



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

SEPTEMBER 30, 2008

**DoD Office of the Actuary
January 2010**

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, 2008, and the 2011 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.



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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.

Chapter 56 of Title 10, U.S.C. 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.

Notifications About Rounding and Fund Name

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

Summary of Valuation Results

The purpose of the September 30, 2008, MERHCF valuation (2008 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 2008 valuation uses census population data as of September 30, 2008, aggregate claims data for FY 2008, and detailed claims data from fiscal years 2005 – 2008 (each fiscal year runs from October 1st through September 30th). The 2008 valuation produces AL and UFL figures as of September 30, 2008, an UFL amortization payment for October 1, 2009, and per capita NCs for FY 2009 that are projected to FY 2011. The total October 1, 2009, Treasury payment is the sum of the October 1, 2009, UFL amortization payment and the October 1, 2009, Treasury NC payment. The October 1, 2009, NC payment is a function of FY 2008 per capita NC amounts (projected to FY 2010) promulgated by the MERHCF Board last year, as well as budgeted average force strengths for FY 2010. 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>AL</u>	<u>Fund</u>	<u>UFL</u>
As of September 30, 2008	\$479,991	\$133,486	\$346,505

TABLE 2
TREASURY PAYMENT
(millions)

<u>Payable</u>	<u>UFL Amortization</u>	<u>NC</u>	<u>Total</u>
October 1, 2009	\$10,006	\$11,097	\$21,103

TABLE 3
PER CAPITA NORMAL COSTS FOR FY 2011

<u>For NC Payment Made</u>	<u>Full-time</u>	<u>Part-time</u>
October 1, 2010	\$5,673	\$3,317

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, 2008
(millions)

PVFB	\$568,687
PVFNC	\$88,696
AL	\$479,991
Fund	\$133,486
UFL	\$346,505

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, 2008; 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, 2008
(millions)

Book Value of Assets	\$134,309
Accounts payable	\$200
IBNR	\$623
Actuarial Value of Assets	\$133,486

TABLE 6
FY 2008 STATEMENT OF CHANGES IN THE ACTUARIAL VALUE OF ASSETS
(millions)

Actuarial value of assets, beginning of plan year	\$108,682
Contributions	
Amortization of UFL	\$12,930
Normal Cost	\$11,496
Investment income	\$8,231
Total additions	\$32,657
Less: Benefit Payments	\$7,854
Actuarial value of assets, end of plan year	\$133,486

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, 2008
(millions)

Non-marketable, market-based securities	\$127,002
Interest receivable	\$1,492
Fund balance with Treasury	\$5
Accounts Receivable	\$12
Total market-based value of assets	\$128,511

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, 2008, 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, 2007 (actual)	\$471,118	\$108,682	\$362,435
September 30, 2008 (expected)	\$500,239	\$130,637	\$369,602
September 30, 2008 (actual)	\$479,991	\$133,486	\$346,505
(Gain) / loss			(\$23,097)

TABLE 9
SEPTEMBER 30, 2008 ASSET AND LIABILITY (GAIN) / LOSS SUMMARY
(millions)

	<u>Liability</u>	<u>Asset</u>	<u>TOTAL</u>
Experience	(\$6,357)	(\$2,849)	(\$9,206)
Assumption	(\$13,891)		(\$13,891)
TOTAL	(\$20,248)	(\$2,849)	(\$23,097)
(G) / L Expressed as a % of September 30, 2008 AL			
	<u>Liability</u>	<u>Asset</u>	<u>TOTAL</u>
Experience	-1.32%	-0.59%	-1.92%
Assumption	-2.89%		-2.89%
TOTAL	-4.22%	-0.59%	-4.81%

TABLE 10
CHANGE IN UNFUNDED LIABILITY
(millions)

1. Actual Unfunded Accrued Liability, 9/30/2008	\$346,505
2. Expected Unfunded Accrued Liability, 9/30/2008	\$369,602
3. Total (Gain) / Loss	(\$23,097)
a. Total experience (gain) / loss	(\$9,206)
census	\$1,723
claims	(\$8,080)
asset	(\$2,849)
b. Total benefit change gain	\$0
c. Total assumption (gain) / loss	(\$13,891)
discount rate	\$0
medical trend rates	(\$2,940)
plan participation rates	\$370
claim vectors, admin and Rx rebates	(\$19,554)
mortality	\$5,098
other demographic rates	\$3,134

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, 2008, 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, 2008, 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 IDs (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, 2008

<u>DoD</u>	
Active Duty	1,460,720
Reserve	765,910
<u>Coast Guard</u>	
Active Duty	41,744
Reserve	8,043
PHS Active Duty	6,195
NOAA Active Duty	294
<u>TOTAL</u>	
Active Duty	1,508,953
Reserve	773,953

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 HORG0, 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 2007 and FY 2008. 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. The 2008 detail data was provided much later than anticipated, so OACT was unable to incorporate the 2008 inpatient and outpatient (i.e., non-pharmacy) detail claims data in the development of the claim vectors used for the September 30, 2008 valuation. However, aggregate FY 2008 claims data was used to adjust the CVs to 2008 cost levels.

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 US Family Health Plan, TRICARE's

designated provider plan, a managed care plan which receives payments in the form of per capita rates and which provides comprehensive patient care (with no reimbursement from Medicare). 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 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)

	Assumed <u>Trend</u>	1% Higher <u>Trend</u>	1% Lower <u>Trend</u>
Actuarial Liability as of 9/30/08	\$479,991	\$612,165	\$381,838
Per Capita Normal Cost for FY 2011			
Active Duty	\$5,673	\$9,210	\$3,496
Reserve	\$3,317	\$5,126	\$2,136

APPENDIX A

ELIGIBILITY AND PLAN PROVISIONS

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SUMMARY OF ELIGIBILITY REQUIREMENTS

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 Administration.

Children remain eligible up to their 21st birthday (or 23rd 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.

SUMMARY OF PLAN PROVISIONS

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

Section 1113 of Title 10, U.S. Code (U.S.C.) 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 member contribution required for TFL. Instead of TFL, Medicare-eligible retirees can choose to enroll in (and pay for) a US Family Health Plan (USFHP), depending on whether the plan is available in the members' location. The member contribution and copayments for USFHP are 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 member contribution 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 a 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)

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
Type of Plan	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.
Eligibility Requirements	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.
Providers	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.
Filing Claims	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.
Enrollment	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.
Annual Deductible	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"> ▪ \$150/Individual ▪ \$300/Family 	<ul style="list-style-type: none"> ▪ \$150/Individual ▪ \$300/Family
Outpatient Visit	Services covered by TRICARE and Medicare Member pays nothing	Military Treatment Facility No charge

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
	<p>Services covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ 20% of the negotiated rate after the annual deductible is met ▪ Non-network provider: <ul style="list-style-type: none"> ▪ 25% of the allowable charge after the annual deductible is met <p>Services not covered by TRICARE or Medicare Member pays the total amount</p>	<p>Host Nation Provider 25% of billed charges after the annual deductible is met</p>
Preventive Services	<p>Services covered by TRICARE and Medicare Member pays nothing</p> <p>Services covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ 20% of the negotiated rate after the annual deductible is met ▪ Non-network provider: <ul style="list-style-type: none"> ➢ 25% of the allowable charge after the annual deductible is met <p>Services not covered by TRICARE or Medicare Member pays the total amount</p>	<p>Military Treatment Facility No charge</p> <p>Host Nation Provider 25% of billed charges after the annual deductible is met</p>
Inpatient Hospital	<p>Services Covered by TRICARE and Medicare Member pays nothing (days 1-150)</p> <p>Services Covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ 151+ days ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ \$250 per day or 25% of institutional charges, whichever is less, plus 20% of professional 	<p>Military Treatment Facility Nominal charges may apply (check with local facility for details)</p> <p>Host Nation Provider \$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services</p>

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
	<p>charges.</p> <ul style="list-style-type: none"> ▪ Non-network provider: <ul style="list-style-type: none"> ➢ \$535 per day or 25% of billed charges for institutional services, whichever is less, plus 25% of allowable for professional charges <p>Services not Covered by TRICARE or Medicare Member pays the total amount</p>	
Emergency Services	<p>Services covered by TRICARE and Medicare Member pays nothing</p> <p>Services covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ 20% of the negotiated rate after the annual deductible is met ▪ Non-network provider: <ul style="list-style-type: none"> ➢ 25% of the allowable charge after the annual deductible is met <p>Services not covered by TRICARE or Medicare</p> <ul style="list-style-type: none"> ▪ Member pays the total amount 	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> ▪ No charge ▪ If admitted, nominal charges may apply (check with local facility for details) <p>Host Nation Provider 25% of billed charges after the annual deductible is met</p>
Outpatient Behavioral Health care	<p>Services covered by TRICARE and Medicare Member pays nothing</p> <p>Services covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ 20% of the negotiated rate after the annual deductible is met ▪ Non-network provider: <ul style="list-style-type: none"> ➢ 25% of the allowable charge after the annual deductible is met <p>Services not covered by TRICARE or Medicare</p>	<p>Military Treatment Facility No charge</p> <p>Host Nation Provider 25% of billed charges after the annual deductible is met</p>

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
	Member pays the total amount	
Inpatient Behavioral Health Care	<p>Services Covered by TRICARE and Medicare Member pays nothing (1-150 days)</p> <p>Services Covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ 151+ days ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ 20% of total charge, plus, 20% for separately billed services ▪ Non-network provider: <ul style="list-style-type: none"> ➢ High-volume Hospitals: 25% hospital specific per diem, plus 25% for separately billed professional services ➢ Low-volume Hospitals: \$187 per day or 25% of the billed charges, whichever is less, plus 25% for separately billed services ➢ Residential Treatment Center: 25% of the allowed amount ➢ Partial Hospitalization: 25% of the allowed amount, plus 25% of the allowable charge for separately billed professional services <p>Services not Covered by TRICARE or Medicare Member pays the total amount</p>	<p>Military Treatment Facility Nominal charges may apply (check with local facility)</p> <p>Host Nation Provider</p> <ul style="list-style-type: none"> ▪ High-volume Hospitals: 25% hospital specific per diem, plus 25% for separately billed professional services ▪ Low-volume Hospitals: \$187 per day or 25% of the billed charges, whichever is less, plus 25% for separately billed services ▪ Residential Treatment Center: 25% of the allowed amount ▪ Partial hospitalization: 25% of the allowed amount, plus 25% of the allowable charge for separately billed professional services
Inpatient Skilled Nursing Care	<p>Services Covered by TRICARE and Medicare Member pays nothing (1-100 days)</p> <p>Services Covered by Medicare, but not TRICARE Medicare cost shares apply</p> <p>Services covered by TRICARE, but not Medicare</p> <ul style="list-style-type: none"> ▪ 101+ days ▪ TRICARE network provider: <ul style="list-style-type: none"> ➢ \$250 per day or 25% of institutional charges, whichever is less, plus 20% of professional charges 	<p>Military Treatment Facility Nominal charges may apply (check with local facility)</p> <p>Host Nation Provider</p> <p>\$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services</p>

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
	<ul style="list-style-type: none"> ▪ Non-network provider: <ul style="list-style-type: none"> ➢ \$535 per day or 25% of billed charges for institutional services, whichever is less, plus 25% of allowable for professional charges <p>Services not Covered by TRICARE or Medicare Member pays the total amount</p>	
Annual Out-of-pocket Maximum	\$3,000 per family, per fiscal year	\$3,000 per family, per fiscal year
Pharmacy	<p>Retail Network Pharmacy (up to a 30-day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Mail Order Pharmacy (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Military Treatment Facility (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$0 ▪ Tier 2 (formulary brand): \$0 ▪ Tier 3 (non-formulary): n/a <p>Non-network Pharmacy (up to a 30-day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$9 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met ▪ Tier 2 (formulary brand): \$9 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met ▪ Tier 3 (non-formulary): \$22 or 20% of the total cost, whichever is greater, after annual outpatient deductible is met 	<p>Host Nation (up to a 30-day supply) Member pays 25% after annual outpatient deductible is met</p> <p>Mail Order Pharmacy (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Military Treatment Facility (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$0 ▪ Tier 2 (formulary brand): \$0 ▪ Tier 3 (non-formulary): n/a

TABLE A2
TRICARE PRIME AND USFHP BENEFIT SUMMARIES
(For Retired Medicare-eligible Beneficiaries)

	TRICARE Prime	US Family Health Plan
Type of Plan	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.
Eligibility Requirements	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"> ▪ Connecticut ▪ Louisiana ▪ Maine ▪ Maryland ▪ Massachusetts ▪ New Hampshire ▪ New Jersey ▪ New York ▪ Pennsylvania ▪ Rhode Island ▪ Texas ▪ Virginia ▪ Washington ▪ West Virginia
Main Features	<ul style="list-style-type: none"> ▪ Assigned primary care manager (PCM) provides most care and gives referrals for specialty care ▪ Point of service (POS) option available to receive care without a PCM referral ▪ Fewer out-of-pocket costs ▪ Enhanced vision coverage and preventive care 	<ul style="list-style-type: none"> ▪ Assigned primary care physician from plan's network who will provide referrals for specialty care ▪ 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) ▪ The only TRICARE Prime option that offers benefits to members age 65+, regardless of whether member signs up for Medicare Part B ▪ Enhanced benefits and services including discounts for eyeglasses, hearing aids and dental care in some areas <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>
Providers	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

	TRICARE Prime	US Family Health Plan
	<p>treatment facility (MTF) provider or a civilian TRICARE network provider. The PCM:</p> <ul style="list-style-type: none"> ▪ Provides routine health care ▪ Coordinates referrals for specialty care that he or she cannot provide ▪ Assists with prior authorizations, when needed ▪ Maintains patient health records <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>
Filing Claims	Provider will file claims (in most cases).	There are no claim forms when member sees providers approved by the plan.
Enrollment	<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"> ▪ \$230/Individual ▪ \$460/Family 	<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"> ▪ \$230/Individual ▪ \$460/Family
Annual Deductible	<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"> ▪ \$300/Individual ▪ \$600/Family 	There is no annual deductible.
Outpatient Visit	<p>Military Treatment Facility Member pays nothing</p> <p>TRICARE Network Provider</p> <ul style="list-style-type: none"> ▪ PCM visit: \$12 ▪ Specialist with referral: \$12 ▪ Specialist without referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met <p>Non-network Provider</p> <ul style="list-style-type: none"> ▪ With PCM referral: \$12 ▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met 	<ul style="list-style-type: none"> ▪ \$12 per visit ▪ \$0 if enrolled in Medicare Part B

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

<p>Inpatient Behavioral Health Care</p>	<p>Military Treatment Facility Nominal charges may apply (check with local facility for details)</p> <p>TRICARE Network Provider \$40 per day (\$25 minimum)</p> <p>Non-network Provider</p> <ul style="list-style-type: none"> ▪ With PCM referral: Same as network provider costs ▪ Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met 	<ul style="list-style-type: none"> ▪ \$40/day (\$25 minimum) ▪ \$0 if enrolled in Medicare Part B)
<p>Inpatient Skilled Nursing Care</p>	<p>Military Treatment Facility Nominal charges may apply (check with local facility for details)</p> <p>TRICARE Network Provider \$11 per day (\$25 minimum)</p> <p>Non-network Provider</p> <ul style="list-style-type: none"> ▪ With PCM referral: Same as network provider costs ▪ Without PCM referral: 50% of the TRICARE allowable charge 	<ul style="list-style-type: none"> ▪ \$11/day (\$25 minimum) ▪ \$0 if enrolled in Medicare Part B
<p>Annual Out-of-pocket Maximum</p>	<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>	<p>\$3,000 per family, per fiscal year</p>
<p>Pharmacy</p>	<p>Retail Network Pharmacy (up to a 30-day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Mail Order Pharmacy (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Military Treatment Facility (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$0 ▪ Tier 2 (formulary brand): \$0 ▪ Tier 3 (non-formulary): n/a <p>Non-network Pharmacy (up to a 30-day supply)</p> <p>50% of total cost after POS deductible</p>	<p>Network Pharmacy (up to a 30-day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9) <p>Mail Order Pharmacy (up to a 90 day supply)</p> <ul style="list-style-type: none"> ▪ Tier 1 (generic): \$3 ▪ Tier 2 (formulary brand): \$9 ▪ Tier 3 (non-formulary): \$22 (unless medical necessity is proven, then \$9)

<p style="text-align: center;">Plan Availability</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"> ▪ Brighton Marine Health Center Serving Massachusetts (including Cape Cod), northern Connecticut, southern New Hampshire and Rhode Island ▪ CHRISTUS Health Serving southeast Texas and southwest Louisiana ▪ Johns Hopkins Medicine Serving central Maryland, Washington DC and parts of Pennsylvania, Virginia and West Virginia ▪ Martin's Point Health Care Serving Maine, Vermont, New Hampshire and northeastern New York ▪ PacMed Clinics Serving the Puget Sound area of Washington State ▪ Saint Vincent Catholic Medical Centers Serving parts of New York, all of New Jersey, eastern Pennsylvania and southern Connecticut
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APPENDIX B

AGREED-UPON PROCEDURES FOR MERHCF CLAIMS DATA ANALYSIS

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Agreed-Upon Procedures Description	B-2
Table B1: Results of 2007 data pull – AUP Results	B-7
Table B2: Results of 2008 data pull – AUP Results	B-7

AGREED UPON PROCEDURES FOR POSTRETIREMENT CLAIMS DATA ANALYSIS

At the request 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 2007 (closed incurred, open paid), and similarly for claims incurred in FY 2008. 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 2007 Institutional (inpatient facility) TRICARE Encounter data (TED) claims, and a similar extract for FY 2008. 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.

	Detail Data Extracts	M2
File	TED_I	PC Institutional Detail
Select	Program Indicator = 'I'	Program Indicator = 'I'; FY = 2007 (for 2007 comparison); FY = 2008 (for 2008 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 2007 non-institutional TED claims, and a similar extract for FY 2008. 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 2007 (or FY 2008, as appropriate) MERHCF file and the Purchased Care Non-institutional Detail FY 2007 (or FY 2008, 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.

Inpatient Professional		
	Detail Data Extracts	M2
File(s)	TED_NI	PC FY07 Non-institutional DHP; PC FY07 Non-institutional MERHCF; PC FY08 Non-institutional DHP; PC FY08 Non-institutional MERHCF
Select	Type of Service in ('T', 'M')	Service Type in ('T','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)

Outpatient Professional		
	Detail Data Extracts	M2
File(s)	TED_NI	PC FY07 Non-institutional DHP; PC FY07 Non-institutional MERHCF; PC FY08 Non-institutional DHP; PC FY08 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 2007 retail, mail order, and direct care (MTF) prescription drug claims from the Pharmacy Data Transaction Service system (PDTS), and a similar extract for FY 2008. 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 2007 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 2008, 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").

Retail, Mail Order and Direct Care (MTF) Prescription Drugs		
	Detail Data Extracts	M2
File(s)	PDTS	PDTS FY07; PDTS FY08
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 2007 standard inpatient data records (SIDRs), and a similar extract for FY 2008. 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").

DC Inpatient Workload (RWPs)		
	Detail Data Extracts	M2
File(s)	SIDRs	Inpatient Admissions Detail (SIDR)
Select	All	FY = 2007 (for 2007 comparison); FY = 2008 (for 2008 comparison)
Exclude	No exclusions	No exclusions

Direct Care Outpatient Workload

OACT received SADR, an extract of FY 2007 standard ambulatory data records (SADRs), and a similar extract for FY 2008. 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").

DC Outpatient Workload (APGs)		
	Detail Data Extracts	M2
File(s)	SADRs	FY07 Professional Encounters (SADR); FY08 Professional Encounters (SADR)
Select	All	FY = 2007 (for 2007 comparison); FY = 2008 (for 2008 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 2008 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
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	
Purchased Care					
Inpatient					
Institutional	\$2,837,729,214	24-Oct-08	\$2,837,729,214	30-Sep-08	0.00%
Professional	\$643,434,346	30-Oct-08	\$643,118,189	30-Sep-08	0.05%
Total	\$3,481,163,560		\$3,480,847,403		0.01%
Outpatient	\$6,239,196,500	30-Oct-08	\$6,268,417,810	30-Sep-08	-0.47%
Prescription Drug -- Retail	\$4,191,827,587	17-Oct-08	\$4,191,827,588	04-Oct-08	0.00%
Prescription Drug -- Mail Order	\$862,480,897	17-Oct-08	\$862,480,897	04-Oct-08	0.00%
Direct Care					
Inpatient (RWP)	225,814	16-Oct-08	225,813	10-Oct-08	0.00%
Outpatient (APG)	43,936,695	11-Nov-08	43,936,196	25-Nov-08	0.00%
Pharmacy – Ingredient					
Cost	\$1,500,203,583	17-Oct-08	\$1,500,203,583	04-Oct-08	0.00%

TABLE B2
2008 DATA – AUP RESULTS

	FY 2008 Detail Data		FY 2008 M2 Report Data		Detail vs. M2 (Detail/M2 -1)
		As of Date		As of Date	
Purchased Care					
Inpatient					
Institutional	\$3,050,069,140	28-Jan-09	\$3,050,069,140	31-Dec-08	0.00%
Professional	\$663,054,219	28-Jan-09	\$662,655,607	31-Dec-08	0.06%
Total	\$3,713,123,359		\$3,712,724,747		0.01%
Outpatient	\$6,854,998,426	28-Jan-09	\$6,854,022,605	31-Dec-08	0.01%
Prescription Drug -- Retail	\$4,541,098,728	29-Jan-09	\$4,541,098,728	03-Jan-09	0.00%
Prescription Drug -- Mail Order	\$959,221,750	29-Jan-09	\$959,221,750	03-Jan-09	0.00%
Direct Care					
Inpatient (RWP)	215,296	23-Jan-09	214,999	10-Jan-09	0.14%
Outpatient (APG)	44,520,906	29-Jan-09	44,520,602	05-Jan-09	0.00%
Pharmacy – Ingredient					
Cost	\$1,423,372,362	29-Jan-09	\$1,423,372,362	03-Jan-09	0.00%

APPENDIX C

VALUATION POPULATION DATA

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TABLE C1
ACTIVE DUTY AND SELECTED RESERVE AS OF 9/30/2007 And 9/30/2008

All Uniformed

	FYE 2007	FYE 2008	07 to 08 Increase
<u>DoD</u>			
Active Duty	1,438,141	1,460,720	1.6%
Reserve	756,691	765,910	1.2%
<u>Coast Guard</u>			
Active Duty	41,171	41,744	1.4%
Reserve	7,992	8,043	0.6%
PHS Active Duty	5,974	6,195	3.7%
NOAA Active Duty	287	294	2.4%
<u>TOTAL</u>			
Active Duty	1,485,573	1,508,953	1.6%
Reserve	764,683	773,953	1.2%

TABLE C2
ELIGIBLE RETIRED BENEFICIARIES AS OF 9/30/2007 AND 9/30/2008

All Uniformed			
	FYE 2007	FYE 2008	07 to 08 Increase
<u>Retired sponsors</u>			
Total	2,026,259	2,046,552	1.0%
Medicare-eligible	936,848	960,949	2.6%
<u>Spouses of Retirees</u>			
Total	1,621,456	1,636,280	0.9%
Medicare-eligible	580,615	600,041	3.3%
<u>Children of Retirees</u>			
Total	794,010	789,205	-0.6%
Medicare-eligible	6,857	7,167	4.5%
<u>Other Dependents of Retirees</u>			
Total	4,984	5,132	3.0%
Medicare-eligible	3,859	4,250	10.1%
<u>Survivors</u>			
Total spouses	524,328	536,756	2.4%
Total children	42,079	41,633	-1.1%
Total other	364	354	-2.7%
Medicare-eligible spouses	422,748	438,060	3.6%
Medicare-eligible children	5,218	5,496	5.3%
Medicare-eligible other	292	301	3.1%
<u>Retirees, dependents, survivors</u>			
Total	5,013,480	5,055,912	0.8%
Medicare-eligible	1,956,437	2,016,264	3.1%

