0.961	0.957
2015	1.040	1.040	1.020	0.968	0.968	0.964
2016	1.033	1.033	1.017	0.975	0.975	0.972
2017	1.027	1.027	1.013	0.981	0.981	0.979
2018	1.020	1.020	1.010	0.986	0.986	0.985
2019	1.013	1.013	1.007	0.991	0.991	0.990
2020	1.007	1.007	1.003	0.996	0.996	0.995
2021	1.000	1.000	1.000	1.000	1.000	1.000
2022	1.000	1.000	1.000	1.000	1.000	1.000



## APPENDIX G

### ACTIVE DUTY RATES

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## ACTIVE DUTY RATES

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 and a set of reentrant ratios.

The active duty rates of decrement 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 rates are given by completed years of active service for officers and enlistees separately. The formulas used to create the active duty rates are shown on page G-3. Table G1 shows the fiscal years on which various rates are based. The experience period of the rates was selected such that the net change in the active duty force size during the years covered by the period was roughly 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 broken 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 service and by officer/enlisted.

The new entrant distribution gives the percentages of new entrants to the Services by age and by officer/enlisted status.

## ACTIVE DUTY RATE FORMULAS

**WITHDRAWAL FROM ACTIVE DUTY** (by completed years of service)

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

**REENTRANT RATIOS** (by completed years of service)

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

**ACTIVE DEATH** (by age nearest birthday)

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

**NONDISABILITY RETIREMENT** (by completed years of service)

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

**TEMPORARY DISABILITY RETIREMENT** (by completed years of service)

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

**PERMANENT DISABILITY RETIREMENT** (by completed years of service)

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

**TRANSFER** (by completed years of service)

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

TABLE G1  
SUMMARY OF FISCAL YEARS ON WHICH RATES ARE BASED

<u>RATE</u>	<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	
Nondisability Retirement	X								X	X	X
Temporary Disability Retirement	X								X	X	X
Permanent Disability Retirement	X								X	X	X
Withdrawal (other losses)	X								X	X	X
Reentrant Ratios	X								X	X	X
New Entrant Distribution	X								X	X	X
Transfer	X								X	X	X



TABLE G2  
DEATH RATES FOR NONRETIRED, ACTIVE DUTY MILITARY

(Age Nearest Birthday)

<u>Age</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Age</u>	<u>Officer</u>	<u>Enlisted</u>
16	0.00030	0.00067	39	0.00037	0.00057
17	0.00033	0.00074	40	0.00037	0.00061
18	0.00035	0.00079	41	0.00038	0.00065
19	0.00036	0.00079	42	0.00038	0.00070
20	0.00038	0.00077	43	0.00040	0.00073
21	0.00040	0.00074	44	0.00043	0.00076
22	0.00041	0.00069	45	0.00047	0.00080
23	0.00049	0.00063	46	0.00052	0.00086
24	0.00055	0.00057	47	0.00057	0.00093
25	0.00059	0.00051	48	0.00062	0.00102
26	0.00061	0.00048	49	0.00068	0.00113
27	0.00061	0.00045	50	0.00073	0.00127
28	0.00059	0.00044	51	0.00079	0.00144
29	0.00057	0.00045	52	0.00085	0.00162
30	0.00054	0.00046	53	0.00091	0.00180
31	0.00050	0.00047	54	0.00097	0.00199
32	0.00047	0.00047	55	0.00108	0.00221
33	0.00044	0.00047	56	0.00121	0.00248
34	0.00043	0.00047	57	0.00137	0.00281
35	0.00042	0.00048	58	0.00155	0.00319
36	0.00039	0.00048	59	0.00176	0.00362
37	0.00039	0.00050	60	0.00200	0.00409
38	0.00038	0.00053			

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.

TABLE G3  
NONDISABILITY, TEMPORARY DISABILITY &  
PERMANENT DISABILITY RETIREMENT RATES

OFFICER (BY COMPLETED YEARS OF SERVICE)

<u>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 anywhere 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.

TABLE G4  
NONDISABILITY, TEMPORARY DISABILITY &  
PERMANENT DISABILITY RETIREMENT RATES

ENLISTED (BY COMPLETED YEARS OF SERVICE)

<u>Service</u>	<u>Non- disability</u>	<u>Temporary Disability</u>	<u>Permanent Disability</u>
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.

TABLE G5  
WITHDRAWAL, REENTRANT, AND NET LOSS RATES  
FOR ACTIVE DUTY PERSONNEL

OFFICER (BY COMPLETED YEARS OF SERVICE)

<u>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 anywhere 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.

TABLE G6  
WITHDRAWAL, REENTRANT, AND NET LOSS RATES  
FOR ACTIVE DUTY PERSONNEL

ENLISTED (BY COMPLETED YEARS OF SERVICE)

<u>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 anywhere 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.

TABLE G7  
 PERCENTAGE DISTRIBUTION OF ACTIVE DUTY NEW ENTRANTS  
 (Age Nearest Birthday)

<u>Age</u>	<u>Officer</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
	0.06928	0.93072	1.00000

TABLE G8  
TRANSFER RATES (BY COMPLETED YEARS OF SERVICE)

<u>Service</u>	<u>Officer to Enlisted</u>	<u>Enlisted to Officer</u>
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 anywhere 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.





APPENDIX H  
RESERVE RATES

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## RESERVE RATES

The reserve rates consist of (1) separation rates, (2) column-transfer rates, (3) the distribution of new entrants or reentrants into the Selected Reserve, and (4) a table that shows the timing of when new entrants or reentrants enter.

The separation rates 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 in Tables H1 and H2, include ordinary 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 a reentrance. 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 in Tables H3 and H4. Separation rates from the non-Selected Reserve with 20 good years, shown in Tables H5 and H6, include transfer to Selected Reserve, death, discharge, and file corrections and timing delays. They do not include transfer to retirement. Separations from the Selected Reserve and non-Selected Reserve with 20 good years to retirement are shown in Tables H7 and H8 (Selected Reserve) and in Tables H9 and H10 (non-Selected Reserve). 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.

Column-transfer rates 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 in Tables H11 and H12.

The separation rates are based on fiscal years 1997-2000. In most cases the separation rates are not smoothed. 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 based on fiscal years 1998-2001. They are smoothed over all ages and years of active service using weighted-least-squares regression.

The distribution of new entrants and reentrants into the Selected Reserve gives the proportion of entrants by officer/enlisted, 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 reentrant is defined as someone who was actively on the Reserve Component Common Personnel Data System file at the end of a fiscal year, but not at the beginning. The entrant/reentrant distribution was determined using fiscal years 1997-2000, and is shown in Tables H13 and H14.

The timing table has the same dimensions as the entrant/reentrant 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 timing table is based on fiscal years 1997-2000.

This table is shown in tables H15 and H16. How the table is used depends on the type of projection. Below is an explanation of its use in normal cost and closed group projections.

### NORMAL COST

For normal cost runs, part of an entering cohort first goes to active duty or a Reserve Officer Training Corps (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 distributions do 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 that have reentrants in them.

The multiplier (or radix) for a normal cost run in one sense does not matter, because the present value of benefits changes 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 radices for part-time and full-time normal costs must be synchronized, 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 synchronization 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. To do 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 amount 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.

TABLE H1  
OFFICER SELECTED RESERVE SEPARATION RATES (Non-retirement Causes) \*

Age	Completed Years Of Total Active Federal Military Service																				
	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	0.046	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	0.046	0.217	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	0.046	0.217	0.113	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	0.046	0.217	0.113	0.105	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	0.119	0.217	0.113	0.105	0.122	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	0.183	0.217	0.113	0.105	0.122	0.138	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	0.160	0.217	0.113	0.105	0.122	0.138	0.150	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	0.117	0.143	0.113	0.105	0.122	0.138	0.150	0.127	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
25	0.098	0.102	0.162	0.105	0.122	0.138	0.150	0.127	0.180	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	0.104	0.106	0.160	0.152	0.122	0.138	0.150	0.127	0.180	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	0.112	0.104	0.145	0.156	0.172	0.138	0.150	0.127	0.180	0.141	0.105	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	0.138	0.096	0.119	0.153	0.187	0.186	0.150	0.127	0.180	0.141	0.105	0.157	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	0.135	0.122	0.130	0.158	0.185	0.201	0.121	0.127	0.180	0.141	0.105	0.157	0.192	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.165	0.102	0.132	0.145	0.171	0.189	0.172	0.152	0.180	0.141	0.105	0.157	0.192	0.152	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	0.149	0.110	0.111	0.130	0.132	0.164	0.183	0.190	0.097	0.141	0.105	0.157	0.192	0.152	0.150	0.000	0.000	0.000	0.000	0.000	0.000
32	0.130	0.096	0.114	0.123	0.127	0.138	0.145	0.135	0.131	0.114	0.105	0.157	0.192	0.152	0.150	0.106	0.000	0.000	0.000	0.000	0.000
33	0.115	0.092	0.096	0.132	0.117	0.119	0.125	0.144	0.126	0.134	0.119	0.157	0.192	0.152	0.150	0.106	0.072	0.000	0.000	0.000	0.000
34	0.120	0.084	0.108	0.120	0.108	0.135	0.122	0.124	0.135	0.137	0.137	0.128	0.192	0.152	0.150	0.106	0.072	0.073	0.000	0.000	0.000
35	0.116	0.077	0.100	0.103	0.104	0.111	0.114	0.124	0.130	0.127	0.122	0.132	0.157	0.152	0.150	0.106	0.072	0.073	0.071	0.000	0.000
36	0.112	0.079	0.093	0.107	0.099	0.089	0.094	0.103	0.113	0.101	0.092	0.127	0.122	0.127	0.150	0.106	0.072	0.073	0.071	0.134	0.000
37	0.111	0.083	0.089	0.100	0.094	0.091	0.099	0.113	0.119	0.098	0.095	0.093	0.095	0.100	0.107	0.106	0.072	0.073	0.071	0.134	0.121
38	0.112	0.071	0.086	0.104	0.089	0.081	0.092	0.115	0.109	0.102	0.098	0.112	0.087	0.093	0.106	0.106	0.072	0.073	0.071	0.134	0.121
39	0.111	0.067	0.075	0.098	0.083	0.087	0.090	0.090	0.099	0.101	0.111	0.095	0.096	0.079	0.111	0.106	0.072	0.073	0.071	0.134	0.121
40	0.104	0.066	0.072	0.083	0.080	0.073	0.072	0.097	0.074	0.090	0.085	0.091	0.078	0.074	0.094	0.106	0.072	0.073	0.071	0.134	0.121
41	0.093	0.063	0.064	0.074	0.066	0.080	0.078	0.090	0.089	0.074	0.108	0.100	0.097	0.076	0.076	0.106	0.072	0.073	0.071	0.134	0.121
42	0.092	0.060	0.065	0.083	0.076	0.067	0.078	0.080	0.097	0.082	0.100	0.097	0.086	0.080	0.093	0.092	0.072	0.073	0.071	0.134	0.121
43	0.087	0.062	0.058	0.071	0.076	0.073	0.069	0.076	0.074	0.068	0.086	0.088	0.090	0.099	0.089	0.070	0.072	0.073	0.071	0.134	0.121
44	0.078	0.056	0.054	0.070	0.065	0.054	0.058	0.073	0.065	0.053	0.067	0.080	0.068	0.055	0.069	0.051	0.072	0.073	0.071	0.134	0.121
45	0.079	0.049	0.062	0.062	0.054	0.047	0.064	0.074	0.066	0.049	0.050	0.052	0.060	0.051	0.066	0.051	0.072	0.073	0.071	0.134	0.121
46	0.080	0.042	0.046	0.060	0.048	0.038	0.047	0.049	0.046	0.056	0.055	0.085	0.046	0.049	0.067	0.051	0.072	0.073	0.071	0.134	0.121
47	0.080	0.040	0.042	0.048	0.035	0.050	0.046	0.037	0.050	0.047	0.050	0.055	0.056	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
48	0.082	0.035	0.049	0.042	0.045	0.037	0.036	0.049	0.037	0.026	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
49	0.078	0.038	0.043	0.043	0.037	0.034	0.037	0.036	0.042	0.050	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
50	0.084	0.036	0.039	0.051	0.052	0.045	0.041	0.029	0.039	0.044	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
51	0.075	0.046	0.051	0.043	0.052	0.037	0.042	0.034	0.046	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
52	0.092	0.047	0.054	0.058	0.037	0.036	0.041	0.045	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
53	0.088	0.050	0.040	0.067	0.041	0.046	0.046	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
54	0.074	0.054	0.076	0.051	0.049	0.034	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
55	0.079	0.051	0.054	0.036	0.049	0.054	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
56	0.077	0.055	0.052	0.066	0.047	0.043	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
57	0.083	0.051	0.054	0.057	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
58	0.090	0.036	0.042	0.032	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
59	0.136	0.058	0.099	0.079	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
60	0.217	0.060	0.065	0.025	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
61	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106
62	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143
>62	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143

\* These rates only include separations due to: ordinary losses, transfers to active duty, discharge and death (not transfers to non-Selected Reserve with 20 good years).

TABLE H2  
ENLISTED SELECTED RESERVE SEPARATION RATES (Non-retirement Causes) \*

Age	Completed Years Of Total Active Federal Military Service																				
	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	0.142	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	0.194	0.191	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	0.213	0.224	0.246	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	0.182	0.201	0.259	0.294	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	0.173	0.193	0.231	0.241	0.282	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	0.179	0.205	0.239	0.280	0.308	0.247	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	0.235	0.240	0.259	0.285	0.324	0.275	0.241	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	0.269	0.273	0.269	0.299	0.325	0.302	0.327	0.249	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	0.280	0.277	0.305	0.325	0.330	0.340	0.363	0.329	0.361	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	0.274	0.273	0.326	0.346	0.331	0.337	0.334	0.303	0.268	0.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	0.255	0.233	0.303	0.320	0.296	0.303	0.307	0.279	0.265	0.264	0.185	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	0.226	0.205	0.266	0.278	0.261	0.280	0.282	0.274	0.257	0.227	0.245	0.296	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	0.209	0.191	0.243	0.249	0.234	0.240	0.261	0.259	0.242	0.252	0.247	0.248	0.349	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.197	0.168	0.208	0.228	0.206	0.210	0.234	0.238	0.233	0.223	0.208	0.260	0.280	0.241	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	0.176	0.150	0.187	0.196	0.186	0.188	0.207	0.207	0.196	0.214	0.201	0.208	0.232	0.214	0.107	0.000	0.000	0.000	0.000	0.000	0.000
32	0.163	0.126	0.159	0.176	0.168	0.165	0.176	0.185	0.185	0.167	0.177	0.204	0.222	0.178	0.295	0.162	0.000	0.000	0.000	0.000	0.000
33	0.149	0.115	0.145	0.155	0.148	0.148	0.160	0.176	0.154	0.152	0.156	0.193	0.199	0.197	0.242	0.152	0.283	0.000	0.000	0.000	0.000
34	0.139	0.094	0.143	0.142	0.132	0.136	0.155	0.148	0.139	0.153	0.148	0.156	0.168	0.172	0.170	0.130	0.133	0.637	0.000	0.000	0.000
35	0.126	0.086	0.137	0.124	0.118	0.121	0.121	0.138	0.121	0.138	0.132	0.138	0.140	0.166	0.162	0.138	0.219	0.159	0.133	0.000	0.000
36	0.112	0.073	0.120	0.114	0.102	0.100	0.105	0.120	0.110	0.109	0.122	0.123	0.128	0.123	0.136	0.144	0.193	0.125	0.133	0.190	0.000
37	0.111	0.074	0.110	0.109	0.095	0.086	0.096	0.100	0.095	0.100	0.112	0.116	0.108	0.113	0.139	0.133	0.183	0.127	0.133	0.190	0.174
38	0.116	0.076	0.102	0.104	0.092	0.077	0.090	0.092	0.092	0.098	0.096	0.099	0.122	0.106	0.123	0.119	0.148	0.167	0.133	0.190	0.174
39	0.115	0.078	0.086	0.099	0.084	0.072	0.086	0.094	0.090	0.094	0.102	0.099	0.100	0.110	0.119	0.122	0.132	0.138	0.133	0.190	0.174
40	0.115	0.076	0.079	0.093	0.078	0.065	0.083	0.095	0.087	0.079	0.090	0.089	0.099	0.102	0.123	0.115	0.109	0.106	0.133	0.190	0.174
41	0.117	0.068	0.077	0.085	0.074	0.065	0.071	0.089	0.083	0.085	0.084	0.090	0.094	0.082	0.112	0.108	0.110	0.127	0.133	0.190	0.174
42	0.105	0.071	0.072	0.080	0.066	0.052	0.069	0.083	0.066	0.076	0.099	0.100	0.104	0.102	0.106	0.108	0.135	0.096	0.133	0.190	0.174
43	0.104	0.064	0.067	0.072	0.063	0.048	0.067	0.063	0.070	0.074	0.075	0.084	0.104	0.100	0.111	0.095	0.081	0.096	0.133	0.190	0.174
44	0.098	0.059	0.065	0.075	0.052	0.049	0.065	0.065	0.063	0.059	0.066	0.087	0.079	0.077	0.067	0.094	0.130	0.096	0.133	0.190	0.174
45	0.082	0.052	0.055	0.071	0.059	0.045	0.050	0.071	0.057	0.058	0.070	0.065	0.096	0.107	0.094	0.077	0.094	0.096	0.133	0.190	0.174
46	0.075	0.049	0.056	0.064	0.050	0.037	0.050	0.067	0.048	0.047	0.083	0.067	0.068	0.070	0.093	0.070	0.094	0.096	0.133	0.190	0.174
47	0.074	0.048	0.045	0.057	0.047	0.034	0.055	0.048	0.040	0.052	0.047	0.085	0.062	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
48	0.079	0.046	0.050	0.052	0.045	0.024	0.054	0.049	0.039	0.060	0.059	0.060	0.063	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
49	0.068	0.043	0.051	0.051	0.039	0.030	0.034	0.035	0.033	0.050	0.055	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
50	0.074	0.050	0.047	0.054	0.039	0.020	0.046	0.054	0.056	0.045	0.060	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
51	0.076	0.047	0.046	0.053	0.038	0.022	0.032	0.044	0.047	0.045	0.066	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
52	0.067	0.045	0.053	0.048	0.039	0.019	0.047	0.041	0.037	0.044	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
53	0.066	0.050	0.047	0.047	0.037	0.023	0.035	0.043	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
54	0.068	0.047	0.047	0.049	0.040	0.018	0.037	0.046	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
55	0.061	0.047	0.052	0.043	0.048	0.022	0.038	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
56	0.070	0.055	0.055	0.047	0.048	0.027	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
57	0.081	0.054	0.055	0.057	0.045	0.024	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
58	0.049	0.028	0.047	0.054	0.038	0.033	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
59	0.124	0.124	0.113	0.126	0.118	0.082	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
60	0.126	0.067	0.062	0.065	0.059	0.029	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
61	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143
62	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151
>62	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151

\* These rates only include separations due to: ordinary losses, transfers to active duty, discharge and death (not transfers to non-Selected Reserve with 20 good years)

TABLE H3  
OFFICER SELECTED RESERVE 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	0.000	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	0.064	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	

\* These rates only include separations to non-Selected Reserve with 20 or more good years.

**TABLE H4**  
**ENLISTED SELECTED RESERVE SEPARATION RATES \***

Age	Completed Years Of Total Active Federal Military Service																				
	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

\*These rates only include separations to non-Selected Reserve with 20 or more good years.



**TABLE H5**  
**OFFICER NON-SELECTED RESERVE WITH 20 GOOD YEARS SEPARATION RATES \***

Age	Completed Years Of Total Active Federal Military Service																				
	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

\*These rates include separations from non-Selected Reserve with 20 or more good years except for retirement.

**TABLE H6**  
**ENLISTED NON-SELECTED RESERVE WITH 20 GOOD YEARS 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	0.038	0.030	0.037	0.046	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

\*These rates include separations from non-Selected Reserve with 20 or more good years except for retirement.