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 FY2008 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	4	5	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13
21	30	11	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	0	0	0	0	45
22	1,871	77	20	11	19	23	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	2,025
23	3,633	2,464	100	33	35	40	13	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	6,323
24	1,663	4,456	2,407	94	52	45	37	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	8,755
25	730	1,996	4,195	2,264	119	97	65	42	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,509
26	621	811	1,863	4,147	2,018	190	116	134	85	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,986
27	632	629	745	1,868	3,513	1,771	187	132	161	129	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,772
28	423	709	700	773	1,673	3,064	1,674	218	191	255	183	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,867
29	311	464	663	732	876	1,625	2,579	1,426	282	271	430	219	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,879
30	248	314	441	584	676	825	1,421	2,284	1,358	245	288	423	212	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,319
31	192	213	329	439	577	702	774	1,337	2,152	1,324	276	372	463	230	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,382
32	165	178	282	299	393	598	637	697	1,273	1,967	1,266	366	448	458	204	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,232
33	128	138	168	232	303	430	577	570	666	1,244	1,867	1,278	396	413	535	259	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,207
34	91	111	137	186	244	336	424	554	555	642	1,192	1,746	1,190	398	479	562	283	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,133
35	83	94	124	141	187	232	359	374	497	585	694	1,126	1,696	1,250	448	567	649	266	2	0	0	0	0	0	0	0	0	0	0	0	0	0	9,374
36	72	75	99	116	163	182	255	283	353	482	589	702	1,076	1,717	1,319	493	595	616	366	2	0	0	0	0	0	0	0	0	0	0	0	0	9,555
37	62	78	74	115	123	157	227	218	281	312	486	618	755	1,150	1,860	1,316	529	571	714	443	2	0	0	0	0	0	0	0	0	0	0	0	10,091
38	67	74	72	90	133	155	180	192	237	305	330	518	622	719	1,272	1,958	1,441	558	588	822	411	6	0	0	0	0	0	0	0	0	0	0	10,750
39	55	52	61	80	117	122	146	163	191	221	258	321	482	567	774	1,297	1,891	1,304	467	606	668	334	4	0	0	0	0	0	0	0	0	0	10,181
40	45	45	45	69	85	129	138	169	145	166	219	240	295	422	508	712	1,255	1,706	1,273	469	499	550	276	5	0	0	0	0	0	0	0	0	9,465
41	54	44	34	45	70	81	103	114	123	117	158	200	230	281	391	534	686	1,241	1,698	1,355	370	425	468	232	5	0	0	0	0	0	0	9,059	
42	38	38	41	61	47	73	97	102	105	102	130	136	166	226	260	381	529	673	1,147	2,054	993	301	328	398	159	4	0	0	0	0	0	8,589	
43	28	26	33	37	66	63	58	70	107	84	112	133	139	186	201	274	435	496	651	1,450	1,400	819	239	313	352	134	2	0	0	0	0	7,908	
44	19	26	30	27	53	68	67	71	66	89	95	129	123	154	177	201	299	380	516	770	988	1,119	766	208	271	304	104	6	0	0	0	7,126	
45	21	19	21	30	34	63	59	59	47	69	71	92	86	122	135	170	226	306	400	613	547	692	942	697	177	198	197	117	1	0	0	6,211	
46	31	20	19	27	35	31	41	56	54	66	67	103	80	115	143	166	210	257	379	392	420	549	823	554	161	153	146	93	2	0	0	5,247	
47	22	12	20	17	19	30	30	47	45	50	49	54	73	87	88	95	123	184	181	271	276	301	369	501	649	514	123	117	92	76	1	4,516	
48	21	11	20	15	21	17	29	22	37	48	40	48	36	76	69	90	111	128	130	198	179	216	258	281	353	529	423	73	79	118	54	3,730	
49	10	10	16	7	16	15	18	14	21	31	26	30	40	56	54	59	88	93	96	162	120	126	170	243	193	333	402	297	70	85	110	3,011	
50	10	12	8	15	13	12	19	10	13	33	23	27	41	38	48	48	66	69	78	108	90	108	127	182	169	143	212	325	291	49	136	2,523	
51	9	8	15	10	11	13	16	15	18	21	14	25	19	35	39	44	40	62	74	55	77	82	84	105	123	128	142	172	264	233	118	2,071	
52	19	8	5	5	11	10	13	8	17	11	14	16	24	32	25	28	55	68	65	82	71	46	70	74	82	96	94	105	120	187	188	1,649	
53	12	2	5	9	5	7	11	10	9	17	12	12	15	18	22	42	39	66	66	75	42	51	54	43	64	65	81	87	67	80	216	1,250	
54	9	4	2	1	7	6	8	7	10	7	10	9	7	14	16	21	33	38	44	50	38	43	40	57	39	43	58	70	41	43	190	965	
55	9	8	0	1	9	8	7	5	3	7	8	12	7	10	11	14	36	26	31	40	29	30	35	30	37	29	48	43	51	41	174	799	
56	6	6	5	1	4	5	5	8	5	5	2	4	8	9	8	16	27	24	33	37	23	14	29	28	30	26	31	43	27	36	140	645	
57	7	7	3	7	0	4	1	2	2	4	8	8	4	6	5	13	11	17	27	26	18	15	19	31	16	24	23	23	25	22	112	490	
58	7	2	4	6	2	6	9	6	0	5	4	1	5	4	4	8	12	17	18	18	17	12	8	12	20	15	16	14	10	15	88	365	
59	9	4	1	1	4	4	7	3	7	2	8	6	7	3	3	5	10	13	15	15	12	10	12	12	16	18	17	9	11	8	58	310	
60+	26	11	6	2	9	4	7	6	2	9	6	3	8	13	11	12	17	25	31	44	23	10	24	18	19	24	29	27	26	23	144	619	
Total	11,493	13,275	12,820	12,597	11,743	11,243	10,418	9,434	9,119	8,914	8,935	8,949	8,774	8,771	9,079	9,342	9,659	9,133	8,968	10,144	7,285	5,730	4,871	4,293	3,328	2,788	2,155	1,674	1,268	1,018	1,729	238,949	

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

Average Age 35.6

Average Years of Active Service 11.0
Department of Defense - Office of the Actuary

TABLE C5
DOD ACTIVE DUTY OFFICERS AND ENLISTEES BY AGE AND YEARS OF SERVICE FOR THE FY2008 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	262	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	262
18	16,014	241	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	16,255	
19	38,268	13,908	173	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	52,349	
20	30,537	33,292	12,893	131	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	76,854	
21	20,338	26,767	31,810	10,966	64	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	89,946	
22	16,377	18,201	26,249	27,662	8,653	57	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	97,203	
23	14,279	15,219	17,971	22,898	21,519	7,211	38	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	99,140	
24	9,456	13,762	14,523	13,494	17,763	16,991	6,199	58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92,246	
25	6,227	8,594	12,722	11,429	11,533	13,334	13,526	6,104	48	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	83,518	
26	4,630	5,508	8,125	10,802	10,082	9,035	10,062	12,635	5,509	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,428	
27	3,615	4,032	5,116	6,781	9,499	7,986	6,899	8,935	10,929	4,545	28	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,369	
28	2,629	3,082	3,826	4,267	6,176	7,695	6,459	5,933	7,837	9,710	4,005	34	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61,655	
29	2,048	2,379	2,896	3,234	4,156	5,136	6,236	5,551	5,300	7,291	8,762	3,373	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56,381	
30	1,444	1,632	2,065	2,408	3,146	3,490	4,174	5,173	4,772	4,668	6,697	7,420	2,745	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49,838	
31	1,183	1,229	1,576	1,751	2,372	2,697	2,818	3,482	4,608	4,448	4,457	6,243	6,409	2,296	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,584	
32	936	993	1,207	1,329	1,808	2,024	2,163	2,330	3,117	4,242	4,191	4,323	5,686	5,353	2,110	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,817	
33	742	783	865	1,007	1,368	1,517	1,784	1,857	2,099	2,919	4,030	4,012	3,926	4,824	5,411	2,195	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,348	
34	656	661	731	814	1,079	1,175	1,361	1,528	1,637	1,988	2,790	3,827	3,715	3,547	4,864	5,401	2,271	9	0	0	0	0	0	0	0	0	0	0	0	0	0	38,054	
35	520	549	598	667	834	922	1,108	1,143	1,283	1,549	1,906	2,699	3,526	3,338	3,267	5,328	5,566	2,101	13	2	0	0	0	0	0	0	0	0	0	0	0	36,919	
36	420	532	551	574	718	714	831	912	1,032	1,274	1,511	1,903	2,489	3,366	3,375	3,649	5,244	5,133	2,627	23	11	0	0	0	0	0	0	0	0	0	0	36,889	
37	383	419	493	541	648	665	752	712	896	1,012	1,222	1,583	1,888	2,419	3,376	3,539	3,777	4,820	6,368	3,080	39	1	0	0	0	0	0	0	0	0	0	0	38,633
38	373	410	341	506	617	658	652	622	715	909	1,030	1,304	1,554	1,697	2,502	3,588	3,812	3,585	5,303	6,937	2,137	14	2	0	0	0	0	0	0	0	0	39,268	
39	324	292	261	266	552	527	569	548	641	696	775	961	1,134	1,293	1,670	2,403	3,539	3,261	3,337	5,566	4,116	1,754	8	1	0	0	0	0	0	0	0	34,494	
40	264	248	234	221	313	509	464	476	498	558	625	659	816	940	1,157	1,567	2,525	3,102	3,216	3,469	3,175	3,353	1,435	15	1	0	0	0	0	0	0	29,840	
41	205	262	172	151	214	286	355	397	430	434	485	545	694	677	879	1,134	1,601	2,328	3,110	3,395	1,981	2,722	2,689	1,093	7	0	0	0	0	0	26,246		
42	224	201	193	164	164	205	257	342	366	421	418	458	540	554	644	865	1,188	1,534	2,302	3,527	2,203	1,801	2,151	2,072	684	18	0	0	0	0	0	23,496	
43	86	188	130	123	179	141	175	218	376	365	392	396	441	444	529	729	933	1,197	1,586	2,732	2,262	1,942	1,551	1,740	1,491	515	4	1	0	0	20,866		
44	59	103	103	102	168	158	158	180	193	329	293	370	375	391	455	565	703	921	1,239	1,865	1,705	1,926	1,706	1,187	1,340	1,163	418	25	0	0	18,200		
45	55	41	64	90	106	147	127	145	145	247	262	310	299	323	376	449	600	741	908	1,393	1,177	1,310	1,633	1,353	845	900	727	416	14	0	15,203		
46	67	50	54	69	87	99	108	140	121	155	166	258	255	235	310	345	429	551	711	920	837	893	1,044	1,353	1,029	657	550	609	290	5	0	12,397	
47	48	22	42	47	66	68	74	104	91	118	123	144	246	217	244	259	325	427	460	675	575	702	734	815	1,000	847	338	440	384	259	2	9,896	
48	55	27	38	39	47	41	67	72	85	119	110	114	117	189	187	234	267	334	379	520	404	435	508	544	586	791	543	242	249	339	97	7,779	
49	38	28	30	29	33	29	51	56	70	90	77	78	96	113	156	167	217	275	291	395	268	317	360	452	338	507	500	409	183	222	181	6,056	
50	27	20	21	23	34	16	39	33	38	63	61	71	93	75	104	133	154	174	237	292	222	211	236	302	272	252	296	417	341	133	196	4,586	
51	23	11	26	18	24	26	30	36	35	50	34	60	52	66	72	89	110	182	177	201	158	171	156	204	199	230	186	217	319	286	166	3,614	
52	25	18	9	10	21	18	37	22	33	33	39	40	44	47	52	67	94	151	153	183	135	109	121	132	139	157	132	147	154	209	224	2,755	
53	21	8	11	10	19	9	17	20	22	28	26	38	29	31	41	50	71	91	139	163	100	105	113	91	95	104	98	108	102	100	246	2,106	
54	15	7	4	6	12	7	12	17	18	16	19	24	30	19	33	49	50	59	89	108	78	97	73	97	55	55	74	82	66	60	210	1,541	
55	13	10	3	8	12	11	10	14	11	12	14	20	17	17	20	36	52	41	49	80	59	61	66	48	55	47	58	50	67	53	185	1,199	
56	9	9	7	1	7	9	13	16	14	10	10	12	18	15	18	36	33	40	58	53	48	33	49	55	58	44	32	50	41	42	150	990	
57	10	7	4	7	2	5	5	8	4	7	9	12	7	11	11	21	23	38	46	42	28	30	38	51	31	35	28	27	27	28	120	722	
58	8	3	6	3	7	11	10	3	8	6	6	7	10	9	16	17	31	30	35	27	24	28	29	36	21	20	20	15	24	92	568		
59	10	5	4	1	5	5	8	7	9	2	11	13	10	5	6	14	20	25	23	28	21	25	22	26	24	20	20	10	14	12	62	467	
60+	38	11	7	3	12	5	7	8	2	9	8	5	9	14	14	17	20	30	42	49	31	21	33	24	25	32	33	29	25	155	743		
Total	172,961	153,764	146,154	122,655	104,116	83,636	67,660	59,849	52,987	48,366	44,592	41,319	37,288	32,529	31,908	32,949	33,651	31,181	32,893	35,733	21,797	18,057	14,756	11,684	8,310	6,388	4,056	3,303	2,295	1,797	2,086	1,460,720	

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

Average Age 29.2

Average Years of Active Service
Department of Defense - Office of the Actuary

TABLE C6
DOD SELECTED RESERVE OFFICERS BY AGE AND YEARS OF SERVICE FOR THE FY2008 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	102	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	328	17	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	656	46	21	8	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	837	101	46	16	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	985	331	104	44	3	8	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
26	950	389	239	86	61	17	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	1,038	459	246	209	171	56	14	15	0	1	0	0	0	0	0	0	0	0	0	0	0	0
28	894	371	347	224	306	208	70	29	21	11	2	0	0	0	0	0	0	0	0	0	0	0
29	754	358	322	257	350	274	132	64	45	35	2	0	0	0	0	0	0	0	0	0	0	0
30	662	294	317	256	353	249	225	112	74	40	14	4	0	0	0	0	0	0	0	0	0	0
31	629	288	267	216	305	291	263	136	121	41	24	9	8	2	0	0	0	0	0	0	0	0
32	567	282	236	227	327	249	236	215	139	120	34	15	12	2	0	2	0	0	0	0	0	0
33	655	286	272	234	302	242	243	186	140	168	87	27	28	8	0	1	0	0	0	0	0	0
34	710	316	278	250	336	281	224	197	177	205	142	92	33	13	8	1	0	0	0	0	0	0
35	636	334	306	268	316	211	249	213	163	192	184	112	53	30	7	3	0	0	0	0	0	0
36	725	358	328	265	315	244	266	237	179	183	152	155	82	34	19	9	1	2	0	0	0	0
37	834	389	381	321	310	258	314	262	202	220	198	181	133	72	33	11	7	1	0	0	0	0
38	877	491	513	395	376	346	286	297	229	213	215	192	128	84	53	23	7	5	1	1	0	0
39	878	512	525	397	414	323	274	256	221	262	232	198	160	130	67	42	12	8	3	0	0	0
40	777	503	472	406	405	296	270	253	216	210	248	202	197	145	85	47	25	2	7	1	2	0
41	772	456	441	413	425	359	277	218	192	266	264	253	193	150	98	60	28	3	6	1	3	0
42	705	424	454	407	423	358	294	230	258	230	300	252	247	189	139	65	40	13	8	2	6	0
43	621	446	411	390	407	367	309	251	224	230	211	251	225	155	140	71	60	16	16	7	3	0
44	555	400	426	415	365	344	328	273	254	208	231	236	184	167	129	83	62	34	21	10	14	0
45	499	440	353	375	386	304	331	292	232	238	192	197	215	179	135	99	75	40	26	10	12	0
46	448	351	307	328	304	309	258	217	250	203	197	199	199	159	113	82	50	34	22	13	16	0
47	440	323	235	307	286	273	254	224	200	193	191	218	217	169	124	79	58	35	10	14	14	0
48	359	283	202	225	209	231	247	240	182	171	190	170	163	154	92	85	57	33	21	9	14	0
49	256	259	160	198	223	197	220	223	172	133	132	144	141	141	115	68	47	47	25	7	15	0
50	284	211	152	161	182	154	184	170	151	146	119	145	118	120	106	66	51	26	14	6	15	0
51	241	211	149	166	150	181	200	134	132	101	132	110	110	88	81	61	40	35	11	5	7	0
52	207	179	152	133	161	165	155	121	120	97	82	87	67	78	72	60	33	26	9	3	7	0
53	193	211	146	126	122	137	105	112	104	76	77	58	49	67	58	34	42	22	22	8	7	0
54	161	191	127	106	129	109	104	79	74	70	58	55	48	41	47	53	28	16	11	4	9	0
55	168	171	149	102	93	108	90	99	72	54	47	48	39	34	32	23	22	16	7	3	7	0
56	128	155	117	96	103	91	108	57	66	38	50	30	31	31	20	21	14	12	8	1	4	0
57	115	145	121	96	84	85	72	55	40	38	29	31	29	17	14	20	8	8	5	2	1	0
58	109	120	134	94	88	71	58	58	42	25	25	31	23	11	15	8	15	3	3	1	2	0
59	81	104	107	119	69	69	67	42	47	28	33	18	13	19	11	10	10	6	4	2	3	0
60	61	105	82	65	53	64	46	39	32	17	13	11	6	6	7	7	2	3	0	1	3	0
61	33	59	40	23	24	22	17	17	11	8	3	2	6	2	4	1	1	2	1	0	0	0
62	18	27	31	13	13	12	9	6	2	0	4	1	3	2	2	1	0	0	0	1	0	0
63+	18	46	20	11	8	12	4	5	1	4	3	4	1	0	1	1	0	0	0	0	1	0
Total	20,995	11,442	9,738	8,448	8,963	7,582	6,809	5,635	4,786	4,475	4,117	3,738	3,161	2,499	1,827	1,197	795	448	261	112	165	107,193

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary. Average Age 40.7 Average Years of Active Service 4.8
 Age is age nearest birthday as of the end of the fiscal year. Department of Defense - Office of the Actuary

TABLE C7
DOD SELECTED RESERVE ENLISTEES BY AGE AND YEARS OF SERVICE FOR THE FY2008 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	1,926	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,926
18	16,595	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,600
19	28,386	234	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,622
20	32,804	1,420	47	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,280
21	31,635	3,528	292	69	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,529
22	27,534	5,378	1,112	524	281	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,846
23	23,430	7,077	2,184	1,468	1,575	164	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,909
24	19,257	7,930	2,930	2,294	3,261	790	104	14	0	0	0	0	0	0	0	0	0	0	0	0	0	36,580
25	16,019	7,132	3,527	3,001	4,063	1,513	577	71	3	0	0	0	0	0	0	0	0	0	0	0	0	35,906
26	13,386	6,284	3,681	2,965	4,214	1,571	1,002	230	58	15	0	0	0	0	0	0	0	0	0	0	0	33,406
27	10,500	4,844	3,133	2,728	3,876	1,598	1,163	511	210	19	15	0	0	0	0	0	0	0	0	0	0	28,657
28	8,661	3,834	2,601	2,343	3,215	1,441	1,110	636	509	146	30	17	0	0	0	0	0	0	0	0	0	24,543
29	7,153	3,086	2,247	1,988	2,889	1,301	1,073	603	661	277	114	20	6	0	0	0	0	0	0	0	0	21,418
30	6,046	2,402	1,863	1,710	2,422	1,200	863	564	572	436	224	63	13	13	0	0	0	0	0	0	0	18,391
31	5,165	2,102	1,627	1,561	2,081	1,048	813	506	539	392	256	97	36	18	4	0	0	0	0	0	0	16,245
32	4,653	1,879	1,478	1,313	1,853	948	758	522	479	386	275	128	55	37	10	9	0	0	0	0	0	14,783
33	4,129	1,624	1,431	1,200	1,689	875	758	509	485	370	240	168	89	67	22	9	1	0	0	0	0	13,666
34	3,991	1,604	1,279	1,171	1,472	849	734	473	479	390	268	185	149	83	41	20	6	5	0	0	0	13,199
35	3,728	1,545	1,359	1,050	1,465	860	685	470	431	386	310	193	153	122	64	29	13	8	6	0	0	12,877
36	3,892	1,666	1,423	1,231	1,368	834	737	549	467	433	332	221	166	105	78	49	28	10	1	2	0	13,592
37	3,911	1,708	1,559	1,329	1,624	939	803	619	543	441	410	305	196	120	100	52	39	15	5	7	2	14,727
38	3,996	1,795	1,607	1,442	1,822	1,082	869	672	604	507	477	372	226	151	112	84	50	24	3	9	7	15,911
39	3,620	1,723	1,377	1,488	1,689	1,106	924	666	588	525	476	346	262	164	112	85	54	19	11	6	10	15,251
40	3,337	1,527	1,273	1,315	1,592	1,058	866	737	603	450	478	333	233	176	126	98	40	28	14	5	15	14,304
41	2,938	1,361	1,186	1,175	1,418	972	838	634	574	432	463	333	262	161	118	77	56	40	20	11	18	13,087
42	2,729	1,315	1,102	1,139	1,271	955	776	666	548	444	389	341	226	170	146	104	56	45	33	11	16	12,482
43	2,479	1,178	1,102	1,124	1,149	859	753	642	576	391	423	306	227	190	122	120	74	37	28	10	21	11,811
44	2,132	1,044	1,049	1,100	1,089	819	751	574	548	400	449	374	286	201	147	149	86	48	35	14	34	11,329
45	1,859	1,037	894	1,020	1,024	872	692	571	518	415	463	336	277	212	166	117	94	79	22	19	24	10,711
46	1,689	940	842	924	975	737	663	572	450	364	406	336	289	208	172	143	94	57	30	19	33	9,943
47	1,460	861	683	901	867	651	562	450	370	363	333	277	247	238	176	134	83	52	34	11	35	8,788
48	1,215	732	609	771	818	606	551	461	349	269	301	254	231	216	182	161	75	55	39	7	28	7,930
49	921	557	538	642	590	526	453	391	301	253	230	244	168	168	148	97	85	64	31	14	25	6,446
50	797	543	448	539	579	497	422	337	250	240	212	154	146	125	116	89	82	52	21	18	29	5,696
51	668	481	406	521	515	442	404	310	236	168	165	138	146	85	88	101	50	48	17	7	11	5,007
52	562	418	396	459	451	400	328	319	215	149	143	132	103	86	64	54	51	33	15	5	22	4,405
53	433	371	343	414	410	366	326	232	207	138	167	118	86	75	70	52	41	32	20	9	10	3,920
54	376	318	291	353	340	293	275	219	152	145	101	88	89	63	40	37	23	25	11	9	12	3,260
55	322	269	318	342	312	248	226	149	145	105	97	78	62	55	44	30	18	25	10	1	9	2,865
56	346	300	301	302	229	224	186	129	118	92	62	54	47	38	23	25	24	19	4	1	9	2,533
57	224	241	302	294	251	197	152	137	99	82	49	50	46	30	31	10	9	14	10	1	10	2,239
58	235	247	292	269	236	179	151	90	90	58	29	30	33	29	14	19	13	6	6	1	7	2,034
59	181	233	275	266	236	182	153	74	64	34	27	38	29	21	21	13	11	8	6	1	5	1,878
60	81	121	157	169	137	102	80	49	30	21	19	23	10	7	11	7	5	1	0	2	7	1,039
61	7	11	19	17	10	9	6	5	4	2	1	1	0	1	0	1	0	0	0	0	0	94
62	7	5	13	6	5	5	2	1	0	2	1	0	0	0	0	1	0	0	0	0	1	49
63+	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Total	305,475	82,910	49,601	44,946	55,368	29,335	22,600	15,364	13,075	9,738	8,436	6,154	4,594	3,435	2,568	1,975	1,262	849	432	200	400	658,717