**TABLE H7  
OFFICER SELECTED RESERVE NON-DISABILITY RETIREMENT RATES**

Age	Completed Years Of Total Active Federal Military Service																				
	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

**TABLE H8  
ENLISTED SELECTED RESERVE NON-DISABILITY RETIREMENT RATES**

Age	Completed Years Of Total Active Federal Military Service																				
	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

**TABLE H9**  
**OFFICER NON-SELECTED RESERVE WITH 20 GOOD YEARS NON-DISABILITY RETIREMENT RATES**

Age	Completed Years Of Total Active Federal Military Service																				
	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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
>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	0.000	0.000	0.000	0.000

**TABLE H10**  
**ENLISTED NON-SELECTED RESERVE WITH 20 GOOD YEARS NON-DISABILITY RETIREMENT RATES**

Age	Completed Years Of Total Active Federal Military Service																				
	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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000
>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	0.000	0.000	0.000	0.000





TABLE H13  
OFFICER SELECTED RESERVE NEW ENTRANT RATES\*

Age	Completed Years Of Total Active Federal Military Service																				
	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	1	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	92	89	60	14	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	3	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	3	5	2	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	1
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	0	1	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
58	2	0	1	1	1	1	1	1	0	0	0	0	1	1	0	0	0	0	0	0	0
59	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0

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

TABLE H14  
ENLISTED SELECTED RESERVE NEW ENTRANT RATES \*

Age	Completed Years Of Total Active Federal Military Service																				
	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	6	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	26	24	27	12	5	3	2
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	2	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	7	4	3	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	1	1	0	0	0
58	2	1	1	3	3	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0
59	2	1	2	2	1	0	1	1	0	0	0	0	0	0	0	1	0	1	0	1	0
60	1	0	2	0	1	0	0	0	0	0	0	1	0	0	1	0	0	0	1	0	0

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



TABLE H15  
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	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	3	2	3	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	6	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	5	6	5	5	6	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	7	8	7	8	9	9	10	11	0	0	0	0	0	0	0	0	0	0
28	7	9	8	8	8	8	9	9	10	10	11	12	0	0	0	0	0	0	0	0	0
29	8	10	9	8	9	8	9	10	10	10	11	12	13	0	0	0	0	0	0	0	0
30	9	11	10	10	9	9	9	10	11	10	11	13	13	14	0	0	0	0	0	0	0
31	9	12	11	10	10	10	11	10	11	11	11	13	13	14	15	0	0	0	0	0	0
32	10	12	12	11	11	11	11	11	11	11	12	13	14	14	15	16	0	0	0	0	0
33	10	13	13	12	12	11	12	12	12	12	12	14	14	15	16	16	15	0	0	0	0
34	11	14	13	13	13	12	13	13	12	13	13	14	15	15	16	16	16	16	16	0	0
35	12	14	14	13	14	13	14	13	14	13	13	14	15	16	17	17	16	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	16	15	15	16	16	15	15	16	16	17	17	17	18	18	19	19	20
39	14	16	16	17	17	16	16	17	17	17	16	16	17	16	17	18	19	19	19	20	20
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	21	20	22	22	22	22	23	23
44	16	19	19	21	20	20	21	21	21	21	21	20	21	20	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	27	28	28
50	19	27	28	28	29	26	26	24	26	27	27	27	27	25	26	28	27	28	28	28	29
51	18	28	27	27	29	27	27	28	26	28	28	28	28	26	27	29	28	29	29	29	30
52	21	29	28	29	30	28	28	32	27	29	29	29	29	27	28	30	29	30	30	30	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
59	23	31	35	35	35	34	34	33	34	36	36	36	36	37	38	39	36	36	37	37	37
60	23	31	35	36	36	35	35	33	36	36	36	36	36	39	40	41	37	37	38	38	38

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

TABLE H16  
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	5	6	7	7	8	0	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	7	8	8	8	9	10	10	11	0	0	0	0	0	0	0	0	0	0
28	7	8	8	8	8	9	9	9	10	11	11	12	0	0	0	0	0	0	0	0	0
29	8	10	9	9	9	9	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	13	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	15	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	19	20	20	20	20	20
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	22	21	21	21
41	18	20	21	21	20	20	20	20	19	20	19	20	20	20	21	20	22	22	22	22	22
42	18	21	21	21	21	21	20	20	21	22	20	19	20	21	21	21	23	24	23	23	23
43	19	21	23	23	22	22	23	21	21	21	20	20	21	21	22	21	24	24	24	24	24
44	20	22	24	24	24	23	23	24	22	23	21	22	22	22	22	23	24	24	25	25	25
45	21	23	24	25	24	23	24	24	24	24	21	23	21	23	22	22	23	24	26	26	26
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	26	27	27	27
48	23	25	28	27	27	25	26	28	27	27	27	26	26	25	25	25	25	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	32	32	32
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	35	36	36	36
57	29	33	35	37	37	37	37	36	36	36	36	36	36	36	36	36	36	36	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
59	27	34	37	36	38	38	38	38	38	38	38	38	38	39	39	39	39	39	38	38	38
60	27	34	37	37	38	38	38	39	39	39	39	39	39	40	40	40	40	40	39	39	39

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

APPENDIX I

RETIREE AND SURVIVOR RATES

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## RETIREE AND SURVIVOR RATES

The military retiree decrement rates are used to predict death, “other” losses from retiree status, and rates of transfer from temporary disability to permanent disability. With respect to the MERHCF valuation, the “other” losses consist of returns to active duty from temporary disability (additional “other loss” categories used in the military retirement valuation are not relevant to retiree medical benefit eligibility). 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 1996 through 2005. 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. For purposes of the MERHCF valuation, paid status is not relevant. The retiree need only be eligible for retiree pay (even if fully offset) in order to have medical benefits paid from the MERHCF.

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. In a few cases, there was no follow-up record. Some of the cases represent changed or corrected Social Security numbers. Where there was a previously retired person with a new Social Security number, it was subtracted from the cases with no follow-up record. The remaining unknowns were prorated. In addition, persons who discontinued a previous waiver of DoD retired pay were subtracted from other losses. After following the above procedures, crude rates were created using the formulas given on page I-3. These were smoothed using a Whittaker-Henderson type 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 provided in Table I1.

Retiree and survivor rates are shown in Tables I2 through I7. It’s important to note that the MERHCF valuation doesn’t apply divorce rates but does apply remarriage rates. Since former spouses can continue their medical benefit eligibility even if the retiree remarries, divorce doesn’t change the benefit promise to an eligible former spouse. Remarriage rates for survivors is relevant because a survivor loses benefit eligibility upon remarriage (not included in this experience is remarriage to another military spouse). A detailed description of the benefit eligibility requirements for survivors and former spouses is contained in Appendix A.

Tables I8 and I9 contain the expected “spouse per sponsor” ratios at each sponsor age in order to properly generate a projection of surviving spouses.

## RETIREE AND SURVIVOR DECREMENT RATE FORMULAS

### **DEATH OF NONDISABILITY RETIREES** (by age nearest birthday)

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

### **DEATH OF PERMANENT DISABILITY RETIREES** (by age nearest birthday)

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

### **DEATH OF TEMPORARY DISABILITY RETIREES** (by age nearest birthday and years retired)

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

### **OTHER LOSSES FROM TEMPORARY DISABILITY** (by age nearest birthday and years retired)

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

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

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

### **REMARRIAGE OF SURVIVING SPOUSE** (by age nearest birthday)

$$\frac{\text{Surviving spouse remarriages}}{\text{Number at beginning of year}}$$

### **DEATH OF SURVIVING SPOUSE** (by age nearest birthday)

$$\frac{\text{Surviving spouse deaths}}{\text{Number at beginning of year}}$$

TABLE II  
SUMMARY OF YEARS ON WHICH RETIREE AND SURVIVOR RATES ARE BASED

Fiscal Years on Which Rates Are Based

<u>DEATH RATES</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</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>										
TD Officers					X	X	X	X	X	X
TD Enlistees					X	X	X	X	X	X
<u>TRANSFER RATES FROM</u>										
<u>TD TO PD</u>										
Officers					X	X	X	X	X	X
Enlistees					X	X	X	X	X	X
<u>SURVIVOR RATES</u>										
Remarriage					X	X	X			
Survivor Death					X	X	X			

ND = Nondisabled  
 PD = Permanently Disabled  
 TD = Temporarily Disabled

TABLE I2  
 RETIRED DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

OFFICERS

Age	Non- disability	Permanent Disability	Temporary Disability				
			Year of Retirement				
			One	Two	Three	Four	Five
16	0.00000	0.00265	0.02302	0.01162	0.00595	0.00232	0.00234
17	0.00000	0.00292	0.02145	0.01083	0.00554	0.00216	0.00218
18	0.00000	0.00312	0.01999	0.01009	0.00516	0.00201	0.00203
19	0.00000	0.00328	0.01863	0.00940	0.00481	0.00187	0.00189
20	0.00000	0.00344	0.01735	0.00876	0.00448	0.00175	0.00176
21	0.00000	0.00359	0.01621	0.00818	0.00419	0.00163	0.00165
22	0.00000	0.00377	0.01521	0.00768	0.00393	0.00153	0.00154
23	0.00000	0.00399	0.01434	0.00724	0.00370	0.00144	0.00146
24	0.00000	0.00423	0.01360	0.00687	0.00351	0.00137	0.00138
25	0.00000	0.00448	0.01302	0.00657	0.00336	0.00131	0.00132
26	0.00000	0.00472	0.01258	0.00635	0.00325	0.00127	0.00128
27	0.00000	0.00493	0.01230	0.00621	0.00318	0.00124	0.00125
28	0.00000	0.00511	0.01218	0.00615	0.00315	0.00123	0.00124
29	0.00000	0.00528	0.01223	0.00617	0.00316	0.00123	0.00124
30	0.00029	0.00544	0.01245	0.00628	0.00322	0.00125	0.00126
31	0.00030	0.00557	0.01285	0.00648	0.00332	0.00129	0.00130
32	0.00031	0.00569	0.01343	0.00678	0.00347	0.00135	0.00136
33	0.00031	0.00575	0.01420	0.00717	0.00367	0.00143	0.00144
34	0.00031	0.00576	0.01517	0.00766	0.00392	0.00153	0.00154
35	0.00031	0.00577	0.01635	0.00825	0.00422	0.00164	0.00166
36	0.00032	0.00585	0.01774	0.00895	0.00458	0.00178	0.00180
37	0.00033	0.00604	0.01935	0.00977	0.00500	0.00195	0.00197
38	0.00033	0.00604	0.02119	0.01070	0.00547	0.00213	0.00215
39	0.00035	0.00604	0.02327	0.01174	0.00601	0.00234	0.00236
40	0.00037	0.00604	0.02559	0.01291	0.00661	0.00257	0.00260
41	0.00048	0.00604	0.02816	0.01421	0.00727	0.00283	0.00286
42	0.00059	0.00604	0.03099	0.01564	0.00800	0.00312	0.00315
43	0.00066	0.00604	0.03409	0.01721	0.00881	0.00343	0.00346
44	0.00072	0.00604	0.03747	0.01891	0.00968	0.00377	0.00381
45	0.00080	0.00604	0.04113	0.02076	0.01062	0.00414	0.00418
46	0.00098	0.00604	0.04509	0.02276	0.01165	0.00453	0.00458
47	0.00105	0.00604	0.04935	0.02491	0.01275	0.00496	0.00501
48	0.00115	0.00604	0.05392	0.02722	0.01393	0.00542	0.00548
49	0.00126	0.00604	0.05882	0.02969	0.01519	0.00592	0.00597
50	0.00139	0.00629	0.06405	0.03233	0.01655	0.00644	0.00651
51	0.00154	0.00690	0.06962	0.03514	0.01798	0.00700	0.00707
52	0.00172	0.00756	0.07554	0.03813	0.01951	0.00760	0.00767
53	0.00191	0.00827	0.08182	0.04130	0.02114	0.00823	0.00831
54	0.00213	0.00904	0.08847	0.04465	0.02285	0.00890	0.00899
55	0.00238	0.00986	0.09550	0.04820	0.02467	0.00961	0.00970
56	0.00266	0.01075	0.10292	0.05195	0.02659	0.01035	0.01045
57	0.00298	0.01170	0.11074	0.05590	0.02861	0.01114	0.01125
58	0.00336	0.01272	0.11897	0.06005	0.03073	0.01197	0.01208
59	0.00379	0.01596	0.12762	0.06442	0.03297	0.01284	0.01296
60	0.00429	0.01880	0.13670	0.06900	0.03531	0.01375	0.01388
61	0.00488	0.01995	0.14623	0.07381	0.03777	0.01471	0.01485