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

Average Age 30.8

Average Years of Active Service 2.3
 Department of Defense - Office of the Actuary

TABLE C8
DOD SELECTED RESERVE OFFICERS AND ENLISTEES BY AGE AND YEARS OF SERVICE FOR THE FY2008 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	1,926	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,926
18	16,595	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,600
19	28,388	234	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,624
20	32,831	1,420	47	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,307
21	31,737	3,528	292	69	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,631
22	27,862	5,395	1,114	524	281	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,193
23	24,086	7,123	2,205	1,476	1,577	169	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,647
24	20,094	8,031	2,976	2,310	3,265	792	104	14	0	0	0	0	0	0	0	0	0	0	0	0	0	37,586
25	17,004	7,463	3,631	3,045	4,066	1,521	580	71	4	0	0	0	0	0	0	0	0	0	0	0	0	37,385
26	14,336	6,673	3,920	3,051	4,275	1,588	1,005	231	58	15	0	0	0	0	0	0	0	0	0	0	0	35,152
27	11,598	5,303	3,379	2,937	4,047	1,654	1,177	526	210	20	15	0	0	0	0	0	0	0	0	0	0	30,866
28	9,555	4,205	2,948	2,567	3,521	1,649	1,180	665	530	157	32	17	0	0	0	0	0	0	0	0	0	27,026
29	7,907	3,444	2,569	2,245	3,239	1,575	1,205	667	706	312	116	20	6	0	0	0	0	0	0	0	0	24,011
30	6,708	2,696	2,180	1,966	2,775	1,449	1,088	676	646	476	238	67	13	13	0	0	0	0	0	0	0	20,991
31	5,794	2,390	1,894	1,777	2,386	1,339	1,076	642	660	433	280	106	44	20	4	0	0	0	0	0	0	18,845
32	5,220	2,161	1,714	1,540	2,180	1,197	994	737	618	506	309	143	67	39	10	11	0	0	0	0	0	17,446
33	4,784	1,910	1,703	1,434	1,991	1,117	1,001	695	625	538	327	195	117	75	22	10	1	0	0	0	0	16,545
34	4,701	1,920	1,557	1,421	1,808	1,130	958	670	656	595	410	277	182	96	49	21	6	5	0	0	0	16,462
35	4,364	1,879	1,665	1,318	1,781	1,071	934	683	594	578	494	305	206	152	71	32	13	8	6	0	0	16,154
36	4,617	2,024	1,751	1,496	1,683	1,078	1,003	786	646	616	484	376	248	139	97	58	29	12	1	2	0	17,146
37	4,745	2,097	1,940	1,650	1,934	1,197	1,117	881	745	661	608	486	329	192	133	63	46	16	5	7	2	18,854
38	4,873	2,286	2,120	1,837	2,198	1,428	1,155	969	833	720	692	564	354	235	165	107	57	29	4	10	7	20,643
39	4,498	2,235	1,902	1,885	2,103	1,429	1,198	922	809	787	708	544	422	294	179	127	66	27	14	6	10	20,165
40	4,114	2,030	1,745	1,721	1,997	1,354	1,136	990	819	660	726	535	430	321	211	145	65	30	21	6	17	19,073
41	3,710	1,817	1,627	1,588	1,843	1,331	1,115	852	766	698	727	586	455	311	216	137	84	43	26	12	21	17,965
42	3,434	1,739	1,556	1,546	1,694	1,313	1,070	896	806	674	689	593	473	359	285	169	96	58	41	13	22	17,526
43	3,100	1,624	1,513	1,514	1,556	1,226	1,062	893	800	621	634	557	452	345	262	191	134	53	44	17	24	16,622
44	2,687	1,444	1,475	1,515	1,454	1,163	1,079	847	802	608	680	610	470	368	276	232	148	82	56	24	48	16,068
45	2,358	1,477	1,247	1,395	1,410	1,176	1,023	863	750	653	655	533	492	391	301	216	169	119	48	29	36	15,341
46	2,137	1,291	1,149	1,252	1,279	1,046	921	789	700	567	603	535	488	367	285	225	144	91	52	32	49	14,002
47	1,900	1,184	918	1,208	1,153	924	816	674	570	556	524	495	464	407	300	213	141	87	44	25	49	12,652
48	1,574	1,015	811	996	1,027	837	798	701	531	440	491	424	394	370	274	246	132	88	60	16	42	11,267
49	1,177	816	698	840	813	723	673	614	473	386	362	388	309	309	263	165	132	111	56	21	40	9,369
50	1,081	754	600	700	761	651	606	507	401	386	331	299	264	245	222	155	133	78	35	24	44	8,277
51	909	692	555	687	665	623	604	444	368	269	297	248	256	173	169	162	90	83	28	12	18	7,352
52	769	597	548	592	612	565	483	440	335	246	225	219	170	164	136	114	84	59	24	8	29	6,419
53	626	582	489	540	532	503	431	344	311	214	244	176	135	142	128	86	83	54	42	17	17	5,696
54	537	509	418	459	469	402	379	298	226	215	159	143	137	104	87	90	51	41	22	13	21	4,780
55	490	440	467	444	405	356	316	248	217	159	144	126	101	89	76	53	40	41	17	4	16	4,249
56	474	455	418	398	332	315	294	186	184	130	112	84	78	69	43	46	38	31	12	2	13	3,714
57	339	386	423	390	335	282	224	192	139	120	78	81	75	47	45	30	17	22	15	3	11	3,254
58	344	367	426	363	324	250	209	148	132	83	54	61	56	40	29	27	28	9	9	2	9	2,970
59	262	337	382	385	305	251	220	116	111	62	60	56	42	40	32	23	21	14	10	3	8	2,740
60	142	226	239	234	190	166	126	88	62	38	32	34	16	13	18	14	7	4	0	3	10	1,662
61	40	70	59	40	34	31	23	22	15	10	4	3	6	3	4	2	1	2	1	0	0	370
62	25	32	44	19	18	17	11	7	2	0	6	2	3	2	2	1	1	0	0	1	1	194
63+	18	46	23	11	8	12	4	5	1	4	3	4	1	0	1	1	0	0	0	0	1	143
Total	326,470	94,352	59,339	53,394	64,331	36,917	29,409	20,999	17,861	14,213	12,553	9,892	7,755	5,934	4,395	3,172	2,057	1,297	693	312	565	765,910

Note: Data taken from the actuarial valuation file created by the DoD Office of the Actuary. Average Age 32.2 Average Years of Active Service 2.6
 Age is age nearest birthday as of the end of the fiscal year. Department of Defense - Office of the Actuary

TABLE C9
DOD NON-SELECTED RESERVE OFFICERS WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2008 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
36	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
37	0	0	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	3
38	1	4	4	4	1	0	1	1	0	0	0	1	0	1	1	0	1	0	0	0	0	20
39	1	15	18	3	3	4	9	1	1	1	3	3	1	0	0	1	4	0	0	0	0	68
40	3	25	26	33	13	12	3	7	7	6	3	1	7	4	6	0	3	6	1	0	0	166
41	7	33	38	30	25	21	18	8	12	8	11	12	7	5	5	4	3	1	0	1	0	249
42	7	32	71	33	39	36	23	19	21	19	23	35	23	17	11	3	8	1	0	3	0	424
43	3	52	73	54	69	40	53	32	34	40	29	40	41	23	27	7	5	4	3	5	3	637
44	15	101	85	65	92	73	57	52	51	68	65	72	67	52	40	24	12	5	5	3	4	1,008
45	17	103	105	105	103	110	117	89	96	79	79	77	67	56	53	45	11	11	6	3	4	1,336
46	25	88	99	71	123	126	140	131	151	106	99	96	82	63	74	32	22	20	7	4	7	1,566
47	30	129	86	69	113	148	133	149	188	148	112	109	129	73	72	39	26	19	4	7	7	1,790
48	33	119	77	82	128	224	196	193	224	156	127	153	133	106	56	30	29	12	11	5	11	2,105
49	54	103	90	80	158	206	219	226	242	190	172	171	120	90	51	52	33	20	12	3	4	2,296
50	46	125	72	87	200	246	226	262	288	193	169	158	165	106	72	71	32	30	14	10	19	2,591
51	51	133	79	105	226	284	267	313	272	172	162	210	197	124	92	70	64	32	19	12	7	2,891
52	34	135	112	159	264	327	298	373	295	228	218	254	201	130	133	85	55	20	10	4	8	3,343
53	61	168	112	154	277	328	297	342	315	225	233	283	219	196	141	99	78	37	11	4	4	3,584
54	78	175	146	152	288	371	329	310	334	263	223	240	207	152	139	97	50	23	13	7	7	3,604
55	68	188	152	208	300	384	374	369	296	226	265	249	253	168	133	82	51	28	16	3	1	3,814
56	88	311	216	242	409	458	466	374	314	247	210	214	228	163	123	101	45	32	22	9	3	4,275
57	100	402	274	295	441	471	419	350	272	221	221	221	217	143	99	70	54	27	15	4	3	4,319
58	95	559	320	373	569	491	459	392	323	256	245	182	150	142	92	94	58	27	11	8	2	4,848
59	113	799	469	541	639	580	474	446	341	260	227	199	181	121	98	98	44	38	17	6	6	5,697
60	75	502	342	343	407	312	282	265	220	147	135	118	102	79	40	40	27	16	12	1	6	3,471
61	4	3	10	16	15	7	11	5	7	5	4	5	0	1	3	3	1	1	0	1	0	102
62	3	1	13	6	20	14	6	6	4	3	3	3	0	0	1	0	0	0	0	0	0	83
63+	9	12	17	40	55	26	19	10	9	9	2	7	3	0	0	3	5	7	2	0	0	235
Total	1,023	4,317	3,107	3,351	4,977	5,299	4,896	4,725	4,317	3,276	3,040	3,113	2,801	2,015	1,562	1,150	721	417	211	103	106	54,527

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

Average Age 53.6

Average Years of Active Service 7.0
Department of Defense - Office of the Actuary

TABLE C10

DOD NON-SELECTED RESERVE ENLISTEES WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2008 VALUATION

Completed Years Of Active Duty Service

Age	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+	Total
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	4	6
37	0	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	13
38	6	8	22	14	14	8	8	8	4	6	4	4	2	4	4	0	0	0	0	0	0	116
39	2	46	73	68	44	38	19	20	17	17	10	10	19	17	10	3	0	2	3	0	0	418
40	9	152	165	112	95	95	57	53	28	61	44	30	32	23	17	25	2	2	4	4	0	1,010
41	39	195	221	184	165	154	96	74	66	83	62	55	40	48	35	20	18	4	7	0	4	1,570
42	38	274	254	266	249	212	185	157	133	101	110	86	58	59	32	32	22	14	7	4	6	2,299
43	38	314	332	311	371	290	219	117	142	142	161	98	85	79	57	45	57	24	5	0	2	2,889
44	42	458	310	304	515	420	326	180	165	200	225	154	130	114	73	77	70	29	7	2	4	3,805
45	37	503	368	355	576	422	325	256	308	256	260	215	160	154	82	100	65	15	9	4	4	4,474
46	36	613	394	424	633	573	442	310	302	265	275	235	221	153	129	107	90	24	10	8	5	5,249
47	66	607	369	451	760	642	509	305	366	296	317	274	226	245	173	115	78	31	4	4	5	5,843
48	68	635	360	476	900	673	464	371	440	330	313	231	243	282	205	135	93	42	19	2	8	6,290
49	79	696	336	597	1,056	680	550	421	358	321	351	229	190	216	216	153	87	37	28	4	8	6,613
50	97	756	295	633	1,079	672	605	407	373	342	297	258	181	194	185	174	84	69	15	11	10	6,737
51	134	816	350	616	1,349	794	517	350	389	359	343	255	194	216	235	156	123	77	15	2	10	7,300
52	149	1,065	427	772	1,370	761	584	442	323	304	270	201	209	196	168	106	116	65	17	13	3	7,561
53	190	965	480	894	1,332	806	573	409	323	315	308	226	215	162	106	78	69	60	28	4	3	7,546
54	204	1,034	485	917	1,337	737	505	452	417	312	250	211	208	94	112	79	68	29	15	11	18	7,495
55	218	1,106	531	936	1,335	725	518	455	533	392	304	153	216	155	104	90	68	41	16	11	3	7,910
56	278	1,970	979	1,289	1,517	633	591	423	586	409	320	196	185	154	91	70	70	49	16	21	6	9,853
57	296	2,179	1,099	1,365	1,553	642	557	431	583	406	388	213	156	149	101	32	30	18	14	11	11	10,234
58	266	2,329	1,823	1,607	1,749	726	450	325	430	360	322	233	204	110	81	81	36	36	22	4	16	11,210
59	271	2,310	2,339	2,088	2,183	748	486	363	430	419	347	213	161	150	78	54	29	11	9	0	11	12,700
60	158	1,096	1,410	1,168	1,343	428	255	175	203	182	173	132	121	52	54	24	19	9	9	11	5	7,027
61	11	19	72	34	79	19	8	4	6	15	6	6	4	8	0	2	0	2	0	0	0	295
62	4	13	51	24	50	22	11	9	2	0	4	4	0	2	2	0	0	0	0	0	0	198
63+	24	37	109	109	101	56	24	13	19	16	19	13	5	0	5	3	3	8	0	0	0	564
Total	2,760	20,196	13,658	16,018	21,755	11,976	8,884	6,530	6,946	5,909	5,483	3,935	3,465	3,036	2,355	1,761	1,297	700	279	131	151	137,225

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

Average Age 52.6

Average Years of Active Service 5.3
Department of Defense - Office of the Actuary

TABLE C11

DOD NON-SELECTED RESERVE OFFICERS AND ENLISTEES WITH 20 GOOD YEARS BY AGE AND YEARS OF SERVICE FOR THE FY2008 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
36	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	4	8
37	0	0	5	5	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	5	16
38	7	12	26	18	15	8	9	9	4	6	4	5	2	5	5	0	1	0	0	0	136	
39	3	61	91	71	47	42	28	21	18	18	13	13	20	17	10	4	4	2	3	0	486	
40	12	177	191	145	108	107	60	60	35	67	47	31	39	27	23	25	5	8	5	4	1,176	
41	46	228	259	214	190	175	114	82	78	91	73	67	47	53	40	24	21	5	7	1	4	1,819
42	45	306	325	299	288	248	208	176	154	120	133	121	81	76	43	35	30	15	7	7	6	2,723
43	41	366	405	365	440	330	272	149	176	182	190	138	126	102	84	52	62	28	8	5	5	3,526
44	57	559	395	369	607	493	383	232	216	268	290	226	197	166	113	101	82	34	12	5	8	4,813
45	54	606	473	460	679	532	442	345	404	335	339	292	227	210	135	145	76	26	15	7	8	5,810
46	61	701	493	495	756	699	582	441	453	371	374	331	303	216	203	139	112	44	17	12	12	6,815
47	96	736	455	520	873	790	642	454	554	444	429	383	355	318	245	154	104	50	8	11	12	7,633
48	101	754	437	558	1,028	897	660	564	664	486	440	384	376	388	261	165	122	54	30	7	19	8,395
49	133	799	426	677	1,214	886	769	647	600	511	523	400	310	306	267	205	120	57	40	7	12	8,909
50	143	881	367	720	1,279	918	831	669	661	535	466	416	346	300	257	245	116	99	29	21	29	9,328
51	185	949	429	721	1,575	1,078	784	663	661	531	505	465	391	340	327	226	187	109	34	14	17	10,191
52	183	1,200	539	931	1,634	1,088	882	815	618	532	488	455	410	326	301	191	171	85	27	17	11	10,904
53	251	1,133	592	1,048	1,609	1,134	870	751	638	540	541	509	434	358	247	177	147	97	39	8	7	11,130
54	282	1,209	631	1,069	1,625	1,108	834	762	751	575	473	451	415	246	251	176	118	52	28	18	25	11,099
55	286	1,294	683	1,144	1,635	1,109	892	824	829	618	569	402	469	323	237	172	119	69	32	14	4	11,724
56	366	2,281	1,195	1,531	1,926	1,091	1,057	797	900	656	530	410	413	317	214	171	115	81	38	30	9	14,128
57	396	2,581	1,373	1,660	1,994	1,113	976	781	855	627	609	434	373	292	200	102	84	45	29	15	14	14,553
58	361	2,888	2,143	1,980	2,318	1,217	909	717	753	616	567	415	354	252	173	175	94	63	33	12	18	16,058
59	384	3,109	2,808	2,629	2,822	1,328	960	809	771	679	574	412	342	271	176	152	73	49	26	6	17	18,397
60	233	1,598	1,752	1,511	1,750	740	537	440	423	329	308	250	223	131	94	64	46	25	21	12	11	10,498
61	15	22	82	50	94	26	19	9	13	20	10	11	4	9	3	5	1	3	0	1	0	397
62	7	14	64	30	70	36	17	15	6	3	7	7	0	2	3	0	0	0	0	0	0	281
63+	33	49	126	149	156	82	43	23	28	25	21	20	8	0	5	6	8	15	2	0	0	799
Total	3,783	24,513	16,765	19,369	26,732	17,275	13,780	11,255	11,263	9,185	8,523	7,048	6,266	5,051	3,917	2,911	2,018	1,117	490	234	257	191,752

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

Average Age 52.9

Average Years of Active Service 5.8
Department of Defense - Office of the Actuary

TABLE C12
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2008

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	
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	0	0	0	0	0	0	0	0
22	0	0	1	0	1	0	0	1	0	1
23	0	0	1	0	1	0	0	1	0	1
24	0	0	6	0	6	0	0	6	0	6
25	0	1	7	0	8	0	2	7	0	9
26	0	10	17	0	27	0	10	17	0	27
27	0	7	28	0	35	0	7	28	0	35
28	0	20	25	0	45	0	20	27	0	47
29	0	19	35	0	54	0	20	36	0	56
30	0	22	36	0	58	0	22	36	0	58
31	0	28	33	0	61	0	29	33	0	62
32	0	34	33	0	67	0	35	33	0	68
33	0	42	37	0	79	0	47	38	0	85
34	0	45	38	0	83	0	45	38	0	83
35	0	56	35	0	91	0	58	35	0	93
36	0	72	39	0	111	1	74	40	0	115
37	0	71	42	0	113	0	75	42	0	117
38	18	91	36	0	145	19	92	36	0	147
39	145	103	24	0	272	150	106	25	0	281
40	341	99	30	0	470	350	104	34	0	488
41	509	114	31	0	654	526	124	32	0	682
42	985	133	26	0	1,144	1,034	139	27	0	1,200
43	1,860	160	24	0	2,044	1,930	169	24	0	2,123
44	2,934	196	22	0	3,152	3,049	206	24	0	3,279
45	3,852	194	20	0	4,066	4,016	196	20	0	4,232
46	4,402	249	26	0	4,677	4,629	264	27	0	4,920
47	4,989	240	12	0	5,241	5,278	247	12	0	5,537
48	5,625	229	17	0	5,871	5,929	239	17	0	6,185
49	6,357	253	15	0	6,625	6,707	268	15	0	6,990
50	7,125	272	16	0	7,413	7,494	287	17	0	7,798
51	7,983	298	13	0	8,294	8,369	321	14	0	8,704
52	8,576	311	14	0	8,901	9,011	327	16	0	9,354
53	9,311	276	13	0	9,600	9,768	297	14	0	10,079
54	9,648	324	12	0	9,984	10,130	342	13	0	10,485
55	10,071	369	10	0	10,450	10,529	384	12	0	10,925
56	10,199	362	7	0	10,568	10,749	380	7	0	11,136
57	10,163	348	15	0	10,526	10,670	373	16	0	11,059
58	10,556	379	5	0	10,940	11,118	406	6	0	11,530
59	11,267	433	6	0	11,706	11,834	458	6	0	12,298
60	12,137	465	3	2,933	15,538	12,726	496	3	3,034	16,259
61	13,106	627	5	8,524	22,262	13,774	652	5	8,674	23,105
62	14,018	747	4	9,413	24,182	14,686	786	4	9,567	25,043
63	9,802	577	2	6,782	17,163	10,266	603	2	6,900	17,771
64	9,950	572	1	6,823	17,346	10,418	597	1	6,911	17,927
65	10,173	563	0	6,476	17,212	10,671	585	0	6,605	17,861

TABLE C12 (continued)
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2008

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	10,092	581	0	6,447	17,120	10,615	598	0	6,560	17,773
67	8,888	439	0	5,239	14,566	9,348	460	0	5,331	15,139
68	9,049	430	0	4,744	14,223	9,469	457	0	4,837	14,763
69	9,102	351	0	4,443	13,896	9,516	369	0	4,544	14,429
70	8,788	347	0	4,483	13,618	9,174	362	0	4,593	14,129
71	8,372	317	0	4,356	13,045	8,734	330	0	4,452	13,516
72	8,010	310	0	4,167	12,487	8,359	332	0	4,258	12,949
73	7,926	312	0	3,980	12,218	8,226	327	0	4,060	12,613
74	8,291	306	0	4,101	12,698	8,585	323	0	4,192	13,100
75	8,005	280	0	3,782	12,067	8,244	292	0	3,852	12,388
76	8,095	320	0	3,888	12,303	8,330	337	0	3,968	12,635
77	7,743	377	0	4,067	12,187	7,997	389	0	4,147	12,533
78	7,701	357	0	4,359	12,417	7,904	376	0	4,426	12,706
79	6,953	387	0	4,127	11,467	7,135	398	0	4,222	11,755
80	5,696	350	0	3,630	9,676	5,873	368	0	3,685	9,926
81	4,099	260	0	2,543	6,902	4,250	276	0	2,598	7,124
82	3,358	241	0	2,382	5,981	3,473	248	0	2,423	6,144
83	3,611	271	0	2,769	6,651	3,721	279	0	2,793	6,793
84	3,993	409	0	3,374	7,776	4,108	415	0	3,400	7,923
85	4,090	566	0	3,464	8,120	4,188	572	0	3,483	8,243
86	4,071	634	0	3,592	8,297	4,182	642	0	3,626	8,450
87	4,521	734	0	3,582	8,837	4,635	742	0	3,611	8,988
88	3,994	802	0	3,384	8,180	4,090	813	0	3,414	8,317
89	3,463	704	0	2,786	6,953	3,533	713	0	2,815	7,061
90	2,778	558	0	2,368	5,704	2,827	566	0	2,396	5,789
91	1,983	468	0	1,800	4,251	2,027	476	0	1,811	4,314
92	1,355	318	0	1,291	2,964	1,397	321	0	1,304	3,022
93	1,043	230	0	900	2,173	1,065	234	0	910	2,209
94	594	130	0	628	1,352	615	133	0	634	1,382
95	374	101	0	377	852	392	103	0	386	881
96	204	66	0	233	503	211	66	0	236	513
97	146	34	0	150	330	153	34	0	151	338
98	90	26	0	118	234	92	26	0	118	236
99	44	14	0	74	132	47	14	0	75	136
100	29	6	0	37	72	31	6	0	37	74
101	22	5	0	20	47	23	5	0	20	48
102	9	5	0	8	22	11	5	0	8	24
103	5	1	0	6	12	6	1	0	6	13
104	5	0	0	1	6	5	0	0	1	6
105	4	1	0	2	7	4	1	0	2	7
106	1	0	0	0	1	1	0	0	0	1
107	1	0	0	1	2	1	0	0	1	2
108	2	0	0	1	3	2	0	0	1	3
109	0	0	0	0	0	0	0	0	0	0
110	0	0	0	1	1	0	0	0	1	1
Total	362,702	21,459	822	142,656	527,639	378,430	22,301	847	145,079	546,657
60+	235,786	15,599	15	142,656	394,056	245,140	16,128	15	145,079	406,362
62+	210,543	14,507	7	131,199	356,256	218,640	14,980	7	133,371	366,998
65+	176,773	12,611	0	108,181	297,565	183,270	12,994	0	109,993	306,257

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 9/30/2008

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	22	0	22	0	0	22	0	22
20	0	4	108	0	112	0	4	109	0	113
21	0	14	211	0	225	0	15	213	0	228
22	0	77	408	0	485	0	77	412	0	489
23	0	154	636	0	790	0	155	645	0	800
24	0	239	811	0	1,050	0	242	827	0	1,069
25	0	342	854	0	1,196	0	358	866	0	1,224
26	0	437	824	0	1,261	0	450	842	0	1,292
27	0	460	781	0	1,241	0	480	801	0	1,281
28	0	589	716	0	1,305	0	609	739	0	1,348
29	0	615	636	0	1,251	0	643	652	0	1,295
30	0	672	565	0	1,237	0	692	586	0	1,278
31	0	714	476	0	1,190	0	738	488	0	1,226
32	0	791	472	0	1,263	0	809	477	0	1,286
33	0	798	382	0	1,180	0	827	389	0	1,216
34	0	925	388	0	1,313	0	959	396	0	1,355
35	0	958	308	0	1,266	0	994	316	0	1,310
36	1	1,194	306	0	1,501	2	1,221	312	0	1,535
37	5	1,321	278	0	1,604	5	1,361	286	0	1,652
38	635	1,556	284	0	2,475	639	1,593	288	0	2,520
39	3,276	1,527	224	0	5,027	3,311	1,594	230	0	5,135
40	6,982	1,650	222	0	8,854	7,036	1,715	225	0	8,976
41	10,895	1,733	192	0	12,820	10,999	1,798	195	0	12,992
42	15,010	1,967	173	0	17,150	15,149	2,039	174	0	17,362
43	18,707	2,211	145	0	21,063	18,943	2,291	148	0	21,382
44	23,038	2,475	141	0	25,654	23,360	2,580	143	0	26,083
45	26,756	2,612	117	0	29,485	27,213	2,721	121	0	30,055
46	30,065	2,747	127	0	32,939	30,669	2,903	129	0	33,701
47	32,940	2,790	102	0	35,832	33,742	2,920	106	0	36,768
48	34,909	2,902	100	0	37,911	35,716	3,067	101	0	38,884
49	35,314	3,084	83	0	38,481	36,118	3,234	85	0	39,437
50	35,018	3,047	80	0	38,145	35,745	3,200	81	0	39,026
51	34,699	3,218	72	0	37,989	35,427	3,359	73	0	38,859
52	33,576	3,172	54	0	36,802	34,236	3,329	54	0	37,619
53	32,885	3,284	54	0	36,223	33,514	3,402	55	0	36,971
54	32,766	3,358	43	0	36,167	33,280	3,452	44	0	36,776
55	31,899	3,412	32	0	35,343	32,403	3,509	32	0	35,944
56	31,907	3,547	24	0	35,478	32,363	3,662	24	0	36,049
57	29,370	3,658	30	0	33,058	29,773	3,758	32	0	33,563
58	28,282	4,852	20	0	33,154	28,678	4,952	20	0	33,650
59	28,861	6,517	19	0	35,397	29,229	6,611	19	0	35,859
60	29,267	7,986	15	6,369	43,637	29,645	8,077	15	6,490	44,227
61	29,528	8,215	7	17,706	55,456	29,905	8,319	8	17,972	56,204
62	29,393	6,867	10	17,892	54,162	29,761	6,957	10	18,218	54,946
63	20,644	4,229	3	12,691	37,567	20,896	4,295	3	12,900	38,094
64	21,324	3,486	3	11,819	36,632	21,609	3,545	3	12,025	37,182
65	23,327	3,016	0	11,387	37,730	23,616	3,068	0	11,592	38,276

TABLE C13 (continued)
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2008

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	25,631	2,728	0	10,862	39,221	25,958	2,782	0	11,088	39,828
67	24,016	2,275	0	8,721	35,012	24,341	2,335	0	8,890	35,566
68	23,435	1,960	0	7,598	32,993	23,825	2,019	0	7,767	33,611
69	23,627	1,671	0	7,512	32,810	24,042	1,726	0	7,695	33,463
70	24,986	1,692	0	7,446	34,124	25,446	1,748	0	7,608	34,802
71	26,821	1,658	0	7,394	35,873	27,262	1,701	0	7,500	36,463
72	26,686	1,606	0	7,038	35,330	27,092	1,660	0	7,155	35,907
73	26,226	1,584	0	6,744	34,554	26,529	1,613	0	6,835	34,977
74	24,592	1,671	0	5,963	32,226	24,888	1,717	0	6,063	32,668
75	22,669	1,738	0	4,960	29,367	22,916	1,778	0	5,045	29,739
76	22,396	2,268	0	4,835	29,499	22,670	2,317	0	4,891	29,878
77	21,634	2,551	0	4,808	28,993	21,859	2,612	0	4,877	29,348
78	22,358	2,610	0	4,611	29,579	22,566	2,646	0	4,663	29,875
79	20,377	2,430	0	3,728	26,535	20,566	2,463	0	3,765	26,794
80	16,074	1,815	0	2,976	20,865	16,289	1,839	0	3,018	21,146
81	12,873	1,349	0	2,121	16,343	13,035	1,378	0	2,136	16,549
82	9,769	859	0	1,842	12,470	9,909	872	0	1,861	12,642
83	8,267	685	0	1,637	10,589	8,402	698	0	1,660	10,760
84	7,551	586	0	1,600	9,737	7,655	593	0	1,630	9,878
85	6,560	495	0	1,290	8,345	6,635	501	0	1,307	8,443
86	5,473	419	0	1,081	6,973	5,547	426	0	1,087	7,060
87	4,939	313	0	1,042	6,294	4,998	317	0	1,052	6,367
88	3,941	232	0	768	4,941	3,987	239	0	774	5,000
89	3,254	198	0	613	4,065	3,290	203	0	617	4,110
90	2,256	179	0	439	2,874	2,282	182	0	445	2,909
91	1,528	93	0	352	1,973	1,544	95	0	355	1,994
92	981	66	0	193	1,240	995	66	0	195	1,256
93	624	50	0	143	817	633	52	0	144	829
94	434	30	0	101	565	441	32	0	101	574
95	237	13	0	61	311	241	14	0	61	316
96	140	11	0	44	195	144	12	0	44	200
97	98	4	0	17	119	98	4	0	17	119
98	55	5	0	10	70	56	5	0	10	71
99	37	4	0	12	53	40	5	0	12	57
100	25	3	0	4	32	26	3	0	4	33
101	21	5	0	3	29	23	5	0	3	31
102	13	1	0	1	15	13	1	0	1	15
103	11	1	0	0	12	11	1	0	0	12
104	7	1	0	1	9	7	1	0	1	9
105	6	2	0	1	9	6	2	0	1	9
106	2	3	0	0	5	2	3	0	0	5
107	7	2	0	0	9	7	2	0	0	9
108	3	0	0	0	3	3	0	0	0	3
109	4	1	0	0	5	4	1	0	0	5
110	7	0	0	0	7	7	0	0	0	7
Total	1,131,930	145,289	11,558	186,436	1,475,213	1,149,272	149,253	11,796	189,575	1,499,896
60+	574,134	69,666	38	186,436	830,274	581,722	70,930	39	189,575	842,266
62+	515,339	53,465	16	162,361	731,181	522,172	54,534	16	165,113	741,835
65+	443,978	38,883	0	119,959	602,820	449,906	39,737	0	121,970	611,613

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 9/30/2008

Retired Officers and 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	22	0	22	0	0	22	0	22
20	0	4	108	0	112	0	4	109	0	113
21	0	14	211	0	225	0	15	213	0	228
22	0	77	409	0	486	0	77	413	0	490
23	0	154	637	0	791	0	155	646	0	801
24	0	239	817	0	1,056	0	242	833	0	1,075
25	0	343	861	0	1,204	0	360	873	0	1,233
26	0	447	841	0	1,288	0	460	859	0	1,319
27	0	467	809	0	1,276	0	487	829	0	1,316
28	0	609	741	0	1,350	0	629	766	0	1,395
29	0	634	671	0	1,305	0	663	688	0	1,351
30	0	694	601	0	1,295	0	714	622	0	1,336
31	0	742	509	0	1,251	0	767	521	0	1,288
32	0	825	505	0	1,330	0	844	510	0	1,354
33	0	840	419	0	1,259	0	874	427	0	1,301
34	0	970	426	0	1,396	0	1,004	434	0	1,438
35	0	1,014	343	0	1,357	0	1,052	351	0	1,403
36	1	1,266	345	0	1,612	3	1,295	352	0	1,650
37	5	1,392	320	0	1,717	5	1,436	328	0	1,769
38	653	1,647	320	0	2,620	658	1,685	324	0	2,667
39	3,421	1,630	248	0	5,299	3,461	1,700	255	0	5,416
40	7,323	1,749	252	0	9,324	7,386	1,819	259	0	9,464
41	11,404	1,847	223	0	13,474	11,525	1,922	227	0	13,674
42	15,995	2,100	199	0	18,294	16,183	2,178	201	0	18,562
43	20,567	2,371	169	0	23,107	20,873	2,460	172	0	23,505
44	25,972	2,671	163	0	28,806	26,409	2,786	167	0	29,362
45	30,608	2,806	137	0	33,551	31,229	2,917	141	0	34,287
46	34,467	2,996	153	0	37,616	35,298	3,167	156	0	38,621
47	37,929	3,030	114	0	41,073	39,020	3,167	118	0	42,305
48	40,534	3,131	117	0	43,782	41,645	3,306	118	0	45,069
49	41,671	3,337	98	0	45,106	42,825	3,502	100	0	46,427
50	42,143	3,319	96	0	45,558	43,239	3,487	98	0	46,824
51	42,682	3,516	85	0	46,283	43,796	3,680	87	0	47,563
52	42,152	3,483	68	0	45,703	43,247	3,656	70	0	46,973
53	42,196	3,560	67	0	45,823	43,282	3,699	69	0	47,050
54	42,414	3,682	55	0	46,151	43,410	3,794	57	0	47,261
55	41,970	3,781	42	0	45,793	42,932	3,893	44	0	46,869
56	42,106	3,909	31	0	46,046	43,112	4,042	31	0	47,185
57	39,533	4,006	45	0	43,584	40,443	4,131	48	0	44,622
58	38,838	5,231	25	0	44,094	39,796	5,358	26	0	45,180
59	40,128	6,950	25	0	47,103	41,063	7,069	25	0	48,157
60	41,404	8,451	18	9,302	59,175	42,371	8,573	18	9,524	60,486
61	42,634	8,842	12	26,230	77,718	43,679	8,971	13	26,646	79,309
62	43,411	7,614	14	27,305	78,344	44,447	7,743	14	27,785	79,989
63	30,446	4,806	5	19,473	54,730	31,162	4,898	5	19,800	55,865
64	31,274	4,058	4	18,642	53,978	32,027	4,142	4	18,936	55,109
65	33,500	3,579	0	17,863	54,942	34,287	3,653	0	18,197	56,137

TABLE C14 (continued)
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2008

Retired Officers and 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	35,723	3,309	0	17,309	56,341	36,573	3,380	0	17,648	57,601
67	32,904	2,714	0	13,960	49,578	33,689	2,795	0	14,221	50,705
68	32,484	2,390	0	12,342	47,216	33,294	2,476	0	12,604	48,374
69	32,729	2,022	0	11,955	46,706	33,558	2,095	0	12,239	47,892
70	33,774	2,039	0	11,929	47,742	34,620	2,110	0	12,201	48,931
71	35,193	1,975	0	11,750	48,918	35,996	2,031	0	11,952	49,979
72	34,696	1,916	0	11,205	47,817	35,451	1,992	0	11,413	48,856
73	34,152	1,896	0	10,724	46,772	34,755	1,940	0	10,895	47,590
74	32,883	1,977	0	10,064	44,924	33,473	2,040	0	10,255	45,768
75	30,674	2,018	0	8,742	41,434	31,160	2,070	0	8,897	42,127
76	30,491	2,588	0	8,723	41,802	31,000	2,654	0	8,859	42,513
77	29,377	2,928	0	8,875	41,180	29,856	3,001	0	9,024	41,881
78	30,059	2,967	0	8,970	41,996	30,470	3,022	0	9,089	42,581
79	27,330	2,817	0	7,855	38,002	27,701	2,861	0	7,987	38,549
80	21,770	2,165	0	6,606	30,541	22,162	2,207	0	6,703	31,072
81	16,972	1,609	0	4,664	23,245	17,285	1,654	0	4,734	23,673
82	13,127	1,100	0	4,224	18,451	13,382	1,120	0	4,284	18,786
83	11,878	956	0	4,406	17,240	12,123	977	0	4,453	17,553
84	11,544	995	0	4,974	17,513	11,763	1,008	0	5,030	17,801
85	10,650	1,061	0	4,754	16,465	10,823	1,073	0	4,790	16,686
86	9,544	1,053	0	4,673	15,270	9,729	1,068	0	4,713	15,510
87	9,460	1,047	0	4,624	15,131	9,633	1,059	0	4,663	15,355
88	7,935	1,034	0	4,152	13,121	8,077	1,052	0	4,188	13,317
89	6,717	902	0	3,399	11,018	6,823	916	0	3,432	11,171
90	5,034	737	0	2,807	8,578	5,109	748	0	2,841	8,698
91	3,511	561	0	2,152	6,224	3,571	571	0	2,166	6,308
92	2,336	384	0	1,484	4,204	2,392	387	0	1,499	4,278
93	1,667	280	0	1,043	2,990	1,698	286	0	1,054	3,038
94	1,028	160	0	729	1,917	1,056	165	0	735	1,956
95	611	114	0	438	1,163	633	117	0	447	1,197
96	344	77	0	277	698	355	78	0	280	713
97	244	38	0	167	449	251	38	0	168	457
98	145	31	0	128	304	148	31	0	128	307
99	81	18	0	86	185	87	19	0	87	193
100	54	9	0	41	104	57	9	0	41	107
101	43	10	0	23	76	46	10	0	23	79
102	22	6	0	9	37	24	6	0	9	39
103	16	2	0	6	24	17	2	0	6	25
104	12	1	0	2	15	12	1	0	2	15
105	10	3	0	3	16	10	3	0	3	16
106	3	3	0	0	6	3	3	0	0	6
107	8	2	0	1	11	8	2	0	1	11
108	5	0	0	1	6	5	0	0	1	6
109	4	1	0	0	5	4	1	0	0	5
110	7	0	0	1	8	7	0	0	1	8
Total	1,494,632	166,748	12,380	329,092	2,002,852	1,527,702	171,554	12,643	334,654	2,046,553
60+	809,920	85,265	53	329,092	1,224,330	826,862	87,058	54	334,654	1,248,628
62+	725,882	67,972	23	293,560	1,087,437	740,812	69,514	23	298,484	1,108,833
65+	620,751	51,494	0	228,140	900,385	633,176	52,731	0	231,963	917,870

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 SPOUSES VALUATION DATA AS OF 9/30/2008

Age	----- DoD Only -----					Total	----- All Uniformed -----					Total
	----- Active -----		----- Reserve -----		----- Active -----		----- Reserve -----					
	Officer	Enlistee	Officer	Enlistee	Officer		Enlistee	Officer	Enlistee			
0	0	0	0	0	0	0	0	0	0	0	0	
1	0	0	0	0	0	0	0	0	0	0	0	
2	0	0	0	0	0	0	0	0	0	0	0	
3	0	0	0	0	0	0	0	0	0	0	0	
4	0	0	0	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	0	0	0	
6	0	0	0	0	0	0	0	0	0	0	0	
7	0	0	0	0	0	0	0	0	0	0	0	
8	0	0	0	0	0	0	0	0	0	0	0	
9	0	0	0	0	0	0	0	0	0	0	0	
10	0	0	0	0	0	0	0	0	0	0	0	
11	0	0	0	0	0	0	0	0	0	0	0	
12	0	0	0	0	0	0	0	0	0	0	0	
13	0	0	0	0	0	0	0	0	0	0	0	
14	0	0	0	0	0	0	0	0	0	0	0	
15	0	0	0	0	0	0	0	0	0	0	0	
16	0	0	0	0	0	0	0	0	0	0	0	
17	0	0	0	1	1	1	0	0	0	1	1	
18	0	0	0	0	0	0	0	0	0	0	0	
19	0	12	0	0	12	12	1	12	0	0	13	
20	0	28	1	0	29	29	0	28	1	0	29	
21	0	63	0	0	63	63	0	63	0	0	63	
22	2	117	0	0	119	119	2	118	0	0	120	
23	1	175	0	0	176	176	1	176	0	0	177	
24	7	209	0	0	216	216	7	209	0	0	216	
25	8	242	0	2	252	252	8	242	0	2	252	
26	17	254	0	0	271	271	17	259	0	0	276	
27	14	279	0	2	295	295	14	282	0	2	298	
28	16	286	1	2	305	305	16	289	1	2	308	
29	23	285	1	0	309	309	23	287	1	0	311	
30	29	237	1	3	270	270	29	240	1	3	273	
31	28	301	1	1	331	331	28	302	1	2	333	
32	36	316	2	8	362	362	36	322	2	8	368	
33	50	312	0	1	363	363	50	319	0	1	370	
34	42	328	2	9	381	381	42	335	2	9	388	
35	46	359	2	5	412	412	47	363	2	5	417	
36	55	389	5	8	457	457	56	397	5	8	466	
37	66	429	6	16	517	517	69	435	6	16	526	
38	76	555	2	6	639	639	78	561	2	6	647	
39	83	599	6	16	704	704	88	612	6	16	722	
40	71	601	7	16	695	695	71	611	7	18	707	
41	90	613	9	27	739	739	96	628	9	27	760	
42	104	720	10	28	862	862	109	729	10	28	876	
43	117	871	19	29	1,036	1,036	121	882	19	29	1,051	
44	121	1,017	17	42	1,197	1,197	127	1,032	17	43	1,219	
45	142	1,176	13	53	1,384	1,384	146	1,194	14	53	1,407	
46	163	1,273	15	47	1,498	1,498	168	1,288	16	47	1,519	
47	190	1,403	24	67	1,684	1,684	192	1,434	24	67	1,717	
48	233	1,633	48	80	1,994	1,994	242	1,668	49	82	2,041	
49	240	1,746	43	89	2,118	2,118	244	1,776	43	90	2,153	
50	252	1,908	57	104	2,321	2,321	264	1,938	57	105	2,364	
51	302	2,121	59	122	2,604	2,604	311	2,163	60	122	2,656	
52	337	2,390	80	146	2,953	2,953	351	2,428	82	147	3,008	
53	394	2,555	82	181	3,212	3,212	404	2,610	82	183	3,279	
54	480	2,979	104	226	3,789	3,789	506	3,014	107	226	3,853	
55	530	3,227	112	276	4,145	4,145	546	3,264	116	281	4,207	
56	587	3,484	159	342	4,572	4,572	615	3,530	163	348	4,656	
57	676	3,761	228	426	5,091	5,091	706	3,808	234	431	5,179	
58	750	4,194	262	506	5,712	5,712	787	4,252	268	513	5,820	
59	948	4,754	259	435	6,396	6,396	984	4,807	263	441	6,495	

TABLE C15 (continued)

DOD AND ALL UNIFORMED SURVIVING SPOUSES VALUATION DATA AS OF 9/30/2008

Age	----- DoD Only -----				Total	----- All Uniformed -----				Total
	----- Active -----		----- Reserve -----			----- Active -----		----- Reserve -----		
	Officer	Enlistee	Officer	Enlistee		Officer	Enlistee	Officer	Enlistee	
60	1,114	5,231	308	541	7,194	1,149	5,295	313	550	7,307
61	1,324	5,946	381	612	8,263	1,378	6,024	387	623	8,412
62	1,496	6,642	416	743	9,297	1,551	6,732	424	760	9,467
63	1,248	5,638	424	735	8,045	1,302	5,728	432	744	8,206
64	1,503	6,619	461	805	9,388	1,552	6,714	472	818	9,556
65	1,663	7,484	515	794	10,456	1,721	7,609	524	808	10,662
66	1,903	8,283	560	890	11,636	1,959	8,404	569	904	11,836
67	1,893	8,671	610	974	12,148	1,968	8,791	621	984	12,364
68	1,930	9,103	696	986	12,715	1,992	9,222	708	1,001	12,923
69	2,158	9,869	752	1,097	13,876	2,227	10,000	763	1,103	14,093
70	2,354	10,871	864	1,071	15,160	2,428	10,995	877	1,079	15,379
71	2,493	11,662	890	1,083	16,128	2,565	11,779	908	1,095	16,347
72	2,621	12,190	1,029	1,089	16,929	2,706	12,307	1,045	1,103	17,161
73	3,003	13,074	1,134	1,092	18,303	3,057	13,197	1,150	1,102	18,506
74	3,214	13,574	1,241	1,013	19,042	3,277	13,699	1,258	1,026	19,260
75	3,065	12,896	1,291	1,045	18,297	3,140	13,000	1,314	1,053	18,507
76	3,481	13,488	1,417	1,044	19,430	3,544	13,612	1,431	1,053	19,640
77	3,571	13,145	1,675	924	19,315	3,653	13,271	1,696	940	19,560
78	3,760	12,857	1,880	977	19,474	3,841	12,983	1,896	984	19,704
79	3,700	12,017	2,084	861	18,662	3,787	12,157	2,101	871	18,916
80	3,897	11,331	2,269	857	18,354	3,975	11,455	2,283	865	18,578
81	4,122	10,966	2,454	803	18,345	4,208	11,112	2,474	813	18,607
82	4,785	10,651	2,381	629	18,446	4,878	10,773	2,402	631	18,684
83	5,465	9,721	2,459	585	18,230	5,549	9,824	2,488	593	18,454
84	5,984	9,139	2,130	440	17,693	6,086	9,232	2,147	443	17,908
85	6,430	8,443	1,777	361	17,011	6,523	8,536	1,800	364	17,223
86	6,353	7,311	1,324	277	15,265	6,432	7,401	1,332	279	15,444
87	6,211	6,194	1,141	195	13,741	6,289	6,280	1,147	196	13,912
88	5,403	4,892	848	141	11,284	5,491	4,952	857	142	11,442
89	4,373	3,885	648	113	9,019	4,444	3,935	655	115	9,149
90	3,432	2,726	507	65	6,730	3,502	2,778	512	65	6,857
91	2,718	2,180	344	38	5,280	2,774	2,214	350	38	5,376
92	2,076	1,626	261	39	4,002	2,125	1,651	263	39	4,078
93	1,513	1,205	172	22	2,912	1,542	1,239	172	22	2,975
94	1,216	927	114	11	2,268	1,248	950	114	11	2,323
95	928	694	90	8	1,720	959	710	90	8	1,767
96	704	469	55	6	1,234	729	486	55	6	1,276
97	477	351	52	1	881	495	358	53	1	907
98	358	272	15	1	646	372	281	15	1	669
99	258	203	15	1	477	271	209	15	1	496
100	183	149	22	2	356	191	152	24	2	369
101	128	89	14	2	233	131	91	14	2	238
102	78	68	2	1	149	80	70	2	1	153
103	60	60	0	0	120	62	62	0	0	124
104	92	74	0	0	166	92	74	0	0	166
105	72	48	3	0	123	76	50	3	0	129
106	18	24	0	0	42	19	25	0	0	44
107	0	0	0	0	0	0	0	0	0	0
108	0	0	0	0	0	0	0	0	0	0
109	31	26	0	0	57	34	27	0	0	61
Total	122,185	341,185	39,362	26,296	529,028	124,976	345,353	39,826	26,601	536,756
60+	114,859	292,984	37,725	22,974	468,542	117,374	296,446	38,156	23,239	475,215
62+	112,421	281,807	37,036	21,821	453,085	114,847	285,127	37,456	22,066	459,496
65+	108,174	262,908	35,735	19,538	426,355	110,442	265,953	36,128	19,744	432,267

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, 2009, the DoD MERHCF Board of Actuaries adopted the following economic assumptions for use in the valuation as of September 30, 2008:

- 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 MERHCF 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 Fund).