TABLE I2 (continued)  
 RETIRED DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

OFFICER

Age	Non- disability	Permanent Disability	Temporary Disability				
			Year of Retirement				
			One	Two	Three	Four	Five
62	0.00557	0.01957	0.15642	0.07895	0.04041	0.01573	0.01589
63	0.00636	0.01862	0.16731	0.08445	0.04322	0.01683	0.01699
64	0.00728	0.01858	0.17897	0.09033	0.04623	0.01800	0.01818
65	0.00831	0.02003	0.19144	0.09663	0.04945	0.01925	0.01944
66	0.00948	0.02338					
67	0.01079	0.02727					
68	0.01224	0.03126					
69	0.01383	0.03419					
70	0.01563	0.03602					
71	0.01764	0.03814					
72	0.01987	0.04069					
73	0.02239	0.04425					
74	0.02520	0.04750					
75	0.02835	0.05026					
76	0.03193	0.05254					
77	0.03597	0.05542					
78	0.04062	0.05975					
79	0.04589	0.06538					
80	0.05184	0.07265					
81	0.05856	0.08075					
82	0.06632	0.08970					
83	0.07495	0.09953					
84	0.08481	0.11077					
85	0.09614	0.12313					
86	0.10879	0.13604					
87	0.12271	0.14878					
88	0.13827	0.16254					
89	0.15539	0.17804					
90	0.17405	0.19684					
91	0.19457	0.21905					
92	0.21653	0.24528					
93	0.24019	0.27517					
94	0.26557	0.30975					
95	0.29266	0.34818					
96	0.32143	0.39034					
97	0.35188	0.43621					
98	0.38403	0.46776					
99	0.41779	0.49911					
100	0.45329	0.53094					
101	0.49053	0.56402					
102	0.52946	0.59918					
103	0.55691	0.63923					
104	0.58602	0.66667					
105	0.61520	0.66667					
106	0.64289	0.66667					
107	0.66748	0.66667					
108	0.67190	0.66667					
109	0.67182	0.66667					
110	1.00000	1.00000					



TABLE I3  
RETIRED DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

ENLISTED

Age	Non- disability	Permanent Disability	Temporary Disability				
			Year of Retirement				
			One	Two	Three	Four	Five
16	0.00000	0.00192	0.01100	0.00566	0.00407	0.00594	0.00516
17	0.00000	0.00212	0.01025	0.00528	0.00380	0.00554	0.00481
18	0.00000	0.00226	0.00955	0.00492	0.00354	0.00516	0.00448
19	0.00000	0.00238	0.00890	0.00458	0.00330	0.00481	0.00418
20	0.00000	0.00249	0.00829	0.00427	0.00307	0.00448	0.00389
21	0.00000	0.00260	0.00775	0.00399	0.00287	0.00418	0.00363
22	0.00000	0.00273	0.00727	0.00374	0.00269	0.00392	0.00341
23	0.00000	0.00289	0.00685	0.00353	0.00254	0.00370	0.00321
24	0.00000	0.00307	0.00650	0.00335	0.00241	0.00351	0.00305
25	0.00000	0.00325	0.00622	0.00320	0.00230	0.00336	0.00292
26	0.00000	0.00342	0.00601	0.00310	0.00223	0.00325	0.00282
27	0.00000	0.00357	0.00588	0.00303	0.00218	0.00318	0.00276
28	0.00000	0.00371	0.00582	0.00300	0.00216	0.00314	0.00273
29	0.00000	0.00383	0.00585	0.00301	0.00216	0.00316	0.00274
30	0.00050	0.00394	0.00595	0.00306	0.00220	0.00321	0.00279
31	0.00051	0.00403	0.00614	0.00316	0.00227	0.00331	0.00288
32	0.00052	0.00403	0.00642	0.00330	0.00238	0.00347	0.00301
33	0.00053	0.00403	0.00679	0.00349	0.00251	0.00366	0.00318
34	0.00053	0.00403	0.00725	0.00373	0.00268	0.00392	0.00340
35	0.00053	0.00440	0.00781	0.00402	0.00289	0.00422	0.00367
36	0.00053	0.00476	0.00848	0.00436	0.00314	0.00458	0.00398
37	0.00054	0.00513	0.00925	0.00476	0.00342	0.00499	0.00434
38	0.00057	0.00549	0.01013	0.00521	0.00375	0.00547	0.00475
39	0.00060	0.00585	0.01112	0.00572	0.00412	0.00600	0.00522
40	0.00063	0.00622	0.01223	0.00629	0.00453	0.00660	0.00574
41	0.00081	0.00605	0.01346	0.00693	0.00498	0.00727	0.00631
42	0.00099	0.00594	0.01481	0.00762	0.00548	0.00800	0.00695
43	0.00113	0.00590	0.01629	0.00839	0.00603	0.00880	0.00764
44	0.00123	0.00592	0.01791	0.00922	0.00663	0.00967	0.00840
45	0.00136	0.00601	0.01966	0.01012	0.00728	0.01061	0.00922
46	0.00167	0.00617	0.02155	0.01109	0.00798	0.01164	0.01011
47	0.00201	0.00640	0.02359	0.01214	0.00873	0.01274	0.01106
48	0.00214	0.00669	0.02577	0.01327	0.00954	0.01392	0.01209
49	0.00243	0.00707	0.02811	0.01447	0.01041	0.01518	0.01319
50	0.00258	0.00753	0.03061	0.01576	0.01133	0.01653	0.01436
51	0.00276	0.00807	0.03328	0.01713	0.01232	0.01797	0.01561
52	0.00323	0.00872	0.03610	0.01858	0.01337	0.01949	0.01694
53	0.00409	0.00947	0.03911	0.02013	0.01448	0.02112	0.01834
54	0.00462	0.01034	0.04229	0.02176	0.01566	0.02283	0.01983
55	0.00511	0.01135	0.04565	0.02349	0.01690	0.02465	0.02141
56	0.00607	0.01250	0.04919	0.02532	0.01821	0.02656	0.02307
57	0.00696	0.01381	0.05293	0.02724	0.01960	0.02858	0.02483
58	0.00763	0.01527	0.05686	0.02927	0.02105	0.03070	0.02667
59	0.00866	0.01691	0.06100	0.03139	0.02258	0.03294	0.02861
60	0.00951	0.01870	0.06534	0.03363	0.02419	0.03528	0.03065
61	0.01001	0.02065	0.06989	0.03597	0.02588	0.03774	0.03278

TABLE I3 (continued)  
 RETIRED DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

**ENLISTED**

Age	Non- disability	Permanent Disability	Temporary Disability				
			Year of Retirement				
			One	Two	Three	Four	Five
62	0.01103	0.02274	0.07476	0.03848	0.02768	0.04037	0.03507
63	0.01245	0.02496	0.07997	0.04116	0.02961	0.04318	0.03751
64	0.01407	0.02729	0.08554	0.04403	0.03167	0.04619	0.04012
65	0.01596	0.02973	0.09150	0.04709	0.03388	0.04940	0.04292
66	0.01776	0.03229					
67	0.02019	0.03499					
68	0.02246	0.03786					
69	0.02483	0.04095					
70	0.02759	0.04432					
71	0.02995	0.04801					
72	0.03342	0.05210					
73	0.03789	0.05661					
74	0.04262	0.06162					
75	0.04666	0.06715					
76	0.05180	0.07326					
77	0.05769	0.07999					
78	0.06360	0.08737					
79	0.07096	0.09544					
80	0.07805	0.10424					
81	0.08565	0.11378					
82	0.09322	0.12410					
83	0.10228	0.13521					
84	0.11191	0.14712					
85	0.12219	0.15985					
86	0.13354	0.17339					
87	0.14790	0.18776					
88	0.16564	0.20295					
89	0.18671	0.21897					
90	0.21123	0.24203					
91	0.23725	0.26694					
92	0.26327	0.29352					
93	0.28804	0.32256					
94	0.30912	0.35439					
95	0.32501	0.38804					
96	0.33544	0.42243					
97	0.34353	0.45640					
98	0.35286	0.48942					
99	0.36568	0.52221					
100	0.38275	0.55552					
101	0.40411	0.59014					
102	0.43625	0.62692					
103	0.45893	0.66667					
104	0.48296	0.66667					
105	0.50708	0.66667					
106	0.52994	0.66667					
107	0.55029	0.66667					
108	0.56973	0.66667					
109	0.58914	0.66667					
110	1.00000	1.00000					