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 33-year period ending in 2008 is approximately 4.10 percent.

The CPI assumption chosen in 2009 by the MERHCF Board of Actuaries is 3.00 percent, unchanged from the prior year and the same as the CPI assumption selected in 2009 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 2009 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 funds are 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 0.42 percent; its average annual nominal yield since inception is 3.8%¹, computed by multiplying the average annual real yield by the average annual inflation rate:

- 1.0042 (table D3), the average real MERHCF effective yield from 2002 to 2008, times
- 1.0338 (table D1), the average annual CPI increase from 2002 to 2008

The rate of real interest chosen by the MERHCF Board is 2.75 percent, unchanged from the prior year. 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 2009 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 2009, 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, 2008. Consistent across all benefit trends (inpatient, outpatient, and Rx), the MERHCF Board

¹ In the 2007 MERHCF valuation report, the rate shown (4.04%) was the 2007 effective nominal yield.

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 2009 Medicare Trustees Report, and
- Projected Medicare Part A utilization and enrollment

From this data, which included projections through 2018 (ten years), OACT developed inpatient medical trend on a fiscal year basis through 2018. 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 2008 – 2018 were increased 0.74% 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 2008 – 2018 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 2009 Medicare Trustees Report, and
- Table IV.B4 — Incurred Reimbursement Amounts per Fee-for-Service Enrollee for Intermediary Services, from its 2009 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 2018 (ten years), OACT developed outpatient medical trend on a fiscal year basis through 2018. 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 outpatient 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 2008 – 2018 were increased 0.74% 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 2008 – 2018 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, 2008, MERHCF actuarial valuation, as shown in Table D4.

OACT analyzed three years of PC and DC prescription drug data, from FY 2006 through FY 2008. 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, popular brand drugs coming off patent, and the migration from retail to mail order pharmacy. 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 grade linearly to 6.25% over the next seven years. Drug prices are expected to rise more slowly than previously forecast now that retail pharmacy prescriptions under TRICARE are subject to federal drug price formulas that limit the annual rate of increase in individual drug prices to inflation rates (federal pricing has applied to prescriptions dispensed through mail order and at MTFs already). However, it is expected that drug prices will rise somewhat higher than inflation over the long

term due to provisions in the federal drug pricing system that allow price renegotiations every five years. 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

OACT received the full set of USFHP capitation rates² by age, gender and designated provider plan (or location) for the contract periods contained in June 2007 – September 2009. The MERHCF Board agreed that the ultimate trend rate applied to each of the fee-for-service benefits should also apply to USFHP capitation rates. Medical trend for the initial year of the valuation was determined by considering historical capitation rate increases and recent TRICARE trends. The medical trend rate was graded linearly to the ultimate trend over the 25-year select period. The MERHCF Board approved a set of USFHP medical trend rates as shown in Table D4.

² The USFHP statute calls for an annual determination of the capitation rates, involving a negotiation and mutual agreement between the Secretary of Defense and the designated providers. The statute provides a number of parameters for determining the rates, including: (1) consideration of “competitive market rates” applied to the utilization experience of USFHP enrollees, (2) a “ceiling rate” limitation under which capitation payments to designated providers shall not exceed “the cost that would have been incurred by the Government if the enrollees had received such health care services through a military treatment facility, the TRICARE program, or the Medicare program, as the case may be,” (3) taking into account “health status” in establishing the ceiling rate, (4) a requirement that the rates are subject to periodic review for actuarial soundness and to adjustment for any anticipated adverse or favorable selection, and (5) an allowance for an alternative basis for calculating capitation payments if mutually agreed to by the Secretary of Defense and the designated provider.

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

All figures are average annual percentage increases.

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

Series: - December to December increases from 1930 to 1984;
- 3rd quarter to 3rd quarter increases since 1985.

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

FROM DECEMBER 31 OF:																						
	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007
TO DECEMBER 31 OF:																						
1935	6.51																					
1940	4.31	2.17																				
1945	1.72	-0.59	-3.28																			
1950	0.15	-1.88	-3.85	-4.41																		
1955	0.32	-1.17	-2.25	-1.73	1.02																	
1960	0.52	-0.64	-1.33	-0.67	1.25	1.48																
1965	0.82	-0.10	-0.55	0.15	1.71	2.06	2.64															
1970	0.88	0.10	-0.24	0.38	1.62	1.82	1.99	1.34														
1975	0.77	0.08	-0.22	0.30	1.27	1.34	1.29	0.62	-0.10													
1980	0.64	0.01	-0.25	0.19	0.97	0.96	0.83	0.24	-0.30	-0.51												
1985	1.32	0.81	0.66	1.17	1.99	2.15	2.29	2.20	2.49	3.81	8.31											
1990	1.62	1.19	1.09	1.59	2.37	2.56	2.74	2.77	3.13	4.22	6.67	5.06										
1995	1.72	1.33	1.26	1.73	2.43	2.61	2.77	2.79	3.09	3.90	5.41	3.99	2.93									
2000	1.84	1.49	1.43	1.87	2.52	2.69	2.84	2.87	3.12	3.78	4.88	3.76	3.12	3.31								
2001	1.82	1.47	1.41	1.84	2.48	2.64	2.78	2.80	3.04	3.65	4.67	3.56	2.88	2.85	0.55							
2002	1.82	1.47	1.42	1.84	2.46	2.62	2.75	2.77	2.99	3.58	4.53	3.44	2.78	2.67	1.08	0.05						
2003	1.81	1.47	1.42	1.83	2.45	2.59	2.72	2.74	2.95	3.50	4.40	3.33	2.68	2.52	1.22	0.64	1.23					
2004	1.81	1.47	1.42	1.83	2.43	2.57	2.69	2.70	2.90	3.43	4.27	3.23	2.59	2.40	1.26	0.87	1.28	1.32				
2005	1.79	1.46	1.41	1.81	2.39	2.53	2.65	2.65	2.84	3.34	4.12	3.10	2.46	2.22	1.15	0.84	1.11	1.04	0.76			
2006	1.79	1.47	1.42	1.81	2.39	2.52	2.63	2.63	2.81	3.29	4.04	3.04	2.42	2.20	1.27	1.04	1.28	1.30	1.29	1.82		
2007	1.81	1.49	1.44	1.83	2.39	2.53	2.64	2.64	2.81	3.28	3.99	3.04	2.45	2.25	1.50	1.33	1.59	1.68	1.80	2.33	2.83	
2008	1.78	1.46	1.41	1.79	2.34	2.47	2.57	2.56	2.72	3.16	3.83	2.88	2.28	2.03	1.24	0.97	1.12	1.10	1.04	1.14	0.80	-1.20

All figures are average annual percentages.

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

***Real yields for non-TIPS securities are computed as the nominal yield at purchase offset by inflation in the year of purchase.

For TIPS securities, the real yield is known and constant throughout the life of the security.

- Series:
- Treasury long-term securities with remaining maturities of 10 or more years from 1931 to 1941;
 - Average of Treasury long-term and Treasury securities with 3 - 5 years remaining maturity from 1941 to 1961;
 - Special Treasury certificates (CSRS) from 1962 to 1984;
 - Military Retirement System Trust Fund new investments from 1985 to 2001;
 - Medicare-Eligible Retiree Health Care Trust Fund new investments beginning with 2002.

TABLE D3
AVERAGE REAL MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND EFFECTIVE YIELD ***

FROM PERIOD CORRESPONDING TO END OF FISCAL YEAR:		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
TO END OF FISCAL YEAR:																											
1985		N/A																									
1986		N/A	N/A																								
1987		N/A	N/A	N/A																							
1988		N/A	N/A	N/A	N/A																						
1989		N/A	N/A	N/A	N/A	N/A																					
1990		N/A	N/A	N/A	N/A	N/A	N/A																				
1991		N/A	N/A	N/A	N/A	N/A	N/A	N/A																			
1992		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A																		
1993		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A																	
1994		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A																
1995		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A															
1996		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A														
1997		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A													
1998		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A												
1999		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
2000		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
2001		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A									
2002		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A							
2003		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.84					
2004		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.45	-0.06				
2005		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.37	-0.13	-0.20			
2006		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.08	0.39	0.62	1.44		
2007		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.40	0.71	0.97	1.57	1.69	
2008		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.42	0.67	0.86	1.21	1.09	0.50

All figures are average annual percentages.

Source: Office of the Actuary, Department of Defense

*** The effective yield calculation uses a "dollar-weighted" yield, which is based on investment income over the average amount of principal invested throughout the year.

TABLE D4
SEPTEMBER 30, 2008 MERHCF VALUATION MEDICAL TRENDS

From FY:	To FY:	Non-USFHP						USFHP
		DC			PC			
		IP	OP	Rx	IP	OP	Rx	
2008	2009	5.13%	4.13%	3.00%	6.13%	5.13%	8.44%	9.00%
2009	2010	4.13%	1.76%	3.00%	5.13%	2.76%	8.33%	8.89%
2010	2011	3.58%	4.21%	3.00%	4.58%	5.21%	8.23%	8.78%
2011	2012	3.34%	3.83%	3.41%	4.34%	4.83%	8.06%	8.67%
2012	2013	3.37%	4.01%	3.81%	4.37%	5.01%	7.90%	8.56%
2013	2014	3.62%	4.54%	4.22%	4.62%	5.54%	7.75%	8.45%
2014	2015	3.58%	4.48%	4.63%	4.58%	5.48%	7.61%	8.34%
2015	2016	3.71%	4.65%	5.03%	4.71%	5.65%	7.48%	8.23%
2016	2017	3.76%	5.38%	5.44%	4.76%	6.38%	7.35%	8.12%
2017	2018	3.90%	5.87%	5.84%	4.90%	6.87%	7.23%	8.01%
2018	2019	4.04%	5.89%	6.25%	4.98%	6.83%	7.11%	7.90%
2019	2020	4.19%	5.91%	6.25%	5.07%	6.79%	7.05%	7.79%
2020	2021	4.34%	5.94%	6.25%	5.15%	6.75%	6.99%	7.68%
2021	2022	4.49%	5.96%	6.25%	5.24%	6.71%	6.94%	7.57%
2022	2023	4.63%	5.99%	6.25%	5.32%	6.67%	6.88%	7.46%
2023	2024	4.78%	6.01%	6.25%	5.40%	6.64%	6.82%	7.35%
2024	2025	4.93%	6.03%	6.25%	5.49%	6.60%	6.76%	7.24%
2025	2026	5.07%	6.06%	6.25%	5.57%	6.56%	6.71%	7.13%
2026	2027	5.22%	6.08%	6.25%	5.66%	6.52%	6.65%	7.02%
2027	2028	5.37%	6.11%	6.25%	5.74%	6.48%	6.59%	6.91%
2028	2029	5.51%	6.13%	6.25%	5.83%	6.44%	6.53%	6.80%
2029	2030	5.66%	6.15%	6.25%	5.91%	6.40%	6.48%	6.69%
2030	2031	5.81%	6.18%	6.25%	6.00%	6.37%	6.42%	6.58%
2031	2032	5.96%	6.20%	6.25%	6.08%	6.33%	6.36%	6.47%
2032	2033	6.10%	6.23%	6.25%	6.17%	6.29%	6.31%	6.36%
Ultimate		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

DC Direct Care
PC Purchased Care
IP Inpatient
OPOutpatient
Rx Pharmacy
Non-USFHP TRICARE plans other than USFHP
USFHP US Family Health Plan

APPENDIX E

AVERAGE BENEFIT COSTS

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DEVELOPMENT OF EXPECTED AVERAGE BENEFIT COSTS

The average expected claim costs in this model are stored in claim vectors (CVs) and represent average family costs per retired sponsor (or survivor), by sponsor age (or survivor 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 (or 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 sponsor (or survivor) 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 (or survivor):

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

The Medicare-eligible CVs include average costs by each retired sponsor (or survivor) age from 18 to 118.

For the September 30, 2008, MERHCF valuation, a change was made to the claim vector development. Previously, the average costs in the survivor CVs were determined based on the age of the deceased sponsor. For example, a survivor CV value at age 110 represented the average cost for survivors who were associated with deceased sponsors who would have been 110 in the claims experience year. Now, survivor CVs are developed using survivor age. Therefore, a survivor CV value at age 90 now represents the average cost for survivors who were age nearest 90 at the end of the experience year.

For the September 30, 2008, 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 calibrate costs to incurred claim levels and 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 inpatient and outpatient CVs for the September 30, 2008, 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:

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

Adjustment to 2007 claim cells before blending:

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

Purchased care pharmacy CVs for the September 30, 2008, valuation were developed by blending detail data from 2007 – 2008 fiscal years. Before blending, the claims in each age cell for 2008 were brought to 2007 claim cost levels by multiplying each element by the following ratio:

$$[2007 \text{ weighted average cost per } 2007 \text{ sponsor and family}] / [2008 \text{ weighted average cost per } 2008 \text{ sponsor and family}]$$

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

Beginning with the September 30, 2008, valuation, survivor CVs were developed based on survivor age (previously, survivor CVs were developed based on sponsor age). Since claims data for dependent children of survivors can only be linked to a deceased sponsor's age (i.e., not to the surviving spouse's age), the dependent child survivor costs were added to the surviving spouse CVs as a load that varied by benefit category and population subcategory. Dependent child survivor claim costs represent less than 1% of surviving spouse claim costs.

The preliminary September 30, 2008, CVs were smoothed (with a combination of formulaic and manual methods).

The IP, OP and Rx CVs were adjusted to reflect aggregate 2008 incurred purchased care claims levels for IP, OP and Rx benefits, respectively. Estimates of 2008 incurred PC claims were produced from aggregate claims paid through May 2009.

2008 incurred PC claims (completed) are shown in Table E1.

TABLE E1
2008 PURCHASED CARE AGGREGATE INCURRED CLAIMS – MERHCF
(millions).

Inpatient Hospital	\$679
Outpatient	\$1,762
<u>Pharmacy</u>	<u>\$3,039</u>
Total	\$5,480

Incurred pharmacy claims in Table E1 have been adjusted to reflect voluntary rebates on retail brand prescriptions incurred during FY 2008.

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, 2008, valuation, the MERHCF Board approved purchased care claim loads for administrative costs of 7.4% (IP and OP) and 1.0% (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 1.26% (a higher percentage load on a lower, rebate-adjusted 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 is adjusted to reflect the ultimate level of plan participation. Therefore, it is necessary to make an adjustment to the purchased care cash flow 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 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.

The final ruling on this law was effective May 26, 2009. OACT performed a detailed analysis of retail pharmacy data at the National Drug Code (NDC) level, matching the drugs subject to rebate to eligible retiree claims. OACT also obtained from members of TMA's Pharmaceutical Operations Directorate the status of contractual agreements from drug companies, reinforcing the viability of this mandatory rebate program.

An effective drug discount factor was developed which takes into account the following:

- TRICARE's Retail drug costs compared to drug costs under TRICARE mail order program (TMOP)
- Assumed difference between federal ceiling prices and TMOP prices
- Portion of retail brand drug spending for drugs not on the NDC rebate list
- Portion of retail brand drug spending for drugs manufactured by companies not yet returning a signed agreement
- Portion of retail brand drug spending for drugs otherwise not eligible for rebate (paper claims; claims in which TRICARE is not primary payer; out-of-network claims; and claims dispensed under the 340B Drug Pricing Program, a federal drug pricing program which provides drug rebates to qualified health centers, known as 340B entities)

For the September 30, 2008, valuation, the assumed value of applying federal ceiling prices on eligible retail brand prescriptions was represented by a 20.9% discount on all purchased care (retail plus TMOP) 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). These initial CVs are used to compute preliminary first year outlays in terms of workloads. The ratio of 2008 aggregate incurred claims levels to the preliminary first year outlays (based on workloads in initial CVs) is applied to the initial CVs in order to convert workload-based CVs to cost-based CVs. Unlike PC CVs, the DC CVs have no loads applied for administration costs, since the DC calibrated values already include the applicable overhead costs.

Direct care inpatient and outpatient CVs for the September 30, 2008, valuation were developed by blending detail data from 2005 – 2007 fiscal years. Before blending, the workloads in each age cell for 2005 and 2007 were brought to 2006 workload levels by multiplying each element by the following ratio:

Adjustment to 2005 workload cells before blending:

$$[2006 \text{ weighted average workload per } 2006 \text{ sponsor and family}] / [2005 \text{ weighted average workload per } 2005 \text{ sponsor and family}]$$

Adjustment to 2007 workload cells before blending:

$$[2006 \text{ weighted average workload per } 2006 \text{ sponsor and family}] / [2007 \text{ weighted average workload per } 2007 \text{ sponsor and family}]$$

Direct care pharmacy CVs for the September 30, 2008, valuation were developed by blending detail data from 2007 – 2008 fiscal years. Before blending, the workloads in each age cell for 2008 were brought to 2007 workload levels by multiplying each element by the following ratio:

$$[2007 \text{ weighted average workload per 2007 sponsor and family}] / [2008 \text{ weighted average workload per 2008 sponsor and family}]$$

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

As with PC, survivor CVs were developed based on survivor age (previously, survivor CVs were developed based on sponsor age). Since workload data for dependent children of survivors can only be linked to a deceased sponsor's age (i.e., not to the surviving spouse's age), the dependent child survivor costs were added to the surviving spouse CVs as a load that varied by benefit category and population subcategory. Dependent child survivor claim costs represent less than 1% of surviving spouse claim costs.

The preliminary September 30, 2008, CVs were smoothed (with a combination of formulaic and manual methods).

The IP, OP and Rx CVs were adjusted to reflect aggregate 2008 incurred direct care claims levels for IP, OP and Rx benefits, respectively. Estimates of 2008 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.

TABLE E2
FY 2008 DIRECT CARE COSTS – MERHCF
(Millions)

Inpatient	\$468
Outpatient	\$504
<u>Pharmacy</u>	<u>\$666</u>
Total	\$1,638

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 adjusted to back out the difference between full participation levels and the assumed level of plan participation in each year.

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

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

Approximately 1.85% of the MERHCF-eligible population enrolls in a USFHP plan. USFHP is an HMO-style plan offered in six US locations that is funded on a fully capitated basis. Average costs for USFHP enrollees' are higher than costs for other enrollees primarily because enrollees' costs are not offset first by Medicare and other health insurance (USFHP is primary payer).

OACT produced USFHP premium¹ vectors, or HVs, based on the average family premium per retired sponsor or survivor who is Medicare-eligible and enrolled in USFHP. Actual monthly premiums for each of the six USFHP locations 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.

No plan participation adjustment is made to the HVs. This is discussed further in the “Plan Participation Rates” appendix.

Administrative Costs

Most of the administration costs for this program are incorporated in the USFHP capitation rates. There is a small, additional administrative cost associated with enrollment administration and premium consolidation. For the September 30, 2008 valuation, the MERHCF Board approved an administration cost load of 0.45% for the USFHP HVs, unchanged from the prior year.

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 other valuation results, which are based on direct care and purchased care claim costs.

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

¹ The USFHP statute uses the term “capitation rate.” We use the term “premium” here interchangeably.

TABLE E3
2008 MERHCF CLAIM VECTORS

Age	Direct Care									
	Inpatient Retiree Active Duty Nondisabled Enlistee	Inpatient Retiree Active Duty Nondisabled Officer	Inpatient Retiree Active Duty Disabled Enlistee	Inpatient Retiree Active Duty Disabled Officer	Inpatient Retiree Reserve Nondisabled Enlistee	Inpatient Retiree Reserve Nondisabled Officer	Inpatient Survivor Active Duty Enlistee	Inpatient Survivor Active Duty Officer	Inpatient Survivor Reserve Enlistee	Inpatient Survivor Reserve Officer
20	\$0.00	\$0.00	\$17.52	\$71.63	\$0.00	\$0.00	\$3.05	\$0.00	\$1.71	\$0.53
25	\$0.00	\$0.00	\$31.56	\$71.63	\$0.00	\$0.00	\$3.05	\$0.00	\$1.71	\$0.53
30	\$0.00	\$0.00	\$47.74	\$71.63	\$0.00	\$0.00	\$3.05	\$0.00	\$1.71	\$0.53
35	\$0.00	\$0.00	\$63.47	\$71.63	\$0.00	\$0.00	\$3.05	\$0.00	\$1.71	\$0.53
40	\$8.37	\$6.12	\$76.19	\$71.63	\$0.00	\$0.00	\$3.05	\$0.00	\$1.71	\$0.53
45	\$11.20	\$8.71	\$84.44	\$160.93	\$0.00	\$0.00	\$13.65	\$0.00	\$1.71	\$0.53
50	\$18.84	\$11.95	\$89.00	\$168.85	\$0.00	\$0.00	\$23.11	\$7.42	\$1.71	\$0.53
55	\$34.84	\$15.90	\$94.16	\$159.04	\$0.00	\$0.00	\$37.22	\$11.96	\$1.71	\$0.53
60	\$63.77	\$20.64	\$109.15	\$124.96	\$3.27	\$0.49	\$57.51	\$18.47	\$1.71	\$0.53
65	\$210.22	\$61.55	\$202.82	\$326.07	\$22.06	\$7.18	\$144.23	\$96.72	\$13.11	\$17.05
70	\$391.48	\$305.08	\$383.18	\$456.19	\$47.25	\$45.63	\$166.98	\$117.35	\$19.00	\$22.09
75	\$482.46	\$388.81	\$384.99	\$439.97	\$69.07	\$75.65	\$188.93	\$138.44	\$26.82	\$28.13
80	\$544.56	\$484.50	\$533.63	\$431.51	\$92.85	\$92.70	\$210.16	\$158.92	\$37.04	\$35.26
85	\$606.88	\$591.46	\$745.96	\$455.70	\$123.88	\$106.06	\$230.74	\$177.46	\$50.15	\$43.59
90	\$642.73	\$708.44	\$842.62	\$548.08	\$123.88	\$136.05	\$250.72	\$192.45	\$53.99	\$53.24
95	\$551.49	\$842.96	\$521.35	\$637.94	\$123.88	\$213.41	\$271.51	\$201.98	\$53.99	\$64.34
100	\$49.02	\$842.96	\$53.96	\$637.94	\$123.88	\$213.41	\$271.51	\$202.63	\$53.99	\$72.91
105	\$49.02	\$842.96	\$53.96	\$637.94	\$123.88	\$213.41	\$271.51	\$202.63	\$53.99	\$72.91
110	\$49.02	\$842.96	\$53.96	\$637.94	\$123.88	\$213.41	\$271.51	\$202.63	\$53.99	\$72.91
115	\$49.02	\$842.96	\$53.96	\$637.94	\$123.88	\$213.41	\$271.51	\$202.63	\$53.99	\$72.91

TABLE E3 (continued)
2008 MERHCF CLAIM VECTORS

Age	Direct Care									
	Outpatient Retiree Active Duty Nondisabled	Outpatient Retiree Active Duty Nondisabled	Outpatient Retiree Active Duty Disabled	Outpatient Retiree Active Duty Disabled	Outpatient Retiree Reserve Nondisabled	Outpatient Retiree Reserve Nondisabled	Outpatient Survivor Active Duty	Outpatient Survivor Active Duty	Outpatient Survivor Reserve	Outpatient Survivor Reserve
	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer
20	\$0.00	\$0.00	\$27.01	\$70.19	\$0.00	\$0.00	\$5.43	\$24.45	\$2.32	\$6.35
25	\$0.00	\$0.00	\$29.60	\$70.19	\$0.00	\$0.00	\$5.43	\$24.45	\$2.32	\$6.35
30	\$0.00	\$0.00	\$42.86	\$70.19	\$0.00	\$0.00	\$2.52	\$24.45	\$2.32	\$6.35
35	\$0.00	\$0.00	\$66.91	\$70.19	\$0.00	\$0.00	\$5.45	\$24.45	\$2.32	\$6.35
40	\$10.94	\$9.16	\$93.61	\$70.19	\$0.00	\$0.00	\$10.62	\$24.45	\$2.32	\$6.35
45	\$15.60	\$5.26	\$110.31	\$173.71	\$0.00	\$0.00	\$19.13	\$24.45	\$2.32	\$6.35
50	\$24.44	\$13.98	\$107.49	\$272.15	\$0.00	\$0.00	\$32.40	\$24.45	\$2.32	\$6.35
55	\$41.29	\$20.09	\$89.97	\$247.72	\$0.00	\$0.00	\$52.18	\$24.45	\$2.32	\$6.35
60	\$71.81	\$26.96	\$91.18	\$135.73	\$2.42	\$4.24	\$80.62	\$32.09	\$17.22	\$6.35
65	\$178.36	\$126.19	\$231.96	\$183.71	\$22.51	\$21.30	\$173.09	\$160.92	\$21.04	\$20.07
70	\$459.04	\$491.22	\$351.05	\$599.91	\$73.16	\$91.07	\$196.82	\$181.66	\$25.32	\$24.99
75	\$505.16	\$564.15	\$331.26	\$635.53	\$97.26	\$119.79	\$202.75	\$186.26	\$30.09	\$29.73
80	\$499.53	\$598.59	\$365.32	\$533.44	\$112.50	\$140.11	\$197.82	\$180.24	\$35.35	\$34.32
85	\$469.59	\$590.87	\$484.92	\$415.89	\$112.50	\$140.27	\$187.72	\$168.14	\$41.14	\$38.77
90	\$417.46	\$536.94	\$540.86	\$384.20	\$112.50	\$130.94	\$177.17	\$153.73	\$47.10	\$43.09
95	\$417.46	\$432.39	\$196.80	\$452.95	\$112.50	\$130.94	\$172.67	\$135.65	\$47.10	\$47.29
100	\$417.46	\$205.77	\$94.90	\$452.95	\$112.50	\$130.94	\$172.67	\$135.65	\$47.10	\$51.99
105	\$417.46	\$205.77	\$94.90	\$452.95	\$112.50	\$130.94	\$172.67	\$135.65	\$47.10	\$51.99
110	\$417.46	\$205.77	\$94.90	\$452.95	\$112.50	\$130.94	\$172.67	\$135.65	\$47.10	\$51.99
115	\$417.46	\$205.77	\$94.90	\$452.95	\$112.50	\$130.94	\$172.67	\$135.65	\$47.10	\$51.99

TABLE E3 (continued)
2008 MERHCF CLAIM VECTORS

Age	Direct Care									
	Drugs	Drugs	Drugs	Drugs	Drugs	Drugs	Drugs	Drugs	Drugs	Drugs
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled Enlistee	Active Duty Nondisabled Officer	Active Duty Disabled Enlistee	Active Duty Disabled Officer	Active Duty Reserve Nondisabled Enlistee	Active Duty Reserve Nondisabled Officer	Active Duty Enlistee	Active Duty Officer	Reserve Enlistee	Reserve Officer
20	\$0.00	\$6.59	\$8.84	\$15.20	\$0.00	\$0.00	\$0.64	\$3.06	\$4.13	\$0.15
25	\$0.00	\$6.59	\$6.66	\$15.20	\$0.00	\$0.00	\$0.64	\$3.06	\$4.13	\$0.15
30	\$0.00	\$6.59	\$17.33	\$15.20	\$0.00	\$0.00	\$10.14	\$3.06	\$4.13	\$0.15
35	\$0.00	\$6.59	\$51.39	\$15.20	\$0.00	\$0.00	\$13.00	\$3.06	\$4.13	\$0.15
40	\$12.38	\$8.40	\$91.84	\$73.01	\$0.00	\$0.00	\$15.90	\$3.06	\$4.13	\$0.15
45	\$14.66	\$9.55	\$117.45	\$132.12	\$0.00	\$0.00	\$20.10	\$3.06	\$4.13	\$0.15
50	\$22.36	\$12.07	\$114.33	\$184.03	\$0.00	\$0.00	\$28.42	\$7.12	\$4.13	\$0.15
55	\$42.58	\$18.37	\$88.56	\$205.61	\$0.00	\$0.00	\$45.84	\$19.21	\$6.22	\$0.15
60	\$86.30	\$32.32	\$80.81	\$164.56	\$9.22	\$13.30	\$80.08	\$40.11	\$34.26	\$29.53
65	\$225.30	\$120.17	\$176.57	\$152.03	\$72.64	\$51.30	\$228.09	\$162.98	\$92.07	\$89.58
70	\$681.29	\$562.94	\$449.60	\$615.36	\$324.20	\$285.35	\$306.45	\$265.77	\$131.83	\$119.26
75	\$747.25	\$662.71	\$435.31	\$708.03	\$403.55	\$365.79	\$318.59	\$278.16	\$146.35	\$125.07
80	\$679.67	\$663.57	\$429.40	\$603.46	\$377.49	\$376.17	\$289.19	\$247.33	\$133.84	\$114.27
85	\$541.57	\$582.25	\$455.69	\$426.62	\$280.46	\$311.52	\$238.61	\$202.40	\$100.70	\$94.82
90	\$386.82	\$442.98	\$430.78	\$281.27	\$182.46	\$205.24	\$183.74	\$158.73	\$60.62	\$75.21
95	\$222.28	\$278.10	\$247.24	\$257.57	\$146.66	\$124.82	\$138.75	\$121.14	\$60.62	\$66.84
100	\$222.28	\$97.33	\$247.24	\$257.57	\$146.66	\$116.94	\$118.94	\$83.44	\$60.62	\$66.84
105	\$222.28	\$97.33	\$247.24	\$257.57	\$146.66	\$116.94	\$118.94	\$83.44	\$60.62	\$66.84
110	\$222.28	\$97.33	\$247.24	\$257.57	\$146.66	\$116.94	\$118.94	\$83.44	\$60.62	\$66.84
115	\$222.28	\$97.33	\$247.24	\$257.57	\$146.66	\$116.94	\$118.94	\$83.44	\$60.62	\$66.84

TABLE E3 (continued)
2008 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Inpatient Retiree Active Duty Nondisabled	Inpatient Retiree Active Duty Nondisabled	Inpatient Retiree Active Duty Disabled	Inpatient Retiree Active Duty Disabled	Inpatient Retiree Reserve Nondisabled	Inpatient Retiree Reserve Nondisabled	Inpatient Survivor Active Duty	Inpatient Survivor Active Duty	Inpatient Survivor Reserve	Inpatient Survivor Reserve
	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer
20	\$0.00	\$0.00	\$22.43	\$4.42	\$0.00	\$0.00	\$0.52	\$0.63	\$46.17	\$9.93
25	\$0.00	\$0.00	\$38.80	\$4.42	\$0.00	\$0.00	\$0.52	\$0.63	\$46.17	\$9.93
30	\$0.00	\$0.00	\$55.94	\$4.42	\$0.00	\$0.00	\$4.04	\$0.63	\$46.17	\$9.93
35	\$0.00	\$0.00	\$70.25	\$4.42	\$0.00	\$0.00	\$8.74	\$0.63	\$46.17	\$9.93
40	\$8.52	\$2.05	\$79.16	\$49.29	\$0.00	\$0.00	\$17.04	\$22.23	\$46.17	\$9.93
45	\$9.53	\$3.69	\$82.95	\$58.14	\$0.00	\$0.00	\$30.71	\$40.06	\$46.17	\$9.93
50	\$14.85	\$6.25	\$86.75	\$68.77	\$0.00	\$0.00	\$52.01	\$67.84	\$46.17	\$9.93
55	\$30.47	\$10.07	\$102.89	\$81.84	\$0.00	\$0.00	\$83.76	\$109.26	\$46.17	\$9.93
60	\$65.64	\$15.56	\$153.21	\$98.15	\$31.74	\$9.26	\$129.41	\$168.82	\$46.17	\$23.45
65	\$140.12	\$62.05	\$392.83	\$354.95	\$201.76	\$37.27	\$255.43	\$266.29	\$174.23	\$88.53
70	\$470.31	\$319.65	\$584.12	\$586.54	\$340.01	\$263.57	\$351.17	\$341.14	\$257.73	\$171.83
75	\$667.77	\$541.08	\$718.44	\$791.93	\$488.93	\$434.93	\$457.50	\$425.13	\$341.23	\$268.95
80	\$870.92	\$789.67	\$871.93	\$1,038.53	\$666.62	\$624.49	\$567.57	\$516.39	\$424.73	\$371.72
85	\$1,053.79	\$1,043.84	\$1,045.84	\$1,330.22	\$875.96	\$814.10	\$671.24	\$612.14	\$508.23	\$467.31
90	\$1,180.06	\$1,271.58	\$1,235.58	\$1,670.92	\$1,119.91	\$977.20	\$754.52	\$708.55	\$591.73	\$537.49
95	\$1,201.49	\$1,415.50	\$1,235.58	\$2,154.34	\$1,401.52	\$1,077.44	\$789.72	\$800.57	\$689.36	\$535.72
100	\$1,056.37	\$1,415.50	\$1,235.58	\$2,154.34	\$1,530.54	\$1,077.90	\$789.72	\$908.27	\$689.36	\$535.72
105	\$454.22	\$1,415.50	\$1,235.58	\$2,154.34	\$1,530.54	\$1,077.90	\$789.72	\$908.27	\$689.36	\$535.72
110	\$454.22	\$1,415.50	\$1,235.58	\$2,154.34	\$1,530.54	\$1,077.90	\$789.72	\$908.27	\$689.36	\$535.72
115	\$454.22	\$1,415.50	\$1,235.58	\$2,154.34	\$1,530.54	\$1,077.90	\$789.72	\$908.27	\$689.36	\$535.72

TABLE E3 (continued)
2008 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Outpatient Retiree Active Duty Nondisabled	Outpatient Retiree Active Duty Nondisabled	Outpatient Retiree Active Duty Disabled	Outpatient Retiree Active Duty Disabled	Outpatient Retiree Reserve Nondisabled	Outpatient Retiree Reserve Nondisabled	Outpatient Survivor Active Duty	Outpatient Survivor Active Duty	Outpatient Survivor Reserve	Outpatient Survivor Reserve
	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer
20	\$0.00	\$1.83	\$103.96	\$66.71	\$0.00	\$0.00	\$0.00	\$0.00	\$53.07	\$34.54
25	\$0.00	\$1.83	\$113.35	\$66.71	\$0.00	\$0.00	\$32.75	\$0.00	\$53.07	\$34.54
30	\$0.00	\$1.83	\$134.25	\$66.71	\$0.00	\$0.00	\$15.17	\$0.00	\$53.07	\$34.54
35	\$0.00	\$1.83	\$173.77	\$160.93	\$0.00	\$0.00	\$21.01	\$93.00	\$53.07	\$34.54
40	\$22.42	\$14.80	\$226.31	\$194.54	\$0.00	\$0.00	\$50.33	\$90.82	\$53.07	\$34.54
45	\$30.48	\$11.95	\$276.64	\$226.11	\$0.00	\$0.00	\$92.87	\$77.80	\$53.07	\$34.54
50	\$57.63	\$20.24	\$309.32	\$255.97	\$0.00	\$0.00	\$139.00	\$67.73	\$54.28	\$34.54
55	\$99.63	\$41.47	\$323.99	\$284.36	\$0.00	\$0.00	\$197.49	\$90.03	\$55.79	\$50.69
60	\$187.68	\$77.42	\$355.76	\$311.50	\$114.16	\$32.61	\$319.32	\$194.73	\$317.90	\$235.46
65	\$490.39	\$308.03	\$681.23	\$844.10	\$338.00	\$203.76	\$678.51	\$657.30	\$559.94	\$511.85
70	\$1,671.45	\$1,668.80	\$1,457.94	\$1,970.30	\$1,332.02	\$1,336.16	\$910.61	\$932.90	\$745.91	\$704.53
75	\$1,988.82	\$2,170.16	\$1,651.63	\$2,365.84	\$1,630.03	\$1,764.04	\$1,011.33	\$1,081.82	\$847.33	\$822.36
80	\$2,017.21	\$2,391.01	\$1,719.43	\$2,357.30	\$1,660.69	\$1,936.11	\$1,023.48	\$1,129.21	\$850.95	\$872.68
85	\$1,828.80	\$2,339.59	\$1,653.32	\$2,116.67	\$1,495.28	\$1,870.57	\$982.33	\$1,104.55	\$767.34	\$861.75
90	\$1,483.96	\$2,052.37	\$1,444.65	\$1,787.08	\$1,193.39	\$1,625.27	\$917.26	\$1,037.15	\$640.19	\$794.90
95	\$1,033.63	\$1,595.83	\$1,084.16	\$1,488.62	\$805.27	\$1,304.18	\$852.93	\$951.18	\$570.24	\$676.73
100	\$261.59	\$1,068.10	\$562.10	\$1,305.40	\$427.40	\$1,064.05	\$807.56	\$890.67	\$570.24	\$553.70
105	\$261.59	\$600.36	\$125.81	\$1,305.40	\$427.40	\$1,023.73	\$807.56	\$890.67	\$570.24	\$553.70
110	\$261.59	\$453.08	\$125.81	\$1,305.40	\$427.40	\$1,023.73	\$807.56	\$890.67	\$570.24	\$553.70
115	\$261.59	\$453.08	\$125.81	\$1,305.40	\$427.40	\$1,023.73	\$807.56	\$890.67	\$570.24	\$553.70

TABLE E3 (continued)
2008 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Drugs Retiree Active Duty Nondisabled	Drugs Retiree Active Duty Nondisabled	Drugs Retiree Active Duty Disabled	Drugs Retiree Active Duty Disabled	Drugs Retiree Reserve Nondisabled	Drugs Retiree Reserve Nondisabled	Drugs Survivor Active Duty	Drugs Survivor Active Duty	Drugs Survivor Reserve	Drugs Survivor Reserve
	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer	Enlistee	Officer
20	\$0.00	\$2.35	\$4.26	\$39.01	\$0.00	\$0.00	\$0.00	\$0.00	\$195.44	\$68.75
25	\$0.00	\$2.35	\$56.92	\$39.01	\$0.00	\$0.00	\$22.30	\$0.00	\$195.44	\$68.75
30	\$0.00	\$2.35	\$143.62	\$39.01	\$0.00	\$0.00	\$9.86	\$0.00	\$195.44	\$68.75
35	\$0.00	\$2.35	\$232.06	\$148.78	\$0.00	\$0.00	\$22.09	\$85.23	\$195.44	\$68.75
40	\$37.57	\$33.67	\$316.48	\$340.92	\$0.00	\$0.00	\$61.69	\$93.63	\$195.44	\$68.75
45	\$56.69	\$32.38	\$391.90	\$526.87	\$0.00	\$0.00	\$121.57	\$97.52	\$195.44	\$68.75
50	\$92.61	\$42.83	\$453.89	\$668.36	\$0.00	\$0.00	\$192.27	\$107.56	\$195.44	\$68.75
55	\$153.71	\$74.30	\$498.43	\$716.70	\$0.00	\$0.00	\$274.67	\$145.90	\$195.44	\$68.75
60	\$283.74	\$139.36	\$521.88	\$611.68	\$80.80	\$38.99	\$397.35	\$249.81	\$430.73	\$263.60
65	\$652.91	\$442.49	\$757.48	\$987.74	\$501.06	\$343.45	\$1,018.03	\$1,047.03	\$930.06	\$912.83
70	\$2,114.63	\$2,271.13	\$1,822.21	\$2,518.61	\$2,017.88	\$2,021.54	\$1,384.60	\$1,453.80	\$1,361.21	\$1,331.58
75	\$2,433.73	\$2,828.85	\$2,026.04	\$3,093.78	\$2,354.13	\$2,525.07	\$1,533.99	\$1,708.79	\$1,575.63	\$1,563.20
80	\$2,386.73	\$3,006.98	\$1,952.74	\$3,124.54	\$2,277.38	\$2,683.52	\$1,532.39	\$1,826.95	\$1,549.44	\$1,643.29
85	\$2,145.05	\$2,915.65	\$1,774.23	\$2,841.95	\$2,058.25	\$2,597.74	\$1,434.37	\$1,820.93	\$1,353.34	\$1,601.44
90	\$1,851.26	\$2,646.80	\$1,605.49	\$2,438.32	\$1,781.92	\$2,351.94	\$1,285.42	\$1,701.54	\$1,108.87	\$1,462.49
95	\$1,522.08	\$2,277.88	\$1,605.49	\$1,987.64	\$1,194.57	\$2,017.05	\$1,123.76	\$1,478.11	\$1,108.87	\$1,136.19
100	\$1,522.08	\$1,761.70	\$1,605.49	\$1,987.64	\$431.94	\$1,744.03	\$938.35	\$1,128.12	\$1,108.87	\$1,136.19
105	\$1,522.08	\$1,761.70	\$1,605.49	\$1,987.64	\$431.94	\$1,744.03	\$938.35	\$1,128.12	\$1,108.87	\$1,136.19
110	\$1,522.08	\$1,761.70	\$1,605.49	\$1,987.64	\$431.94	\$1,744.03	\$938.35	\$1,128.12	\$1,108.87	\$1,136.19
115	\$1,522.08	\$1,761.70	\$1,605.49	\$1,987.64	\$431.94	\$1,744.03	\$938.35	\$1,128.12	\$1,108.87	\$1,136.19

TABLE E4
2008 MERHCF USFHP PREMIUM VECTORS

Age	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled Enlistee	Active Duty Nondisabled Officer	Active Duty Disabled Enlistee	Active Duty Disabled Officer	Active Duty Nondisabled Enlistee	Active Duty Nondisabled Officer	Active Duty Enlistee	Active Duty Officer	Reserve Enlistee	Reserve Officer
20	\$0.00	\$0.00	\$1,100.18	\$0.00	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
25	\$0.00	\$0.00	\$1,100.18	\$0.00	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
30	\$0.00	\$0.00	\$1,100.18	\$0.00	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
35	\$0.00	\$0.00	\$1,100.18	\$0.00	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
40	\$38.82	\$0.00	\$1,100.18	\$671.33	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
45	\$232.95	\$237.78	\$1,100.18	\$1,013.85	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
50	\$403.41	\$402.68	\$2,340.84	\$1,465.96	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
55	\$311.01	\$648.51	\$2,442.06	\$2,046.43	\$0.00	\$0.00	\$699.12	\$217.87	\$0.00	\$0.00
60	\$994.23	\$1,001.99	\$2,994.54	\$2,774.96	\$1,636.79	\$125.63	\$699.12	\$217.87	\$958.62	\$671.57
65	\$6,181.15	\$5,054.96	\$10,086.24	\$5,491.92	\$5,301.66	\$4,731.64	\$3,910.43	\$3,058.04	\$3,427.84	\$2,436.10
70	\$22,182.54	\$22,214.65	\$21,904.16	\$20,284.22	\$19,928.07	\$20,979.49	\$13,525.45	\$13,892.25	\$13,293.71	\$13,426.82
75	\$27,765.94	\$28,338.63	\$27,769.86	\$25,991.44	\$25,623.45	\$26,458.93	\$16,045.64	\$15,924.89	\$15,749.83	\$15,850.78
80	\$29,767.78	\$30,995.43	\$30,989.38	\$29,113.18	\$28,373.53	\$28,665.49	\$17,631.44	\$17,321.66	\$17,521.55	\$17,396.17
85	\$29,734.75	\$31,402.72	\$31,174.73	\$29,888.40	\$28,450.51	\$29,700.06	\$18,369.20	\$18,081.46	\$18,313.82	\$18,144.18
90	\$28,953.70	\$30,775.58	\$27,958.56	\$28,521.36	\$26,087.09	\$29,475.72	\$18,332.76	\$18,205.11	\$17,794.05	\$18,164.23
95	\$28,299.64	\$25,765.88	\$23,685.85	\$22,095.99	\$20,131.89	\$22,729.97	\$17,585.80	\$15,740.10	\$13,483.97	\$17,516.22
100	\$28,299.64	\$25,765.88	\$23,685.85	\$22,095.99	\$20,131.89	\$22,729.97	\$16,304.67	\$15,740.10	\$13,483.97	\$13,854.92
105	\$28,299.64	\$25,765.88	\$23,685.85	\$22,095.99	\$20,131.89	\$22,729.97	\$16,304.67	\$15,740.10	\$13,483.97	\$13,854.92
110	\$28,299.64	\$25,765.88	\$23,685.85	\$22,095.99	\$20,131.89	\$22,729.97	\$16,304.67	\$15,740.10	\$13,483.97	\$13,854.92
115	\$28,299.64	\$25,765.88	\$23,685.85	\$22,095.99	\$20,131.89	\$22,729.97	\$16,304.67	\$15,740.10	\$13,483.97	\$13,854.92

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 or survivor 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 and survivors 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 increases even if the population doesn't change and even if the new users of TFL are healthier and incur 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 annual change in plan usage as retirees drop their other coverage in favor of TFL (external participation effects) and as retirees change their relative utilization of services within the plan (internal participation effects, or the shift out of direct care services and into purchased care services). Separate plan participation rates are applied through 2021 to recognize an assumed slow but steady shift in availability of alternative coverage and retiree preferences. Since the enrollment in USFHP has been fairly stable over the past several years, and retirees enrolling in USFHP agree to receive almost all their health care services through USFHP, plan participation rates are not applied to USFHP costs.

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

n = future year between valuation year and 2021

x = IP, OP, or Rx

y = DC or PC

Participation rates are not applied to USFHP vectors (HVs). Members must enroll in USFHP — enrollment has remained steady since the inception of TFL¹, and there is no evidence that members are changing their participation patterns (detailed claims have not yet been made available to OACT). USFHP is a designated provider plan that is designed to encourage members to receive all their care from this plan.

¹ There are statutory caps on the annual increase allowed in overall (not just for Medicare-eligible beneficiaries) USFHP enrollment.