TABLE I4  
RATES OF NONDEATH, 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	0.04068	0.08638	0.05680	0.05866	0.36874	0.05080	0.12669	0.08648	0.10831	0.40196
17	0.04178	0.08871	0.05834	0.06024	0.37870	0.05362	0.13374	0.09131	0.11434	0.42436
18	0.04291	0.09111	0.05991	0.06187	0.38894	0.05661	0.14119	0.09639	0.12071	0.44799
19	0.04407	0.09358	0.06154	0.06354	0.39945	0.05977	0.14906	0.10176	0.12744	0.47295
20	0.04526	0.09610	0.06320	0.06526	0.41025	0.06310	0.15736	0.10742	0.13454	0.49930
21	0.04648	0.09870	0.06490	0.06702	0.42134	0.06587	0.16428	0.11215	0.14045	0.52125
22	0.04775	0.10136	0.06666	0.06884	0.43273	0.06812	0.16990	0.11599	0.14526	0.53908
23	0.04903	0.10411	0.06846	0.07070	0.44443	0.06989	0.17430	0.11899	0.14902	0.55305
24	0.05036	0.10692	0.07031	0.07261	0.45644	0.07120	0.17757	0.12122	0.15182	0.56341
25	0.05149	0.10932	0.07190	0.07424	0.46670	0.07208	0.17977	0.12272	0.15369	0.57039
26	0.05242	0.11131	0.07320	0.07559	0.47515	0.07256	0.18097	0.12355	0.15473	0.57423
27	0.05315	0.11285	0.07421	0.07664	0.48174	0.07268	0.18127	0.12375	0.15498	0.57517
28	0.05367	0.11395	0.07493	0.07738	0.48644	0.07246	0.18073	0.12338	0.15452	0.57344
29	0.05398	0.11460	0.07537	0.07783	0.48923	0.07194	0.17941	0.12248	0.15339	0.56926
30	0.05407	0.11480	0.07550	0.07796	0.49009	0.07113	0.17739	0.12110	0.15167	0.56286
31	0.05396	0.11456	0.07534	0.07779	0.48905	0.07007	0.17474	0.11930	0.14941	0.55446
32	0.05363	0.11388	0.07488	0.07733	0.48613	0.06878	0.17154	0.11711	0.14667	0.54429
33	0.05311	0.11276	0.07415	0.07657	0.48136	0.06730	0.16784	0.11458	0.14350	0.53256
34	0.05238	0.11122	0.07314	0.07553	0.47481	0.06565	0.16373	0.11177	0.13998	0.51949
35	0.05147	0.10928	0.07187	0.07422	0.46654	0.06385	0.15925	0.10872	0.13616	0.50530
36	0.05038	0.10697	0.07034	0.07264	0.45665	0.06195	0.15450	0.10547	0.13209	0.49022
37	0.04912	0.10430	0.06858	0.07083	0.44523	0.05996	0.14953	0.10209	0.12785	0.47447
38	0.04771	0.10130	0.06662	0.06879	0.43243	0.05791	0.14443	0.09860	0.12348	0.45825
39	0.04616	0.09801	0.06445	0.06655	0.41837	0.05583	0.13923	0.09506	0.11905	0.44180
40	0.04449	0.09445	0.06212	0.06415	0.40322	0.05375	0.13405	0.09151	0.11461	0.42532
41	0.04271	0.09069	0.05964	0.06159	0.38716	0.05169	0.12891	0.08801	0.11022	0.40905
42	0.04087	0.08676	0.05706	0.05892	0.37039	0.04969	0.12392	0.08460	0.10595	0.39321
43	0.03896	0.08272	0.05439	0.05617	0.35311	0.04777	0.11913	0.08133	0.10185	0.37801
44	0.03703	0.07861	0.05169	0.05338	0.33558	0.04596	0.11462	0.07825	0.09800	0.36368
45	0.03509	0.07450	0.04899	0.05059	0.31805	0.04428	0.11044	0.07540	0.09442	0.35043
46	0.03318	0.07046	0.04633	0.04785	0.30079	0.04277	0.10668	0.07283	0.09121	0.33850
47	0.03135	0.06655	0.04376	0.04520	0.28410	0.04146	0.10341	0.07060	0.08841	0.32811
48	0.02960	0.06285	0.04134	0.04268	0.26831	0.04037	0.10069	0.06874	0.08608	0.31948
49	0.02800	0.05944	0.03909	0.04036	0.25375	0.03953	0.09860	0.06731	0.08430	0.31284
50	0.02657	0.05640	0.03709	0.03831	0.24078	0.03897	0.09720	0.06636	0.08311	0.30841
51	0.02535	0.05383	0.03540	0.03655	0.22979	0.03872	0.09658	0.06593	0.08257	0.30643
52	0.02440	0.05182	0.03407	0.03518	0.22119	0.03881	0.09679	0.06607	0.08276	0.30711
53	0.02377	0.05046	0.03318	0.03427	0.21540	0.03926	0.09792	0.06684	0.08372	0.31069
54	0.02349	0.04987	0.03279	0.03386	0.21288	0.04011	0.10003	0.06829	0.08553	0.31740
55	0.02362	0.05015	0.03299	0.03406	0.21411	0.04138	0.10321	0.07045	0.08824	0.32747
56	0.02422	0.05143	0.03382	0.03493	0.21957	0.04311	0.10751	0.07340	0.09192	0.34113
57	0.02535	0.05383	0.03540	0.03655	0.22980	0.04532	0.11302	0.07715	0.09663	0.35860
58	0.02707	0.05747	0.03779	0.03902	0.24533	0.04804	0.11980	0.08179	0.10243	0.38013
59	0.02943	0.06249	0.04109	0.04244	0.26675	0.05130	0.12794	0.08734	0.10939	0.40594
60	0.03251	0.06902	0.04539	0.04687	0.29465	0.05513	0.13750	0.09387	0.11756	0.43628
61	0.03637	0.07722	0.05079	0.05244	0.32964	0.05925	0.14777	0.10088	0.12634	0.46888
62	0.04109	0.08723	0.05737	0.05924	0.37238	0.06368	0.15882	0.10842	0.13579	0.50392
63	0.04641	0.09854	0.06480	0.06691	0.42066	0.06844	0.17068	0.11652	0.14593	0.54158
64	0.05243	0.11131	0.07321	0.07560	0.47520	0.07355	0.18344	0.12523	0.15684	0.58205
65	0.05923	0.12575	0.08270	0.08539	0.53681	0.07905	0.19715	0.13459	0.16856	0.62554

TABLE I5  
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

TABLE I6  
RATES OF REMARRIAGE

(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

TABLE I7  
SURVIVOR DEATH RATES

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
0	0.01316	55	0.00603
1	0.00118	56	0.00668
2	0.00077	57	0.00724
3	0.00057	58	0.00770
4	0.00043	59	0.00797
5	0.00039	60	0.00821
6	0.00036	61	0.00871
7	0.00034	62	0.00974
8	0.00030	63	0.01110
9	0.00029	64	0.01242
10	0.00029	65	0.01345
11	0.00031	66	0.01439
12	0.00033	67	0.01544
13	0.00036	68	0.01674
14	0.00043	69	0.01824
15	0.00050	70	0.01991
16	0.00056	71	0.02192
17	0.00061	72	0.02426
18	0.00063	73	0.02686
19	0.00064	74	0.02928
20	0.00064	75	0.03153
21	0.00064	76	0.03365
22	0.00063	77	0.03614
23	0.00064	78	0.03942
24	0.00063	79	0.04335
25	0.00064	80	0.04753
26	0.00067	81	0.05182
27	0.00069	82	0.05659
28	0.00075	83	0.06227
29	0.00075	84	0.06857
30	0.00080	85	0.07615
31	0.00086	86	0.08565
32	0.00097	87	0.09650
33	0.00102	88	0.10789
34	0.00111	89	0.11996
35	0.00113	90	0.13299
36	0.00122	91	0.14725
37	0.00127	92	0.16296
38	0.00133	93	0.17988
39	0.00145	94	0.19750
40	0.00157	95	0.21509
41	0.00171	96	0.23221
42	0.00183	97	0.24894
43	0.00196	98	0.26560
44	0.00204	99	0.28274
45	0.00215	100	0.30130
46	0.00226	101	0.32191
47	0.00241	102	0.34489
48	0.00263	103	0.37042
49	0.00286	104	0.39504
50	0.00316	105	0.41975
51	0.00352	106	0.44340
52	0.00398	107	0.46488
53	0.00448	108	0.48613
54	0.00530	109	0.50823

TABLE I8  
NUMBER OF SPOUSES GENERATED BY EACH SPONSOR - OFFICERS

(Age Nearest Birthday)

OFFICERS				OFFICERS			
Age	Active Nondisabled	Active Disabled	Reserve Nondisabled	Age	Active Nondisabled	Active Disabled	Reserve Nondisabled
16	0.06650	0.05764	0.00000	64	0.92864	0.75337	0.82202
17	0.07303	0.06330	0.00000	65	0.93027	0.75733	0.82572
18	0.07936	0.06879	0.00000	66	0.93108	0.76084	0.82865
19	0.12020	0.10418	0.00000	67	0.93099	0.76383	0.83079
20	0.17722	0.15361	0.00000	68	0.92993	0.76622	0.83209
21	0.23227	0.20132	0.00000	69	0.92783	0.76792	0.83250
22	0.28515	0.24716	0.00000	70	0.92461	0.76887	0.83199
23	0.33568	0.29095	0.00000	71	0.92021	0.76896	0.83051
24	0.38368	0.33256	0.00000	72	0.91457	0.76812	0.82801
25	0.42902	0.37185	0.00000	73	0.90764	0.76626	0.82444
26	0.49195	0.42182	0.00000	74	0.89937	0.76330	0.81976
27	0.54960	0.46405	0.00000	75	0.88971	0.75915	0.81391
28	0.60224	0.49960	0.00000	76	0.87864	0.75372	0.80685
29	0.65013	0.52942	0.00000	77	0.86612	0.74692	0.79851
30	0.69350	0.55432	0.00000	78	0.85214	0.73865	0.78884
31	0.73258	0.57503	0.00000	79	0.83668	0.72884	0.77778
32	0.76756	0.59217	0.00000	80	0.81973	0.71739	0.76528
33	0.79863	0.60632	0.00000	81	0.80130	0.70422	0.75127
34	0.82595	0.61794	0.00000	82	0.78141	0.68921	0.73569
35	0.84970	0.62748	0.00000	83	0.76007	0.67230	0.71848
36	0.87001	0.63530	0.00000	84	0.73732	0.65339	0.69957
37	0.88702	0.64173	0.00000	85	0.71319	0.63238	0.67889
38	0.88063	0.64705	0.00000	86	0.68775	0.60918	0.65637
39	0.87510	0.65152	0.00000	87	0.66104	0.58371	0.63194
40	0.87045	0.65534	0.00000	88	0.63315	0.55587	0.60554
41	0.86671	0.65870	0.00000	89	0.60415	0.52557	0.57707
42	0.86386	0.66175	0.00000	90	0.57414	0.49272	0.54648
43	0.86190	0.66462	0.00000	91	0.54322	0.45723	0.51366
44	0.86080	0.66743	0.00000	92	0.51152	0.41901	0.47856
45	0.86053	0.67026	0.00000	93	0.47917	0.37797	0.44108
46	0.86106	0.67318	0.00000	94	0.44630	0.33402	0.40113
47	0.86234	0.67626	0.00000	95	0.41308	0.28706	0.35864
48	0.86431	0.67953	0.00000	96	0.30037	0.23702	0.31351
49	0.86692	0.68303	0.00000	97	0.30037	0.18379	0.26565
50	0.87009	0.68677	0.00000	98	0.30037	0.32143	0.21497
51	0.87377	0.69075	0.00000	99	0.30037	0.32143	0.16137
52	0.87787	0.69497	0.00000	100	0.30037	0.32143	0.18182
53	0.88231	0.69943	0.00000	101	0.30037	0.32143	0.18182
54	0.88701	0.70409	0.00000	102	0.30037	0.32143	0.18182
55	0.89188	0.70894	0.00000	103	0.30037	0.32143	0.18182
56	0.89684	0.71393	0.00000	104	0.30037	0.32143	0.18182
57	0.90180	0.71904	0.00000	105	0.30037	0.32143	0.18182
58	0.90666	0.72420	0.00000	106	0.30037	0.32143	0.18182
59	0.91133	0.72938	0.79344	107	0.30037	0.32143	0.18182
60	0.91572	0.73451	0.80038	108	0.30037	0.32143	0.18182
61	0.91974	0.73954	0.80675	109	0.30037	0.32143	0.18182
62	0.92329	0.74441	0.81250	110	0.30037	0.32143	0.18182
63	0.92629	0.74904	0.81760				

TABLE I9  
NUMBER OF SPOUSES GENERATED BY EACH SPONSOR - ENLISTED  
(Age Nearest Birthday)

<b>ENLISTED</b>				<b>ENLISTED</b>			
<b>Age</b>	<b>Active Nondisabled</b>	<b>Active Disabled</b>	<b>Reserve Nondisabled</b>	<b>Age</b>	<b>Active Nondisabled</b>	<b>Active Disabled</b>	<b>Reserve Nondisabled</b>
16	0.07479	0.02673	0.00000	64	0.85936	0.64640	0.78901
17	0.08214	0.02936	0.00000	65	0.85890	0.65249	0.79127
18	0.08925	0.03190	0.00000	66	0.85760	0.65822	0.79347
19	0.13518	0.04832	0.00000	67	0.85541	0.66347	0.79530
20	0.19931	0.07124	0.00000	68	0.85226	0.66816	0.79648
21	0.26122	0.17910	0.00000	69	0.84813	0.67216	0.79678
22	0.32069	0.26897	0.00000	70	0.84297	0.67537	0.79596
23	0.37751	0.34339	0.00000	71	0.83673	0.67766	0.79384
24	0.43150	0.40455	0.00000	72	0.82938	0.67894	0.79024
25	0.48248	0.45435	0.00000	73	0.82088	0.67908	0.78501
26	0.53033	0.49443	0.00000	74	0.81120	0.67796	0.77806
27	0.57491	0.52625	0.00000	75	0.80030	0.67548	0.76928
28	0.61614	0.55104	0.00000	76	0.78814	0.67151	0.75862
29	0.65394	0.56990	0.00000	77	0.77470	0.66593	0.74604
30	0.68824	0.58378	0.00000	78	0.75994	0.65863	0.73155
31	0.71902	0.59352	0.00000	79	0.74385	0.64949	0.71515
32	0.74627	0.59986	0.00000	80	0.72638	0.63838	0.69691
33	0.76999	0.60342	0.00000	81	0.70752	0.62519	0.67691
34	0.79022	0.60477	0.00000	82	0.68723	0.60981	0.65524
35	0.80702	0.60438	0.00000	83	0.66550	0.59210	0.63206
36	0.82046	0.60268	0.00000	84	0.64231	0.57195	0.60752
37	0.83065	0.60004	0.00000	85	0.61762	0.54924	0.58181
38	0.81977	0.59677	0.00000	86	0.59142	0.52385	0.55517
39	0.81119	0.59314	0.00000	87	0.56369	0.49567	0.52785
40	0.80467	0.58938	0.00000	88	0.53441	0.46457	0.50012
41	0.80000	0.58569	0.00000	89	0.50355	0.43043	0.47231
42	0.79698	0.58223	0.00000	90	0.47111	0.39314	0.44475
43	0.79540	0.57914	0.00000	91	0.43707	0.35258	0.41781
44	0.79511	0.57652	0.00000	92	0.40140	0.30863	0.39191
45	0.79592	0.57446	0.00000	93	0.36409	0.26117	0.36746
46	0.79769	0.57303	0.00000	94	0.32514	0.26786	0.34493
47	0.80026	0.57228	0.00000	95	0.28451	0.26786	0.32483
48	0.80350	0.57223	0.00000	96	0.24221	0.26786	0.21277
49	0.80728	0.57289	0.00000	97	0.28178	0.26786	0.21277
50	0.81147	0.57428	0.00000	98	0.28178	0.26786	0.21277
51	0.81597	0.57638	0.00000	99	0.28178	0.26786	0.21277
52	0.82065	0.57916	0.00000	100	0.28178	0.26786	0.21277
53	0.82543	0.58259	0.00000	101	0.28178	0.26786	0.21277
54	0.83019	0.58664	0.00000	102	0.28178	0.26786	0.21277
55	0.83486	0.59125	0.00000	103	0.28178	0.26786	0.21277
56	0.83933	0.59636	0.00000	104	0.28178	0.26786	0.21277
57	0.84354	0.60190	0.00000	105	0.28178	0.26786	0.21277
58	0.84740	0.60782	0.00000	106	0.28178	0.26786	0.21277
59	0.85084	0.61402	0.78898	107	0.28178	0.26786	0.21277
60	0.85379	0.62044	0.78619	108	0.28178	0.26786	0.21277
61	0.85617	0.62697	0.78521	109	0.28178	0.26786	0.21277
62	0.85794	0.63354	0.78561	110	0.28178	0.26786	0.21277
63	0.85902	0.64005	0.78701				



APPENDIX J

PAST AND PROJECTED UNFUNDED LIABILITY PAYMENTS AND BALANCE

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Table J1: Past and Projected Unfunded Liability Payments .....	J-3
Table J2: Past and Projected Unfunded Liability Balances .....	J-4

## PAST AND PROJECTED UNFUNDED LIABILITY PAYMENTS

Historical and projected components of the Unfunded Liability amortization payments are shown in Table J1. Historical and projected UFL balances are shown in Table J2. Note that:

- There have been no benefit changes since the inception of the MERHCF, so there is no benefit change UFL payment component.
- No future gains or losses are projected after the current valuation year.
- Gains are shown as negative numbers.

**TABLE J1**  
**PAST AND PROJECTED UNFUNDED LIABILITY PAYMENTS ON OCTOBER 1**  
(millions)

<b>Calendar Year</b>	<b>Original UFL</b>	<b>Assumption Changes</b>	<b>Benefit Changes</b>	<b>Actuarial Experience</b>	<b>Total</b>
2002	\$14,369	\$0	\$0	\$0	\$14,369
2002 (restate)	\$14,369	\$0	\$0	\$0	\$14,369
2003	\$16,260	\$0	\$0	\$0	\$16,260
2004	\$16,082	(\$1,014)	\$0	\$653	\$15,721
2005	\$16,686	(\$973)	\$0	\$899	\$16,612
2006	\$17,311	(\$1,968)	\$0	\$265	\$15,608
2007	\$17,164	(\$3,256)	\$0	(\$978)	\$12,930
2008	\$17,016	(\$4,239)	\$0	(\$2,117)	\$10,660
2009	\$17,654	(\$4,398)	\$0	(\$2,196)	\$11,060
2010	\$18,316	(\$4,563)	\$0	(\$2,278)	\$11,475
2011	\$19,003	(\$4,734)	\$0	(\$2,364)	\$11,905
2012	\$19,715	(\$4,911)	\$0	(\$2,452)	\$12,352
2013	\$20,454	(\$5,096)	\$0	(\$2,544)	\$12,814
2014	\$21,221	(\$5,287)	\$0	(\$2,640)	\$13,294
2015	\$22,017	(\$5,485)	\$0	(\$2,739)	\$13,793
2016	\$22,843	(\$5,690)	\$0	(\$2,842)	\$14,311
2017	\$23,700	(\$5,904)	\$0	(\$2,948)	\$14,848
2018	\$24,588	(\$6,125)	\$0	(\$3,059)	\$15,404
2019	\$25,510	(\$6,355)	\$0	(\$3,173)	\$15,982
2020	\$26,467	(\$6,593)	\$0	(\$3,292)	\$16,582
2021	\$27,459	(\$6,841)	\$0	(\$3,416)	\$17,202
2022	\$28,489	(\$7,097)	\$0	(\$3,544)	\$17,848
2023	\$29,558	(\$7,363)	\$0	(\$3,677)	\$18,518
2024	\$30,666	(\$7,639)	\$0	(\$3,815)	\$19,212
2025	\$31,816	(\$7,926)	\$0	(\$3,958)	\$19,932
2026	\$33,009	(\$8,223)	\$0	(\$4,106)	\$20,680
2027	\$34,247	(\$8,532)	\$0	(\$4,260)	\$21,455
2028	\$35,531	(\$8,851)	\$0	(\$4,420)	\$22,260
2029	\$36,864	(\$9,183)	\$0	(\$4,586)	\$23,095
2030	\$38,246	(\$9,528)	\$0	(\$4,758)	\$23,960
2031	\$39,680	(\$9,885)	\$0	(\$4,936)	\$24,859
2032	\$41,168	(\$10,256)	\$0	(\$5,121)	\$25,791
2033	\$42,712	(\$10,640)	\$0	(\$5,313)	\$26,759
2034	\$44,314	(\$11,039)	\$0	(\$5,512)	\$27,763
2035	\$45,975	(\$11,454)	\$0	(\$5,719)	\$28,802
2036	\$47,700	(\$4,123)	\$0	(\$5,934)	\$37,643
2037	\$49,488	\$0	\$0	(\$2,390)	\$47,098
2038	\$51,344	\$0	\$0	\$0	\$51,344
2039	\$53,270	\$0	\$0	\$0	\$53,270
2040	\$55,267	\$0	\$0	\$0	\$55,267
2041	\$57,340	\$0	\$0	\$0	\$57,340
2042	\$59,490	\$0	\$0	\$0	\$59,490
2043	\$61,721	\$0	\$0	\$0	\$61,721
2044	\$64,035	\$0	\$0	\$0	\$64,035
2045	\$66,436	\$0	\$0	\$0	\$66,436
2046	\$68,928	\$0	\$0	\$0	\$68,928
2047	\$71,513	\$0	\$0	\$0	\$71,513
2048	\$74,194	\$0	\$0	\$0	\$74,194
2049	\$76,977	\$0	\$0	\$0	\$76,977
2050	\$79,863	\$0	\$0	\$0	\$79,863
2051	\$82,858	\$0	\$0	\$0	\$82,858
2052	\$0	\$0	\$0	\$0	\$0