TABLE F1

MERHCF PLAN PARTICIPATION RATES

	DC IP	DC OP	DC Rx	PC IP	PC OP	PC Rx
2008	1.087	1.087	1.043	0.908	0.907	0.901
2009	1.080	1.080	1.040	0.918	0.917	0.911
2010	1.073	1.073	1.037	0.927	0.926	0.920
2011	1.067	1.067	1.033	0.935	0.935	0.930
2012	1.060	1.060	1.030	0.943	0.943	0.938
2013	1.053	1.053	1.027	0.951	0.951	0.947
2014	1.047	1.047	1.023	0.958	0.958	0.955
2015	1.040	1.040	1.020	0.966	0.965	0.962
2016	1.033	1.033	1.017	0.972	0.972	0.970
2017	1.027	1.027	1.013	0.978	0.978	0.976
2018	1.020	1.020	1.010	0.984	0.984	0.982
2019	1.013	1.013	1.007	0.989	0.989	0.988
2020	1.007	1.007	1.003	0.993	0.993	0.993
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>Enlistee</u>	<u>Age</u>	<u>Officer</u>	<u>Enlistee</u>
16	0.00027	0.00059	39	0.00037	0.00057
17	0.00029	0.00065	40	0.00037	0.00060
18	0.00031	0.00069	41	0.00037	0.00064
19	0.00033	0.00070	42	0.00037	0.00068
20	0.00034	0.00067	43	0.00039	0.00071
21	0.00036	0.00066	44	0.00043	0.00075
22	0.00038	0.00063	45	0.00047	0.00080
23	0.00046	0.00059	46	0.00051	0.00085
24	0.00053	0.00055	47	0.00056	0.00092
25	0.00059	0.00052	48	0.00061	0.00100
26	0.00065	0.00051	49	0.00066	0.00111
27	0.00066	0.00049	50	0.00071	0.00123
28	0.00063	0.00048	51	0.00076	0.00137
29	0.00060	0.00048	52	0.00082	0.00155
30	0.00056	0.00048	53	0.00088	0.00173
31	0.00052	0.00048	54	0.00095	0.00192
32	0.00048	0.00048	55	0.00107	0.00220
33	0.00045	0.00048	56	0.00122	0.00250
34	0.00043	0.00048	57	0.00140	0.00287
35	0.00042	0.00048	58	0.00160	0.00329
36	0.00040	0.00049	59	0.00180	0.00370
37	0.00040	0.00051	60	0.00203	0.00416
38	0.00039	0.00054			

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. Certain tax advantages accorded disability retired pay 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

ENLISTEE (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. Certain tax advantages accorded disability retired pay 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

ENLISTEE (BY COMPLETED YEARS OF SERVICE)

Service	Withdrawal	Reentrant	Net Loss
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)

Age	Officer	Enlistee	Total
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
ACTIVE DUTY TRANSFER RATES (BY COMPLETED YEARS OF SERVICE)

<u>Service</u>	<u>Officer to Enlistee</u>	<u>Enlistee 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 explicit projection of the reserves is a difficult task due to the complexity of the reserve career, evolving changes in how the reserves are used, and frequent modification of the reserve data which is comprised of input from multiple reserve components. Reserves may have numerous breaks in service prior to attaining retirement eligibility. Also, Selected Reserves usually transfer to the Non-Selected Reserves before the retirement benefit is received. This Appendix provides a description of the reserve valuation process.

The reserve rates consist of (1) separation rates, (2) column-transfer rates, (3) the distribution of new entrants or reenrants into the Selected Reserve, and (4) a table that shows the timing of when new entrants or reenrants 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 reenrante. They do not include transfers to non-Selected Reserves with 20 good years, or retirement. Separations from the Selected Reserve to the non-Selected Reserve with 20 good years are shown 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 reenrants 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 reenrante 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/reenrante 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 calibrated, so that in the steady state the part-time population is the proper size relative to the active duty force. The present value of Reserve retirement attributable to active duty service may then simply be added to the present value of retirement benefits attributable to active duty service. For the current valuation, this calibration results in 75,823 new entrants/reentrants to the Selected Reserves each year for every 100,000 new entrants to active duty. The portion of the 75,823 that are new entrants to the military is 20,912; this then is the Reserve normal cost radix. This radix is determined by allocating 75,823 according to the entrant/reentrant distribution and choosing the cells for which the value of the timing table equals 1. Thus, throughout the course of the normal cost projection, a total of 75,823 enter (or reenter) the Selected Reserve, 20,912 of whom enter the military for the first time as Selected Reservists.

CLOSED GROUP

Closed-group runs form the basis for the calculation of the actuarial liability and exclude anyone who enters the military for the first time after the valuation date. For closed group runs, no new entrants or reentrants are brought in for cells with a value of 1 in the timing table. 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	0.051	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
ENLISTEE 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	0.158	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	0.094	0.130	0.096	0.133	0.190	0.174	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 ***

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	0.000	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	0.064	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
ENLISTEE 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
ENLISTEE 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
ENLISTEE 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	0.378	0.378	0.378	0.378	0.378	
60	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935	0.935
61	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294	0.294
62	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192	0.192
>62	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121	0.121

TABLE H10
ENLISTEE 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	0.409	0.410	0.411	0.412	0.411	0.412
60	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921
61	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275
62	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
>62	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084

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	10	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	5	3	5	2	1	1	2	1	0	0	1
50	14	6	5	7	7	3	3	5	5	3	3	3	2	3	1	2	0	1	1	0	0
51	10	5	5	6	6	5	2	2	3	2	1	2	2	2	1	2	1	0	1	0	1
52	9	5	5	5	3	3	2	2	2	2	2	2	1	1	1	1	1	1	0	0	0
53	8	3	5	3	5	2	2	3	1	1	1	2	1	0	1	1	0	0	1	1	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	0	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
ENLISTEE SELECTED RESERVE NEW ENTRANT RATES *

Completed Years Of Total Active Federal Military Service

Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	10,929	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	9,492	21	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	5,812	55	32	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	3,291	115	520	489	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	1,840	145	688	1,270	484	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	1,353	159	454	1,403	1,608	69	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	1,074	153	389	1,100	1,976	300	56	2	0	0	0	0	0	0	0	0	0	0	0	0	0
25	1,007	169	355	832	1,517	434	314	28	3	0	0	0	0	0	0	0	0	0	0	0	0
26	951	172	316	683	1,177	375	476	239	26	1	0	0	0	0	0	0	0	0	0	0	0
27	841	173	265	571	984	301	417	406	178	22	1	0	0	0	0	0	0	0	0	0	0
28	759	154	212	509	783	233	318	328	265	138	45	3	0	0	0	0	0	0	0	0	0
29	697	151	174	406	645	201	248	260	206	235	188	16	2	0	0	0	0	0	0	0	0
30	585	126	150	322	521	173	193	197	158	190	260	73	10	1	0	0	0	0	0	0	0
31	502	99	112	291	412	146	171	155	135	151	215	108	53	11	2	0	0	0	0	0	0
32	433	99	105	239	354	130	136	135	110	116	159	86	74	49	9	2	0	0	0	0	0
33	400	89	94	213	286	106	117	111	95	93	141	67	72	61	37	22	2	0	0	0	0
34	369	76	88	191	242	90	107	98	94	98	111	67	60	57	47	68	4	1	0	0	0
35	362	75	71	183	220	76	94	92	83	86	111	65	60	46	50	78	12	2	1	0	0
36	309	66	62	156	185	72	72	72	67	69	98	63	55	44	44	56	12	5	1	0	0
37	240	61	55	141	169	56	70	64	53	60	79	45	52	40	35	40	11	5	2	1	0
38	197	61	40	125	126	46	57	46	48	43	58	45	34	37	33	30	12	6	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	26	24	27	12	5	3	2	1
41	115	34	25	71	78	24	31	23	24	24	29	22	19	18	20	18	7	6	2	1	2
42	93	28	25	61	64	23	27	24	20	17	21	14	13	15	12	14	6	4	2	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	13	13	14	15	15	16	16	16	16	16	0	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	20	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	19	20	20	20	20	21	20	22	22	23	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	26	26	26	26
48	18	25	23	23	24	22	24	23	24	24	24	24	24	24	25	26	26	26	26	27	27
49	18	26	27	24	26	26	26	24	25	25	25	25	25	24	26	27	27	27	28	28	28
50	19	27	28	28	29	26	26	24	26	27	27	27	27	25	26	28	27	28	28	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
ENLISTEE 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	13	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	18	19	20	20	20	20
39	17	18	18	19	18	18	18	18	18	18	18	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	31	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 2006. 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 Medicare Part A and 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 I1
SUMMARY OF YEARS ON WHICH RETIREE AND SURVIVOR RATES ARE BASED

	Fiscal Years on Which Rates Are Based										
	<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>	<u>2006</u>
<u>DEATH RATES</u>											
ND Officer									X	X	
ND Enlistee									X	X	
PD Officer					X	X	X				
PD Enlistee					X	X	X				
TD Officer					X	X	X	X	X	X	
TD Enlistee					X	X	X	X	X	X	
 <u>OTHER LOSS RATES</u>											
TD Officer					X	X	X	X	X	X	
TD Enlistee					X	X	X	X	X	X	
 <u>TRANSFER RATES FROM</u>											
<u>TD TO PD</u>											
Officer					X	X	X	X	X	X	
Enlistee					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
 RETIREE DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

OFFICER

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
16	0.00000	0.00000	0.00265	0.02302	0.01162	0.00595	0.00232	0.00234
17	0.00000	0.00000	0.00292	0.02145	0.01083	0.00554	0.00216	0.00218
18	0.00000	0.00000	0.00312	0.01999	0.01009	0.00516	0.00201	0.00203
19	0.00000	0.00000	0.00328	0.01863	0.00940	0.00481	0.00187	0.00189
20	0.00000	0.00000	0.00344	0.01735	0.00876	0.00448	0.00175	0.00176
21	0.00000	0.00000	0.00359	0.01621	0.00818	0.00419	0.00163	0.00165
22	0.00000	0.00000	0.00377	0.01521	0.00768	0.00393	0.00153	0.00154
23	0.00000	0.00000	0.00399	0.01434	0.00724	0.00370	0.00144	0.00146
24	0.00000	0.00000	0.00423	0.01360	0.00687	0.00351	0.00137	0.00138
25	0.00000	0.00000	0.00448	0.01302	0.00657	0.00336	0.00131	0.00132
26	0.00000	0.00000	0.00472	0.01258	0.00635	0.00325	0.00127	0.00128
27	0.00000	0.00000	0.00493	0.01230	0.00621	0.00318	0.00124	0.00125
28	0.00000	0.00000	0.00511	0.01218	0.00615	0.00315	0.00123	0.00124
29	0.00000	0.00000	0.00528	0.01223	0.00617	0.00316	0.00123	0.00124
30	0.00029	0.00043	0.00544	0.01245	0.00628	0.00322	0.00125	0.00126
31	0.00030	0.00044	0.00557	0.01285	0.00648	0.00332	0.00129	0.00130
32	0.00031	0.00045	0.00569	0.01343	0.00678	0.00347	0.00135	0.00136
33	0.00031	0.00046	0.00575	0.01420	0.00717	0.00367	0.00143	0.00144
34	0.00031	0.00046	0.00576	0.01517	0.00766	0.00392	0.00153	0.00154
35	0.00031	0.00046	0.00577	0.01635	0.00825	0.00422	0.00164	0.00166
36	0.00031	0.00047	0.00585	0.01774	0.00895	0.00458	0.00178	0.00180
37	0.00033	0.00047	0.00604	0.01935	0.00977	0.00500	0.00195	0.00197
38	0.00034	0.00049	0.00604	0.02119	0.01070	0.00547	0.00213	0.00215
39	0.00035	0.00052	0.00604	0.02327	0.01174	0.00601	0.00234	0.00236
40	0.00037	0.00054	0.00604	0.02559	0.01291	0.00661	0.00257	0.00260
41	0.00047	0.00058	0.00604	0.02816	0.01421	0.00727	0.00283	0.00286
42	0.00057	0.00062	0.00604	0.03099	0.01564	0.00800	0.00312	0.00315
43	0.00065	0.00065	0.00604	0.03409	0.01721	0.00881	0.00343	0.00346
44	0.00071	0.00070	0.00604	0.03747	0.01891	0.00968	0.00377	0.00381
45	0.00079	0.00074	0.00604	0.04113	0.02076	0.01062	0.00414	0.00418
46	0.00096	0.00080	0.00604	0.04509	0.02276	0.01165	0.00453	0.00458
47	0.00115	0.00086	0.00604	0.04935	0.02491	0.01275	0.00496	0.00501
48	0.00122	0.00094	0.00604	0.05392	0.02722	0.01393	0.00542	0.00548
49	0.00138	0.00102	0.00604	0.05882	0.02969	0.01519	0.00592	0.00597
50	0.00145	0.00112	0.00629	0.06405	0.03233	0.01655	0.00644	0.00651
51	0.00160	0.00123	0.00690	0.06962	0.03514	0.01798	0.00700	0.00707
52	0.00176	0.00135	0.00756	0.07554	0.03813	0.01951	0.00760	0.00767
53	0.00195	0.00151	0.00827	0.08182	0.04130	0.02114	0.00823	0.00831
54	0.00215	0.00168	0.00904	0.08847	0.04465	0.02285	0.00890	0.00899
55	0.00240	0.00189	0.00986	0.09550	0.04820	0.02467	0.00961	0.00970
56	0.00267	0.00215	0.01075	0.10292	0.05195	0.02659	0.01035	0.01045
57	0.00301	0.00247	0.01170	0.11074	0.05590	0.02861	0.01114	0.01125
58	0.00339	0.00284	0.01272	0.11897	0.06005	0.03073	0.01197	0.01208
59	0.00383	0.00320	0.01596	0.12762	0.06442	0.03297	0.01284	0.01296
60	0.00432	0.00360	0.01880	0.13670	0.06900	0.03531	0.01375	0.01388
61	0.00490	0.00419	0.01995	0.14623	0.07381	0.03777	0.01471	0.01485

TABLE I2 (CONT'D)
 RETIREE DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

OFFICER

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
62	0.00554	0.00486	0.01957	0.15642	0.07895	0.04041	0.01573	0.01589
63	0.00628	0.00565	0.01862	0.16731	0.08445	0.04322	0.01683	0.01699
64	0.00708	0.00650	0.01858	0.17897	0.09033	0.04623	0.01800	0.01818
65	0.00801	0.00744	0.02003	0.19144	0.09663	0.04945	0.01925	0.01944
66	0.00913	0.00856	0.02338					
67	0.01039	0.00970	0.02727					
68	0.01180	0.01085	0.03126					
69	0.01351	0.01221	0.03419					
70	0.01541	0.01365	0.03602					
71	0.01764	0.01530	0.03814					
72	0.02014	0.01715	0.04069					
73	0.02294	0.01922	0.04425					
74	0.02601	0.02155	0.04750					
75	0.02950	0.02430	0.05026					
76	0.03318	0.02732	0.05254					
77	0.03738	0.03106	0.05542					
78	0.04204	0.03522	0.05975					
79	0.04726	0.04002	0.06538					
80	0.05315	0.04554	0.07265					
81	0.06008	0.05190	0.08075					
82	0.06770	0.05949	0.08970					
83	0.07600	0.06759	0.09953					
84	0.08578	0.07718	0.11077					
85	0.09640	0.08767	0.12313					
86	0.10830	0.09951	0.13604					
87	0.12217	0.11331	0.14878					
88	0.13831	0.12939	0.16254					
89	0.15496	0.14610	0.17804					
90	0.17408	0.16529	0.19684					
91	0.19426	0.18564	0.21905					
92	0.21719	0.20882	0.24528					
93	0.24106	0.23308	0.27517					
94	0.26676	0.25930	0.30975					
95	0.29566	0.28880	0.34818					
96	0.32519	0.31915	0.39034					
97	0.35823	0.35151	0.43621					
98	0.39344	0.38937	0.46776					
99	0.40849	0.41221	0.49911					
100	0.42868	0.43813	0.53094					
101	0.46187	0.47205	0.56402					
102	0.49019	0.50100	0.59918					
103	0.52143	0.53293	0.63923					
104	0.55533	0.56758	0.66667					
105	0.59015	0.60317	0.66667					
106	0.62398	0.63774	0.66667					
107	0.65472	0.66667	0.66667					
108	0.66667	0.66667	0.66667					
109	0.66667	0.66667	0.66667					
110	0.66667	0.66667	1.00000					

TABLE I3
 RETIREE DEATH RATES (BY AGE OF NEAREST BIRTHDAY)
 ENLISTEE

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
16	0.00000	0.00000	0.00192	0.01100	0.00566	0.00407	0.00594	0.00516
17	0.00000	0.00000	0.00212	0.01025	0.00528	0.00380	0.00554	0.00481
18	0.00000	0.00000	0.00226	0.00955	0.00492	0.00354	0.00516	0.00448
19	0.00000	0.00000	0.00238	0.00890	0.00458	0.00330	0.00481	0.00418
20	0.00000	0.00000	0.00249	0.00829	0.00427	0.00307	0.00448	0.00389
21	0.00000	0.00000	0.00260	0.00775	0.00399	0.00287	0.00418	0.00363
22	0.00000	0.00000	0.00273	0.00727	0.00374	0.00269	0.00392	0.00341
23	0.00000	0.00000	0.00289	0.00685	0.00353	0.00254	0.00370	0.00321
24	0.00000	0.00000	0.00307	0.00650	0.00335	0.00241	0.00351	0.00305
25	0.00000	0.00000	0.00325	0.00622	0.00320	0.00230	0.00336	0.00292
26	0.00000	0.00000	0.00342	0.00601	0.00310	0.00223	0.00325	0.00282
27	0.00000	0.00000	0.00357	0.00588	0.00303	0.00218	0.00318	0.00276
28	0.00000	0.00000	0.00371	0.00582	0.00300	0.00216	0.00314	0.00273
29	0.00000	0.00000	0.00383	0.00585	0.00301	0.00216	0.00316	0.00274
30	0.00051	0.00072	0.00394	0.00595	0.00306	0.00220	0.00321	0.00279
31	0.00052	0.00074	0.00403	0.00614	0.00316	0.00227	0.00331	0.00288
32	0.00053	0.00075	0.00403	0.00642	0.00330	0.00238	0.00347	0.00301
33	0.00054	0.00076	0.00403	0.00679	0.00349	0.00251	0.00366	0.00318
34	0.00054	0.00076	0.00403	0.00725	0.00373	0.00268	0.00392	0.00340
35	0.00054	0.00076	0.00440	0.00781	0.00402	0.00289	0.00422	0.00367
36	0.00055	0.00077	0.00476	0.00848	0.00436	0.00314	0.00458	0.00398
37	0.00055	0.00080	0.00513	0.00925	0.00476	0.00342	0.00499	0.00434
38	0.00058	0.00084	0.00549	0.01013	0.00521	0.00375	0.00547	0.00475
39	0.00061	0.00087	0.00585	0.01112	0.00572	0.00412	0.00600	0.00522
40	0.00064	0.00093	0.00622	0.01223	0.00629	0.00453	0.00660	0.00574
41	0.00082	0.00098	0.00605	0.01346	0.00693	0.00498	0.00727	0.00631
42	0.00100	0.00104	0.00594	0.01481	0.00762	0.00548	0.00800	0.00695
43	0.00114	0.00111	0.00590	0.01629	0.00839	0.00603	0.00880	0.00764
44	0.00124	0.00118	0.00592	0.01791	0.00922	0.00663	0.00967	0.00840
45	0.00138	0.00125	0.00601	0.01966	0.01012	0.00728	0.01061	0.00922
46	0.00168	0.00135	0.00617	0.02155	0.01109	0.00798	0.01164	0.01011
47	0.00202	0.00147	0.00640	0.02359	0.01214	0.00873	0.01274	0.01106
48	0.00214	0.00160	0.00669	0.02577	0.01327	0.00954	0.01392	0.01209
49	0.00243	0.00175	0.00707	0.02811	0.01447	0.01041	0.01518	0.01319
50	0.00255	0.00191	0.00753	0.03061	0.01576	0.01133	0.01653	0.01436
51	0.00271	0.00209	0.00807	0.03328	0.01713	0.01232	0.01797	0.01561
52	0.00316	0.00230	0.00872	0.03610	0.01858	0.01337	0.01949	0.01694
53	0.00404	0.00257	0.00947	0.03911	0.02013	0.01448	0.02112	0.01834
54	0.00454	0.00286	0.01034	0.04229	0.02176	0.01566	0.02283	0.01983
55	0.00505	0.00323	0.01135	0.04565	0.02349	0.01690	0.02465	0.02141
56	0.00603	0.00367	0.01250	0.04919	0.02532	0.01821	0.02656	0.02307
57	0.00691	0.00419	0.01381	0.05293	0.02724	0.01960	0.02858	0.02483
58	0.00755	0.00481	0.01527	0.05686	0.02927	0.02105	0.03070	0.02667
59	0.00870	0.00542	0.01691	0.06100	0.03139	0.02258	0.03294	0.02861
60	0.01004	0.00610	0.01870	0.06534	0.03363	0.02419	0.03528	0.03065
61	0.01115	0.00708	0.02065	0.06989	0.03597	0.02588	0.03774	0.03278

TABLE I3 (CONT'D)
 RETIREE DEATH RATES (BY AGE OF NEAREST BIRTHDAY)

ENLISTEE

Age	Non-Disability		Permanent Disability	Temporary Disability				
	Active	Reserve		Year of Retirement				
				One	Two	Three	Four	Five
62	0.01219	0.00820	0.02274	0.07476	0.03848	0.02768	0.04037	0.03507
63	0.01338	0.00950	0.02496	0.07997	0.04116	0.02961	0.04318	0.03751
64	0.01473	0.01087	0.02729	0.08554	0.04403	0.03167	0.04619	0.04012
65	0.01644	0.01233	0.02973	0.09150	0.04709	0.03388	0.04940	0.04292
66	0.01849	0.01392	0.03229					
67	0.02106	0.01554	0.03499					
68	0.02317	0.01720	0.03786					
69	0.02554	0.01909	0.04095					
70	0.02797	0.02108	0.04432					
71	0.03036	0.02338	0.04801					
72	0.03376	0.02598	0.05210					
73	0.03816	0.02893	0.05661					
74	0.04298	0.03229	0.06162					
75	0.04737	0.03628	0.06715					
76	0.05234	0.04065	0.07326					
77	0.05767	0.04573	0.07999					
78	0.06367	0.05129	0.08737					
79	0.07084	0.05731	0.09544					
80	0.07789	0.06376	0.10424					
81	0.08576	0.07070	0.11378					
82	0.09402	0.07829	0.12410					
83	0.10308	0.08631	0.13521					
84	0.11250	0.09579	0.14712					
85	0.12198	0.10619	0.15985					
86	0.13336	0.11814	0.17339					
87	0.14872	0.13251	0.18776					
88	0.16755	0.14910	0.20295					
89	0.18815	0.16735	0.21897					
90	0.21228	0.18886	0.24203					
91	0.23682	0.21213	0.26694					
92	0.26222	0.23902	0.29352					
93	0.28498	0.26755	0.32256					
94	0.30394	0.29870	0.35439					
95	0.31950	0.33399	0.38804					
96	0.32878	0.36327	0.42243					
97	0.33634	0.39214	0.45640					
98	0.34722	0.42652	0.48942					
99	0.36050	0.45472	0.52221					
100	0.37831	0.48331	0.55552					
101	0.40761	0.52072	0.59014					
102	0.43260	0.55266	0.62692					
103	0.46017	0.58788	0.66667					
104	0.49009	0.62610	0.66667					
105	0.52082	0.66536	0.66667					
106	0.55067	0.66667	0.66667					
107	0.57781	0.66667	0.66667					
108	0.60428	0.66667	0.66667					
109	0.63127	0.66667	0.66667					
110	0.65524	0.66667	1.00000					

TABLE I4
RATES OF NONDEATH, NONTRANSFER LOSSES FROM TEMPORARY DISABILITY
(Age Nearest Birthday)

Age	OFFICER					ENLISTEE				
	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	OFFICER				ENLISTEE			
	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
 REMARRIAGE RATES

Survivor

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
16	0.0634	41	0.0161
17	0.0634	42	0.0157
18	0.0634	43	0.0153
19	0.0634	44	0.0148
20	0.0634	45	0.0139
21	0.0634	46	0.0128
22	0.0634	47	0.0117
23	0.0634	48	0.0103
24	0.0634	49	0.0089
25	0.0634	50	0.0077
26	0.0634	51	0.0067
27	0.0598	52	0.0058
28	0.0573	53	0.0048
29	0.0558	54	0.0041
30	0.0548	55	0.0035
31	0.0538	56	0.0029
32	0.0523	57	0.0025
33	0.0500	58	0.0021
34	0.0465	59	0.0018
35	0.0418	60	0.0015
36	0.0362	61	0.0013
37	0.0303	62	0.0011
38	0.0248	63	0.0009
39	0.0205	64	0.0008
40	0.0175	65	0.0007

TABLE I7
SURVIVOR DEATH RATES

(Age Nearest Birthday)

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
0	0.01316	55	0.00598
1	0.00118	56	0.00668
2	0.00077	57	0.00727
3	0.00057	58	0.00770
4	0.00043	59	0.00797
5	0.00039	60	0.00819
6	0.00036	61	0.00868
7	0.00034	62	0.00967
8	0.00030	63	0.01100
9	0.00029	64	0.01226
10	0.00029	65	0.01323
11	0.00031	66	0.01412
12	0.00033	67	0.01514
13	0.00036	68	0.01642
14	0.00043	69	0.01791
15	0.00050	70	0.01957
16	0.00054	71	0.02149
17	0.00059	72	0.02381
18	0.00061	73	0.02628
19	0.00062	74	0.02867
20	0.00062	75	0.03077
21	0.00062	76	0.03286
22	0.00062	77	0.03546
23	0.00064	78	0.03872
24	0.00064	79	0.04262
25	0.00065	80	0.04675
26	0.00068	81	0.05096
27	0.00070	82	0.05566
28	0.00072	83	0.06124
29	0.00076	84	0.06743
30	0.00084	85	0.07515
31	0.00091	86	0.08479
32	0.00097	87	0.09579
33	0.00102	88	0.10693
34	0.00107	89	0.11916
35	0.00112	90	0.13187
36	0.00118	91	0.14575
37	0.00125	92	0.16099
38	0.00134	93	0.17818
39	0.00144	94	0.19532
40	0.00156	95	0.21246
41	0.00169	96	0.22918
42	0.00182	97	0.24655
43	0.00194	98	0.26295
44	0.00203	99	0.27992
45	0.00212	100	0.29829
46	0.00221	101	0.31997
47	0.00234	102	0.34281
48	0.00255	103	0.36818
49	0.00276	104	0.39267
50	0.00306	105	0.41723
51	0.00341	106	0.44075
52	0.00388	107	0.46210
53	0.00440	108	0.48333
54	0.00524	109	0.50519

TABLE I8
NUMBER OF SPOUSES GENERATED BY EACH SPONSOR - OFFICER

(Age Nearest Birthday)

OFFICER				OFFICER			
<u>Age</u>	<u>Active Nondisabled</u>	<u>Active Disabled</u>	<u>Reserve Nondisabled</u>	<u>Age</u>	<u>Active Nondisabled</u>	<u>Active Disabled</u>	<u>Reserve Nondisabled</u>
16	0.05773	0.05739	0.00000	64	0.93496	0.75162	0.82332
17	0.06414	0.06376	0.00000	65	0.94079	0.75533	0.82708
18	0.07043	0.07002	0.00000	66	0.93084	0.75866	0.82996
19	0.07654	0.07609	0.00000	67	0.93003	0.76155	0.83200
20	0.11592	0.11524	0.00000	68	0.92852	0.76392	0.83322
21	0.17091	0.16991	0.00000	69	0.92629	0.76574	0.83363
22	0.22400	0.22269	0.00000	70	0.92333	0.76692	0.83323
23	0.27500	0.27339	0.00000	71	0.91961	0.76740	0.83203
24	0.32373	0.32183	0.00000	72	0.91511	0.76711	0.83001
25	0.37002	0.36785	0.00000	73	0.90976	0.76597	0.82715
26	0.41374	0.41132	0.00000	74	0.90354	0.76392	0.82341
27	0.47443	0.47165	0.00000	75	0.89636	0.76086	0.81875
28	0.53003	0.52692	0.00000	76	0.88816	0.75672	0.81311
29	0.58079	0.57739	0.00000	77	0.87886	0.75141	0.80645
30	0.62698	0.58406	0.00000	78	0.86835	0.74484	0.79867
31	0.66881	0.59030	0.00000	79	0.85653	0.73692	0.78971
32	0.70650	0.59619	0.00000	80	0.84330	0.72756	0.77947
33	0.74023	0.60175	0.00000	81	0.82851	0.71666	0.76784
34	0.77019	0.60705	0.00000	82	0.81205	0.70411	0.75473
35	0.79654	0.61213	0.00000	83	0.79377	0.68981	0.74001
36	0.81944	0.61702	0.00000	84	0.77355	0.67367	0.72358
37	0.83903	0.62177	0.00000	85	0.75125	0.65556	0.70532
38	0.85544	0.62641	0.00000	86	0.72676	0.63538	0.68513
39	0.85611	0.63097	0.00000	87	0.70001	0.61301	0.66293
40	0.85684	0.63549	0.00000	88	0.67095	0.58834	0.63865
41	0.85763	0.63999	0.00000	89	0.63960	0.56125	0.61228
42	0.85848	0.64449	0.00000	90	0.60602	0.53160	0.58382
43	0.85941	0.64902	0.00000	91	0.57039	0.49928	0.55337
44	0.86041	0.65359	0.00000	92	0.53297	0.46416	0.52107
45	0.86149	0.65821	0.00000	93	0.49409	0.42611	0.48714
46	0.86266	0.66290	0.00000	94	0.45421	0.38498	0.45191
47	0.86392	0.66767	0.00000	95	0.41384	0.34066	0.41574
48	0.86529	0.67251	0.00000	96	0.37359	0.29299	0.37910
49	0.86677	0.67743	0.00000	97	0.33404	0.25199	0.34248
50	0.86836	0.68243	0.00000	98	0.29580	0.21672	0.30642
51	0.87008	0.68750	0.00000	99	0.25941	0.18640	0.27144
52	0.87195	0.69263	0.00000	100	0.22534	0.16031	0.23803
53	0.87395	0.69781	0.00000	101	0.19397	0.13788	0.20661
54	0.87612	0.70302	0.00000	102	0.16551	0.11858	0.17751
55	0.87846	0.70826	0.00000	103	0.14008	0.10199	0.15099
56	0.88098	0.71349	0.00000	104	0.11769	0.08772	0.12718
57	0.88370	0.71870	0.00000	105	0.09822	0.07544	0.10610
58	0.89175	0.72384	0.00000	106	0.08150	0.06489	0.07859
59	0.90022	0.72891	0.00000	107	0.06731	0.05581	0.07184
60	0.90809	0.73385	0.79850	108	0.05538	0.04800	0.05835
61	0.91543	0.73863	0.80630	109	0.07417	0.04128	0.04165
62	0.92232	0.74322	0.81299	110	0.06148	0.03550	0.03318
63	0.92882	0.74756	0.81864				

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

ENLISTEE				ENLISTEE			
Age	Active Nondisabled	Active Disabled	Reserve Nondisabled	Age	Active Nondisabled	Active Disabled	Reserve Nondisabled
16	0.06690	0.03849	0.00000	64	0.85649	0.63386	0.78923
17	0.07432	0.04276	0.00000	65	0.85918	0.64015	0.78923
18	0.08162	0.04696	0.00000	66	0.85483	0.64629	0.78923
19	0.08869	0.05103	0.00000	67	0.85827	0.65217	0.78923
20	0.13433	0.07729	0.00000	68	0.86176	0.65769	0.78923
21	0.19806	0.11396	0.00000	69	0.86533	0.66272	0.78923
22	0.25959	0.21172	0.00000	70	0.85844	0.66715	0.80352
23	0.31869	0.29412	0.00000	71	0.85093	0.67086	0.80019
24	0.37515	0.36314	0.00000	72	0.84265	0.67371	0.79588
25	0.42880	0.42055	0.00000	73	0.83358	0.67557	0.79054
26	0.47946	0.46787	0.00000	74	0.82365	0.67633	0.78412
27	0.52701	0.50647	0.00000	75	0.81282	0.67584	0.77655
28	0.57132	0.53751	0.00000	76	0.80104	0.67396	0.76777
29	0.61229	0.56207	0.00000	77	0.78825	0.67055	0.75768
30	0.64984	0.58107	0.00000	78	0.77440	0.66548	0.74620
31	0.68393	0.59533	0.00000	79	0.75944	0.65860	0.73323
32	0.71452	0.60558	0.00000	80	0.74332	0.64976	0.71868
33	0.74160	0.61246	0.00000	81	0.72600	0.63882	0.70245
34	0.76517	0.61655	0.00000	82	0.70745	0.62562	0.68444
35	0.78528	0.61836	0.00000	83	0.68765	0.61002	0.66456
36	0.80197	0.61833	0.00000	84	0.66658	0.59186	0.64275
37	0.80021	0.61686	0.00000	85	0.64425	0.57098	0.61897
38	0.79871	0.61430	0.00000	86	0.62069	0.54724	0.59321
39	0.79748	0.61096	0.00000	87	0.59596	0.52048	0.56549
40	0.79652	0.60709	0.00000	88	0.57012	0.49053	0.53592
41	0.79587	0.60295	0.00000	89	0.54327	0.45724	0.50465
42	0.79555	0.59872	0.00000	90	0.51555	0.42045	0.47189
43	0.79557	0.59459	0.00000	91	0.48710	0.38000	0.43795
44	0.79595	0.59070	0.00000	92	0.45812	0.33571	0.40318
45	0.79669	0.58718	0.00000	93	0.42880	0.28744	0.36800
46	0.79783	0.58412	0.00000	94	0.39938	0.24611	0.33289
47	0.79934	0.58162	0.00000	95	0.37007	0.21072	0.29833
48	0.80123	0.57973	0.00000	96	0.34113	0.18043	0.26479
49	0.80350	0.57850	0.00000	97	0.31278	0.15448	0.23273
50	0.80613	0.57797	0.00000	98	0.28526	0.13227	0.20254
51	0.80908	0.57815	0.00000	99	0.25878	0.11325	0.17453
52	0.81235	0.57906	0.00000	100	0.23352	0.09697	0.14893
53	0.81586	0.58067	0.00000	101	0.20962	0.08302	0.12588
54	0.81959	0.58298	0.00000	102	0.18721	0.07109	0.10540
55	0.82348	0.58596	0.00000	103	0.16636	0.06087	0.08716
56	0.82747	0.58957	0.00000	104	0.14713	0.05211	0.07192
57	0.83149	0.59375	0.00000	105	0.12952	0.04462	0.05865
58	0.83551	0.59847	0.00000	106	0.11352	0.03820	0.04727
59	0.83945	0.60365	0.00000	107	0.09909	0.03271	0.03794
60	0.84327	0.60922	0.78923	108	0.08615	0.02801	0.03021
61	0.84691	0.61512	0.78923	109	0.07464	0.02398	0.02389
62	0.85034	0.62125	0.78923	110	0.06445	0.02053	0.01875
63	0.85354	0.62753	0.78923				

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)

Calendar Year	Original UFL	Assumption Changes	Benefit Changes	Actuarial Experience	Total
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	(\$5,031)	\$0	(\$2,617)	\$10,006
2010	\$18,316	(\$5,220)	\$0	(\$2,716)	\$10,380
2011	\$19,003	(\$5,415)	\$0	(\$2,817)	\$10,771
2012	\$19,715	(\$5,619)	\$0	(\$2,923)	\$11,173
2013	\$20,454	(\$5,829)	\$0	(\$3,033)	\$11,592
2014	\$21,221	(\$6,048)	\$0	(\$3,146)	\$12,027
2015	\$22,017	(\$6,275)	\$0	(\$3,264)	\$12,478
2016	\$22,843	(\$6,510)	\$0	(\$3,387)	\$12,946
2017	\$23,700	(\$6,754)	\$0	(\$3,514)	\$13,432
2018	\$24,588	(\$7,007)	\$0	(\$3,646)	\$13,935
2019	\$25,510	(\$7,270)	\$0	(\$3,782)	\$14,458
2020	\$26,467	(\$7,543)	\$0	(\$3,924)	\$15,000
2021	\$27,459	(\$7,825)	\$0	(\$4,071)	\$15,563
2022	\$28,489	(\$8,119)	\$0	(\$4,224)	\$16,146
2023	\$29,558	(\$8,423)	\$0	(\$4,382)	\$16,753
2024	\$30,666	(\$8,739)	\$0	(\$4,547)	\$17,380
2025	\$31,816	(\$9,067)	\$0	(\$4,717)	\$18,032
2026	\$33,009	(\$9,407)	\$0	(\$4,894)	\$18,708
2027	\$34,247	(\$9,760)	\$0	(\$5,078)	\$19,409
2028	\$35,531	(\$10,126)	\$0	(\$5,268)	\$20,137
2029	\$36,864	(\$10,506)	\$0	(\$5,466)	\$20,892
2030	\$38,246	(\$10,899)	\$0	(\$5,670)	\$21,677
2031	\$39,680	(\$11,308)	\$0	(\$5,883)	\$22,489
2032	\$41,168	(\$11,732)	\$0	(\$6,104)	\$23,332
2033	\$42,712	(\$12,172)	\$0	(\$6,333)	\$24,207
2034	\$44,314	(\$12,629)	\$0	(\$6,570)	\$25,115
2035	\$45,975	(\$13,103)	\$0	(\$6,816)	\$26,056
2036	\$47,700	(\$9,567)	\$0	(\$7,072)	\$31,061
2037	\$49,488	\$0	\$0	(\$4,825)	\$44,663
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)

Calendar Year	Original UFL	Assumption Changes	Benefit Changes	Actuarial Experience	Total
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	(\$107,567)	\$0	(\$57,265)	\$346,505
2009	\$522,745	(\$109,270)	\$0	(\$58,319)	\$355,156
2010	\$534,133	(\$110,232)	\$0	(\$58,905)	\$364,996
2011	\$545,477	(\$111,051)	\$0	(\$59,420)	\$375,007
2012	\$556,746	(\$111,710)	\$0	(\$59,857)	\$385,179
2013	\$567,910	(\$112,191)	\$0	(\$60,208)	\$395,512
2014	\$578,935	(\$112,478)	\$0	(\$60,462)	\$405,995
2015	\$589,783	(\$112,549)	\$0	(\$60,612)	\$416,621
2016	\$600,412	(\$112,385)	\$0	(\$60,646)	\$427,381
2017	\$610,779	(\$111,963)	\$0	(\$60,551)	\$438,265
2018	\$620,837	(\$111,259)	\$0	(\$60,317)	\$449,261
2019	\$630,533	(\$110,246)	\$0	(\$59,929)	\$460,358
2020	\$639,812	(\$108,897)	\$0	(\$59,376)	\$471,539
2021	\$648,612	(\$107,182)	\$0	(\$58,640)	\$482,790
2022	\$656,869	(\$105,070)	\$0	(\$57,707)	\$494,092
2023	\$664,512	(\$102,526)	\$0	(\$56,558)	\$505,428
2024	\$671,464	(\$99,514)	\$0	(\$55,176)	\$516,774
2025	\$677,644	(\$95,994)	\$0	(\$53,541)	\$528,109
2026	\$682,963	(\$91,925)	\$0	(\$51,631)	\$539,407
2027	\$687,326	(\$87,263)	\$0	(\$49,424)	\$550,639
2028	\$690,631	(\$81,960)	\$0	(\$46,896)	\$561,776
2029	\$692,769	(\$75,964)	\$0	(\$44,022)	\$572,783
2030	\$693,619	(\$69,222)	\$0	(\$40,773)	\$583,624
2031	\$693,057	(\$61,677)	\$0	(\$37,121)	\$594,259
2032	\$690,946	(\$53,265)	\$0	(\$33,034)	\$604,647
2033	\$687,140	(\$43,921)	\$0	(\$28,479)	\$614,741
2034	\$681,483	(\$33,574)	\$0	(\$23,419)	\$624,490
2035	\$673,806	(\$22,150)	\$0	(\$17,818)	\$633,839
2036	\$663,932	(\$9,567)	\$0	(\$11,635)	\$642,730
2037	\$651,665	\$0	\$0	(\$4,825)	\$646,840
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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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, 2008 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	\$18,440	\$45,430	\$63,870	3.8%	9.5%	13.3%
Outpatient	\$21,037	\$115,859	\$136,897	4.4%	24.1%	28.5%
Prescription Drugs	\$29,067	\$202,873	\$231,940	6.1%	42.3%	48.3%
<u>USFHP</u>		<u>\$47,284</u>	<u>\$47,284</u>		<u>9.9%</u>	<u>9.9%</u>
<u>Total</u>	<u>\$68,544</u>	<u>\$411,447</u>	<u>\$479,991</u>	<u>14.3%</u>	<u>85.7%</u>	<u>100.0%</u>

TABLE K2
SEPTEMBER 30, 2008 MERHCF ACTUARIAL LIABILITY BY SPONSOR STATUS
(millions)

	Active Duty		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	15,505	76,820	92,325
Inactive	<u>44,988</u>	<u>222,305</u>	<u>267,293</u>
Total	60,493	299,125	359,618
	Reserve		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	5,406	77,265	82,671
Inactive	<u>2,645</u>	<u>35,057</u>	<u>37,701</u>
Total	8,051	112,321	120,373
	Total		
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	20,911	154,085	174,996
Inactive	<u>47,633</u>	<u>257,362</u>	<u>304,995</u>
Total	68,544	411,447	479,991

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 2011 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	\$224	\$487	\$711	3.9%	8.6%	12.5%
Outpatient	\$278	\$1,376	\$1,654	4.9%	24.3%	29.1%
Prescription Drugs	\$366	\$2,398	\$2,763	6.4%	42.3%	48.7%
<u>USFHP</u>	_____	<u>\$545</u>	<u>\$545</u>	_____	<u>9.6%</u>	<u>9.6%</u>
Total	\$867	\$4,806	\$5,673	15.3%	84.7%	100.0%

TABLE K4
FY 2011 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	\$31	\$285	\$315	0.9%	8.6%	9.5%
Outpatient	\$45	\$820	\$865	1.4%	24.7%	26.1%
Prescription Drugs	\$139	\$1,615	\$1,754	4.2%	48.7%	52.9%
<u>USFHP</u>	_____	<u>\$383</u>	<u>\$383</u>	_____	<u>11.5%</u>	<u>11.5%</u>
Total	\$215	\$3,102	\$3,317	6.5%	93.5%	100.0%

TABLE K5
 SEPTEMBER 30, 2008, MERHCF LIABILITY (GAIN) / LOSS RECONCILIATION
 (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	% Change From Prior Step		
	09/30/07	\$471,118		FY10	\$5,642		\$3,194			
0	09/30/08	\$500,239	6.18%	FY11	\$5,995	6.25%	\$3,393	6.25%	\$29,121	(Expected)
1	09/30/08	\$501,962	0.34%	FY11	\$5,995	0.00%	\$3,393	0.00%	\$1,723	Experience
2	09/30/08	\$502,875	0.18%	FY11	\$6,005	0.17%	\$3,399	0.18%	\$913	Assumption
3	09/30/08	\$503,292	0.08%	FY11	\$5,968	-0.62%	\$3,524	3.68%	\$417	Assumption
4	09/30/08	\$507,060	0.75%	FY11	\$6,009	0.69%	\$3,552	0.80%	\$3,768	Assumption
5	09/30/08	\$507,722	0.13%	FY11	\$6,014	0.07%	\$3,601	1.37%	\$662	Assumption
6	09/30/08	\$510,194	0.49%	FY11	\$6,038	0.41%	\$3,612	0.31%	\$2,472	Assumption
7	09/30/08	\$502,114	-1.58%	FY11	\$5,940	-1.63%	\$3,557	-1.54%	(\$8,080)	Experience
8	09/30/08	\$504,288	0.43%	FY11	\$5,958	0.30%	\$3,504	-1.49%	\$2,174	Assumption
9	09/30/08	\$505,692	0.28%	FY11	\$5,974	0.27%	\$3,513	0.27%	\$1,404	Assumption
10	09/30/08	\$506,062	0.07%	FY11	\$5,981	0.11%	\$3,517	0.11%	\$370	Assumption
11	09/30/08	\$503,123	-0.58%	FY11	\$5,949	-0.53%	\$3,503	-0.41%	(\$2,940)	Assumption
12	09/30/08	\$479,991	-4.60%	FY11	\$5,673	-4.64%	\$3,317	-5.31%	(\$23,132)	Assumption

A description of the steps shown in Table K5 follows.

0. Expected results on September 30, 2008, based on a roll-forward of September 30, 2007, valuation results.
1. Bring in new census data (as of September 30, 2008.)
2. Apply another year of mortality improvement to mortality rates¹. Mortality rates are improved to the valuation date.
3. Introduce component-distinct death rates (separate rates to recognize difference between active duty nondisabled and reserve experience).
4. Apply new mortality improvement rates to mortality rates (based on the Society of Actuaries' Scale AA²). Mortality rates are improved to the valuation date.
5. Revise remarriage rates for survivors age 55+ and revise assumptions for a subset of survivors of reservists who die while in "gray area".
6. Update spouses per sponsor rates.
7. Calibrate 2008 cash flow generated by the model to actual 2008 incurred cost levels (both Purchased Care and Direct Care). Update USFHP enrollment % based on FY 2008 and 2009 average enrollment through April 2009.
8. Update claim vectors and USFHP premium vectors. Survivors now valued at their actual (rather than assumed age, which was previously based on their deceased sponsor).
9. Update administration cost loads.
10. Update plan participation rates.
11. Update medical trend rates.
12. Update assumption to reflect retail pharmacy drug rebates, passed in the 2008 NDAA.

¹ Mortality improvement factors are based on data from the Social Security Administration's 2000 Trustee's Report, Alternative II

² The new mortality improvement factors fit DoD's mortality experience more closely than the previous factors. Mortality improvement factors were formed using Scale AA, a trend created by the Society of Actuaries in 1995 to project the 1994 Uninsured Pensioner Mortality Table (UP-94). It is based on based on Civil Service and Social Security 1977-1993 experience.

TABLE K6
 SEPTEMBER 30, 2008, MERHCF ASSET (GAIN) / LOSS

(millions)

	(G)/L	% of 9/30/08 AL
1. Incurred benefit payments vs. expected	(\$52)	-0.01%
2. Implemented per capita NCs vs. expected	(\$2,054)	-0.43%
3. Force strengths vs. expected	\$58	0.01%
4. Unexpected, nonrecurring deposit	\$0	0.00%
4. Yield vs. expected	<u>(\$800)</u>	<u>-0.17%</u>
5. Total	(\$2,849)	-0.59%

APPENDIX L

MISCELLANEOUS VALUATION PROGRAM PARAMETERS

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MISCELLANEOUS VALUATION 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. This assumption is used when projecting future survivors. The valuation projects current survivors based on the survivors' ages.

Item	Description / Value
First partial year adjustment to the per capita normal cost calculation	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.

APPENDIX M

GLOSSARY

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MERHCF Terms.....	M-2

AL	Actuarial accrued liability or Actuarial liability; present value of future retirement benefits attributed to past service.
All Uniformed	Refers to the population containing DoD, Coast Guard (CG), Public Health Service (PHS), and National Oceanic and Atmospheric Administration (NOAA)
APG	Ambulatory patient group; workload measure for Direct Care Outpatient services
AUP	Agreed Upon Procedures
CMS	Center for Medicare and Medicaid Services
CPI	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.
CV	Claim vector; an array of average costs by age.
DC	Direct Care
DEERS	Defense Enrollment Eligibility Reporting System; system that stores demographic and benefit information on military members, their dependents and survivors.
DIEUS	Date of initial entry to uniformed services
Direct Care	Medical care received at an MTF.
Discount Rate	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.
DoD	U.S. Department of Defense
Endstrength	Count of military sponsors, usually as of the end of the month or year, unless an average endstrength is defined over a specified period.
FY	Fiscal year; October 1 – September 30.
FYE	Fiscal year end
HA	Health Affairs; component of Military Health System; partner with TRICARE Management Activity (TMA)

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

TMA	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
UFL	Unfunded liability; AL minus Assets
U.S.C.	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.
USFHP	United States Family Health Plan; a TRICARE medical plan with an HMO design. Enrollment is required for participation in the plan, 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).
Val	Valuation