**TABLE J2**  
**PAST AND PROJECTED UNFUNDED LIABILITY BALANCE ON SEPTEMBER 30 (BEFORE PAYMENT)**  
(millions)

<b>Calendar Year</b>	<b>Original UFL</b>	<b>Assumption Changes</b>	<b>Benefit Changes</b>	<b>Actuarial Experience</b>	<b>Total</b>
2002	\$405,553	\$0	\$0	\$0	\$405,553
2002 (restate)	\$442,054	\$0	\$0	\$0	\$442,054
2003	\$454,416	(\$20,704)	\$0	\$13,339	\$447,050
2004	\$465,540	(\$20,454)	\$0	\$18,703	\$463,789
2005	\$477,550	(\$40,252)	\$0	\$6,187	\$443,485
2006	\$489,668	(\$68,708)	\$0	(\$20,195)	\$400,765
2007	\$500,698	(\$91,839)	\$0	(\$46,424)	\$362,435
2008	\$511,337	(\$93,676)	\$0	(\$48,059)	\$369,602
2009	\$522,745	(\$94,580)	\$0	(\$48,584)	\$379,581
2010	\$534,133	(\$95,368)	\$0	(\$49,055)	\$389,711
2011	\$545,477	(\$96,026)	\$0	(\$49,467)	\$399,984
2012	\$556,746	(\$96,541)	\$0	(\$49,811)	\$410,394
2013	\$567,910	(\$96,899)	\$0	(\$50,082)	\$420,929
2014	\$578,935	(\$97,082)	\$0	(\$50,272)	\$431,582
2015	\$589,783	(\$97,073)	\$0	(\$50,370)	\$442,340
2016	\$600,412	(\$96,854)	\$0	(\$50,370)	\$453,188
2017	\$610,779	(\$96,406)	\$0	(\$50,261)	\$464,112
2018	\$620,837	(\$95,706)	\$0	(\$50,034)	\$475,097
2019	\$630,533	(\$94,732)	\$0	(\$49,676)	\$486,125
2020	\$639,812	(\$93,458)	\$0	(\$49,177)	\$497,177
2021	\$648,612	(\$91,860)	\$0	(\$48,523)	\$508,229
2022	\$656,869	(\$89,908)	\$0	(\$47,701)	\$519,261
2023	\$664,512	(\$87,572)	\$0	(\$46,696)	\$530,244
2024	\$671,464	(\$84,821)	\$0	(\$45,492)	\$541,150
2025	\$677,644	(\$81,620)	\$0	(\$44,074)	\$551,950
2026	\$682,963	(\$77,932)	\$0	(\$42,422)	\$562,609
2027	\$687,326	(\$73,717)	\$0	(\$40,519)	\$573,090
2028	\$690,631	(\$68,933)	\$0	(\$38,344)	\$583,354
2029	\$692,769	(\$63,537)	\$0	(\$35,875)	\$593,357
2030	\$693,619	(\$57,479)	\$0	(\$33,088)	\$603,052
2031	\$693,057	(\$50,708)	\$0	(\$29,959)	\$612,390
2032	\$690,946	(\$43,171)	\$0	(\$26,462)	\$621,314
2033	\$687,140	(\$34,807)	\$0	(\$22,568)	\$629,765
2034	\$681,483	(\$25,557)	\$0	(\$18,247)	\$637,679
2035	\$673,806	(\$15,353)	\$0	(\$13,467)	\$644,986
2036	\$663,932	(\$4,123)	\$0	(\$8,194)	\$651,615
2037	\$651,665	\$0	\$0	(\$2,390)	\$649,275
2038	\$636,802	\$0	\$0	\$0	\$636,802
2039	\$619,122	\$0	\$0	\$0	\$619,122
2040	\$598,388	\$0	\$0	\$0	\$598,388
2041	\$574,351	\$0	\$0	\$0	\$574,351
2042	\$546,739	\$0	\$0	\$0	\$546,739
2043	\$515,266	\$0	\$0	\$0	\$515,266
2044	\$479,624	\$0	\$0	\$0	\$479,624
2045	\$439,485	\$0	\$0	\$0	\$439,485
2046	\$394,499	\$0	\$0	\$0	\$394,499
2047	\$344,292	\$0	\$0	\$0	\$344,292
2048	\$288,464	\$0	\$0	\$0	\$288,464
2049	\$226,590	\$0	\$0	\$0	\$226,590
2050	\$158,216	\$0	\$0	\$0	\$158,216
2051	\$82,858	\$0	\$0	\$0	\$82,858
2052	\$0	\$0	\$0	\$0	\$0

APPENDIX K

SUPPLEMENTAL VALUATION RESULTS

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Table K1: Actuarial Liability by Benefit Type.....	K-2
Table K2: Actuarial Liability by Sponsor Status.....	K-2
Table K3: Per Capita Active Duty Normal Cost .....	K-3
Table K4: Per Capita Reserve Normal Cost .....	K-3
Table K5: MERHCF Liability (Gain) / Loss Reconciliation.....	K-4
Table K6: Asset (Gain) / Loss .....	K-6

Tables K1 through K4 provide additional breakdowns of the Actuarial Liability and per capita Normal Costs (NCs). Table K5 shows the reconciliation of the MERHCF liability (gain) / loss. Table K6 provides details regarding the MERHCF's asset gain.

TABLE K1  
SEPTEMBER 30, 2007, MERHCF ACTUARIAL LIABILITY BY BENEFIT TYPE  
(millions)

				Proportion of Total		
	<u>DC</u>	<u>PC</u>	<u>Total</u>	<u>DC</u>	<u>PC</u>	<u>Total</u>
Inpatient	\$18,064	\$39,997	\$58,061	3.8%	8.5%	12.3%
Outpatient	\$19,579	\$104,226	\$123,805	4.2%	22.1%	26.3%
Prescription Drugs	\$30,081	\$210,024	\$240,105	6.4%	44.6%	51.0%
<u>USFHP</u>	<u>          </u>	<u>\$49,146</u>	<u>\$49,146</u>	<u>          </u>	<u>10.4%</u>	<u>10.4%</u>
Total	\$67,724	\$403,393	\$471,118	14.4%	85.6%	100.0%

TABLE K2  
SEPTEMBER 30, 2007 MERHCF ACTUARIAL LIABILITY BY SPONSOR STATUS  
(millions)

	Active Duty		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	15,291	76,447	91,739
Inactive	<u>44,567</u>	<u>219,624</u>	<u>264,191</u>
Total	59,859	296,071	355,929
	Reserve		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	5,401	75,860	81,261
Inactive	<u>2,465</u>	<u>31,463</u>	<u>33,927</u>
Total	7,866	107,322	115,188
	Total		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	20,693	152,307	172,999
Inactive	<u>47,032</u>	<u>251,086</u>	<u>298,118</u>
Total	67,724	403,393	471,118

Table K2 shows the breakout of the AL by Active Duty and Reserve (drilling reserves and gray-area reserves), by In-service (currently active duty or reserves) and Inactive (currently retired, and their survivors and dependents), and by direct care (DC) and purchased care (PC).

TABLE K3  
FY 2010 MERHCF PER CAPITA ACTIVE DUTY NC

				Proportion of Total		
	<u>DC</u>	<u>PC</u>	<u>Total</u>	<u>DC</u>	<u>PC</u>	<u>Total</u>
Inpatient	\$223	\$440	\$662	3.9%	7.8%	11.7%
Outpatient	\$258	\$1,248	\$1,506	4.6%	22.1%	26.7%
Prescription Drugs	\$380	\$2,517	\$2,897	6.7%	44.6%	51.3%
<u>USFHP</u>	_____	<u>\$576</u>	<u>\$576</u>	_____	<u>10.2%</u>	<u>10.2%</u>
Total	\$861	\$4,781	\$5,642	15.3%	84.7%	100.0%

TABLE K4  
FY 2010 MERHCF PER CAPITA RESERVE NC

				Proportion of Total		
	<u>DC</u>	<u>PC</u>	<u>Total</u>	<u>DC</u>	<u>PC</u>	<u>Total</u>
Inpatient	\$29	\$240	\$269	0.9%	7.5%	8.4%
Outpatient	\$39	\$704	\$743	1.2%	22.0%	23.3%
Prescription Drugs	\$142	\$1,623	\$1,765	4.5%	50.8%	55.3%
<u>USFHP</u>	_____	<u>\$417</u>	<u>\$417</u>	_____	<u>13.1%</u>	<u>13.1%</u>
Total	\$210	\$2,984	\$3,194	6.6%	93.4%	100.0%

TABLE K5  
 SEPTEMBER 30, 2007, MERHCF LIABILITY (GAIN) / LOSS  
 (millions)

Step	Actuarial Liability (\$mil)			Normal Cost				Actuarial Liability (Gain)/Loss (\$mils)	(Gain) / Loss Category
	As of	Amount	% Change From Prior Step	FY	Active	% Change From Prior Step	Reserve		
	09/30/06	\$485,329		FY09	\$5,560		\$3,222		
0	09/30/07	\$516,487	6.42%	FY10	\$5,907	6.25%	\$3,423	6.25%	\$31,158 (Expected)
1	09/30/07	\$517,474	0.19%	FY10	\$5,913	0.10%	\$3,459	1.04%	\$987 Assumption
2	09/30/07	\$518,787	0.25%	FY10	\$5,913	0.00%	\$3,459	0.00%	\$1,313 Experience
3	09/30/07	\$519,751	0.19%	FY10	\$5,926	0.22%	\$3,465	0.18%	\$964 Assumption
4	09/30/07	\$527,626	1.52%	FY10	\$6,025	1.66%	\$3,527	1.80%	\$7,875 Assumption
5	09/30/07	\$528,740	0.21%	FY10	\$6,033	0.14%	\$3,537	0.29%	\$1,114 Assumption
6	09/30/07	\$503,152	-4.84%	FY10	\$5,744	-4.79%	\$3,382	-4.39%	(\$25,588) Experience
7	09/30/07	\$516,705	2.69%	FY10	\$6,004	4.52%	\$3,508	3.71%	\$13,553 Assumption
8	09/30/07	\$515,965	-0.14%	FY10	\$5,997	-0.12%	\$3,504	-0.11%	(\$740) Assumption
9	09/30/07	\$483,176	-6.35%	FY10	\$5,610	-6.46%	\$3,251	-7.21%	(\$32,789) Assumption
10	09/30/07	\$482,680	-0.10%	FY10	\$5,605	-0.07%	\$3,248	-0.10%	(\$495) Assumption
11	09/30/07	\$511,585	5.99%	FY10	\$6,291	12.23%	\$3,602	10.90%	\$28,905 Assumption
12	09/30/07	\$471,118	-7.91%	FY10	\$5,642	-10.31%	\$3,194	-11.34%	(\$40,468) Assumption



A description of the steps shown in Table K5 follows.

0. Expected results on September 30, 2007, based on a roll-forward of September 30, 2006 valuation results.
1. Gray area reserve correction; a correction was made in the population projection program to apply the proper retirement rates to a small group of gray area reservists.
2. Bring in new census data.
3. Apply one year of mortality improvement to the mortality rates.
4. Update nondisability mortality rates to reflect mortality improvement based on a new experience study.
5. Update spouses per sponsor rates.
6. True-up cashflow generated by model using previous year's cost assumptions to actual 2007 incurred cost levels.
7. Update claim vectors. Begin valuing separate premium vectors for USFHP premiums (USFHP used to be valued as a load to claim-based claim vectors).
8. New administration cost loads.
9. Add assumption to reflect retail pharmacy drug rebates, passed in the 2008 NDAA.
10. Update plan participation rates.
11. New discount rate (reduced from 6.00% to 5.75%).
12. New medical trend rates.

**TABLE K6**  
**SEPTEMBER 30, 2007, MERHCF ASSET (GAIN) / LOSS**

(millions)

	<b>(G)/L</b>	<b>% of 9/30/07 AL</b>
1. Incurred benefit payments vs. expected	(\$162)	-0.03%
2. Implemented per capita NCs vs. expected	(\$2,297)	-0.49%
3. Force strengths vs. expected	\$89	0.02%
4. Unexpected, nonrecurring deposit	(\$195)	-0.04%
4. Yield vs. expected	<u>\$2,104</u>	<u>0.45%</u>
5. Total	(\$462)	-0.10%

APPENDIX L

MISCELLANEOUS PROGRAM PARAMETERS

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Description.....	L-2
Table L1: Description of Miscellaneous Valuation Program Parameters .....	L-3

## MISCELLANEOUS PROGRAM PARAMETERS

HORGO is the computer program used to produce the population projections underlying the computation of the aggregate entry-age-normal costs and the unfunded liability. In addition to being affected by the external rates, HORGO has a number of internal parameters which affect its results. These parameters are simply summaries of recent experience. Examples include member-spouse age differences.

A description of the various valuation program parameters by population is given in Table L1. Numerical values are also shown for selected items.

TABLE L1

DESCRIPTION OF MISCELLANEOUS VALUATION PROGRAM PARAMETERS

Item	Description / Value
Blow-up factors for the Selected Reserve transferring to inactive duty with 20 good years	The purpose of these factors is to account for (inactive) veterans who are not in the DoD data, but who have accumulated credits (on an unpaid basis) for 20 good years. The factor is the 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. Factors are developed by officer/enlisted status, age, and years of active service.
Blow-up factors for Reserves transferring to retired pay status	The purpose of these factors is to account for inactive veterans who are not in the DoD data, but who have 20 good years and transfer to retired status. The factor is the ratio of IRR, ING, Standby Reserve, and other Reserve to known Reserves transferring to retired pay status. Factors are developed by officer/enlisted status, age, and years of active service.
Proportion of points based on active service	With respect to determining the normal cost using a new entrant group, this factor is used to shift part of the Reserve PVB to Active Duty. The amount shifted accounts for the points earned while Reserves are on AD. In the current valuation, 22.4% of the PVB for Reserves is allocated to AD.
Assumed age difference between military sponsor and survivor	When a sponsor dies, any survivor is assumed to be a certain number of years younger (or older) than the member. This is determined separately for AD and Reserve. In the current valuation, spouses are assumed three years younger than their AD sponsors and four years younger than their Reserve sponsors.

<p>First partial year adjustment to the per capita normal cost calculation</p>	<p>An additional adjustment is made to the denominator in the per capita NC calculation to account for the first partial year of service of the new entrants during the valuation year (so that as of the September 30 valuation date, they have on average ½ year of service). This adjustment aligns the new entrant NC calculation with the valuation decrement rates, which are developed on a completed-years-of-service basis.</p>
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APPENDIX M

GLOSSARY

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MERHCF Terms.....	M-2

<b>AL</b>	Actuarial accrued liability or Actuarial liability; present value of future retirement benefits attributed to past service.
<b>All Uniformed</b>	refers to the population containing DoD, Coast Guard (CG), Public Health Service (PHS), and National Oceanic and Atmospheric Administration (NOAA)
<b>APG</b>	Ambulatory patient group; workload measure for Direct Care Outpatient services
<b>AUP</b>	Agreed Upon Procedures
<b>CMS</b>	Center for Medicare and Medicaid Services
<b>CPI</b>	Consumer price index, or a scale that shows the annual change (trend) in prices for a market basket of goods and services. For the MERHCF valuation, CPI-W (CPI for wage earners) is used.
<b>CV</b>	Claim vector; an array of average costs by age.
<b>DC</b>	Direct Care
<b>DEERS</b>	Defense Enrollment Eligibility Reporting System; system that stores demographic and benefit information on military members, their dependents and survivors.
<b>DIEUS</b>	Date of initial entry to uniformed services
<b>Direct Care</b>	Medical care received at an MTF.
<b>Discount Rate</b>	The single interest rate that is used to discount all projected benefit payments back to the actuarial valuation date; the rate that is used to compute the present value of future cash flows. Typically set equal to the assumed long term rate of return on fund investments.
<b>DoD</b>	U.S. Department of Defense
<b>Endstrength</b>	Count of military sponsors, usually as of the end of the month or year, unless an average endstrength is defined over a specified period.
<b>FY</b>	Fiscal year
<b>FYE</b>	Fiscal year end
<b>HA</b>	Health Affairs; component of Military Health System; partner with TRICARE Management Activity (TMA)



<b>HORGO</b>	Name of population projection model for the health valuation; health version of GORGO, OACT's population projection program for the Military Retirement Fund
<b>ID</b>	Identification
<b>ING</b>	Inactive National Guard
<b>IRR</b>	Individual Ready Reserve
<b>MERHCF</b>	Medicare-eligible Retiree Health Care Fund
<b>MTF</b>	Military Treatment Facility; located on or near a military base.
<b>NC</b>	Normal cost; determined on a per capita basis, and multiplied by expected average annual strength to determine annual contribution to the MERHCF for the annual cost accrual
<b>NDAA</b>	National Defense Authorization Act
<b>Nominal interest rate</b>	Real interest rate adjusted for inflation
<b>Non-USFHP</b>	All TRICARE programs or members other than USFHP or other than members enrolled in USFHP.
<b>OACT</b>	DoD Office of the Actuary (unless stated otherwise)
<b>PC</b>	Purchased Care
<b>PCM</b>	Primary care manager (plan feature of TRICARE Prime)
<b>PCP</b>	Primary care provider (plan feature of USFHP)
<b>Purchased Care (PC)</b>	Medical care received in the commercial setting (not in an MTF)
<b>PV</b>	Premium vector, an array of average USFHP premiums by age.
<b>PVB</b>	Present value of future benefits; also called PVFB.
<b>PVFB</b>	Present value of future benefits; also called PVB.
<b>PVENC</b>	Present value of future normal costs
<b>Real interest rate</b>	The difference between the nominal interest rate and CPI; real rate of growth.
<b>RWP</b>	Relative weighted product; workload measure for Direct Care Inpatient services
<b>Strength</b>	Military head counts ( or count of sponsors)
<b>Sustainable Growth Rate System</b>	A system, under current law, for establishing goals for the rate of growth in expenditures for physicians' services under Medicare

<b>TMA</b>	TRICARE Management Activity; a component of the Military Health System, and a field activity of the Undersecretary of Defense for Personnel and Readiness; formally established under Department of Defense (DoD) Directive 5136.12 on May 31, 2001
<b>UFL</b>	Unfunded liability; AL minus Assets
<b>U.S.C.</b>	United States Code; the general and permanent laws of the United States. Published by the Office of the Law Revision Counsel of the U.S. House of Representatives.
<b>USFHP</b>	United States Family Health Plan; a TRICARE medical plan with an HMO design. Enrollment is required, and members must reside within the provider service area. Unlike other TRICARE plans, this plan does not coordinate with Medicare (Medicare is not primary payer).
<b>Val</b>	Valuation