



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

SEPTEMBER 30, 2009

**DoD Office of the Actuary
December 2010**

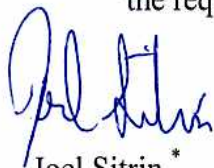
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ACTUARIAL CERTIFICATION

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, 2009, and the FY 2012 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 3.0% inflation rate, 5.75% discount rate and 6.25% ultimate medical trend rate. The discount rate assumption used in the valuation is based on the funding policy and on the MERHCF Board's estimate of long term real Treasury yields.

In our opinion, the actuarial assumptions are reasonable and the valuation results present a fair picture of the MERHCF's financial condition for purposes of meeting the requirements of Chapter 56, Title 10, United States Code.



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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; and the Act also created a mechanism to fund benefits for these beneficiaries. 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 (after staggered initial appointments of five, ten and 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. On behalf of the uniformed services, the Treasury Department also deposits funds for the annual accrued benefits based on each current year of service (normal cost), and the uniformed services reflect these normal cost contributions in their budgets.

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, 2009, MERHCF valuation (2009 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 2009 valuation uses census population data as of September 30, 2009, aggregate claims data for FY 2009, and detailed claims data from fiscal years 2007 – 2009 (each fiscal year runs from October 1st through September 30th). The 2009 valuation produces AL and UFL figures as of September 30, 2009, an UFL amortization payment for October 1, 2010, and per capita NCs for FY 2010 that are projected to FY 2012. The total October 1, 2010, Treasury payment is the sum of the October 1, 2010, UFL amortization payment and the October 1, 2010, Treasury NC payment. The October 1, 2010, NC payment is a function of FY 2009 per capita NC amounts (projected to FY 2011) promulgated by the MERHCF Board last year, as well as budgeted average force strengths for FY 2011. 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 (active duty) and part-time (reserve) 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, 2009	\$488,769	\$147,890	\$340,879

TABLE 2
TREASURY PAYMENT
(\$ millions)

<u>Payable</u>	<u>UFL Amortization</u>	<u>NC</u>	<u>Total</u>
October 1, 2010	\$9,785	\$11,315	\$21,100

TABLE 3
PER CAPITA NORMAL COSTS FOR FY 2012

<u>For NC Payment Made</u>	<u>Active Duty</u>	<u>Reserve</u>
October 1, 2011	\$5,580	\$3,260

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

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, 2009
(\$ millions)

PVFB	\$577,154
PVFNC	\$88,385
AL	\$488,769
FUND	\$147,890
UFL	\$340,879

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, 2009; 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, 2009
(\$ millions)

Assets at book value	\$148,833
Account payable	\$123
IBNR	\$820
Actuarial value of assets	\$147,890

TABLE 6
FY 2009 STATEMENT OF CHANGES IN THE ACTUARIAL VALUE OF ASSETS
(\$ millions)

Actuarial value of assets, beginning of plan year	\$133,486
<u>Contributions</u>	
Amortization of UFL	\$10,660
Normal Cost	\$10,644
Investment income	\$1,165
Total additions	\$22,469
Less: Benefit payments	\$8,065
Actuarial value of assets, end of plan year	\$147,890

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, 2009
(\$ millions)

Non-marketable, market-based securities	\$150,821
Interest receivable	\$1,565
Fund balance with Treasury	\$5
Accounts Receivable	\$425
Total market-based value of assets	\$152,816

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, 2009, valuation. A more detailed display of the step-by-step liability gain/loss reconciliation is contained in Appendix B.

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

	<u>AL</u>	<u>Fund</u>	<u>UFL</u>
September 30, 2008 (actual)	\$479,991	\$133,486	\$346,505
September 30, 2009 (expected)	\$509,279	\$154,123	\$355,156
September 30, 2009 (actual)	\$488,769	\$147,890	\$340,879
(Gain)/Loss			(\$14,277)

TABLE 9
SEPTEMBER 30, 2009 ASSET AND LIABILITY (GAIN)/LOSS SUMMARY
(\$ millions)

	<u>Liability</u>	<u>Asset</u>	<u>Total</u>
Experience	\$3,329	\$6,233	\$9,562
Assumption	(\$23,839)	—	(\$23,839)
Total	(\$20,510)	\$6,233	(\$14,277)
(Gain)/Loss expressed as a % of September 30, 2009 AL			
	<u>Liability</u>	<u>Asset</u>	<u>Total</u>
Experience	0.68%	1.28%	1.96%
Assumption	-4.88%	—	-4.88%
Total	-4.20%	1.28%	-2.92%

TABLE 10
CHANGE IN UNFUNDED LIABILITY
(\$ millions)

1. Actual Unfunded Accrued Liability, 9/30/2009	\$340,879	69.7%
2. Expected Unfunded Accrued Liability, 9/30/2009	\$355,156	72.7%
3. Total (Gain)/Loss	(\$14,277)	2.9%
a. Total experience (gain)/loss	\$9,562	2.0%
Census	\$7,548	1.5%
Claims	(\$4,218)	0.9%
Asset	\$6,233	4.2%
b. Total benefit change (gain)/loss	\$0	0.0%
c. Total assumption (gain)/loss	(\$23,839)	4.9%
Discount rate	\$0	0.0%
Medical trend rates	(\$51,106)	10.5%
Plan participation rates	\$1,370	0.3%
Claim vectors, admin and Rx rebate assumption	\$18,034	3.7%
Mortality	\$2,624	0.5%
Other demographic rates	\$5,240	1.1%

(Percentages shown are ratios of absolute values of each gain or loss component to the actuarial accrued liability, except the percentage given for the asset (gain)/loss: it is the ratio of the gain or loss to the actuarial value of assets.)

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 B.

VALUATION DATA AND PROCEDURE

Census Data

The active service member census data is the same as the active service member census data used for OACT's September 30, 2009, 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 service member (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 service members as of September 30, 2009, 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 SERVICE MEMBERS AS OF SEPTEMBER 30, 2009

<u>DoD</u>	
Active Duty	1,480,142
Reserve	770,656
<u>Coast Guard</u>	
Active Duty	42,842
Reserve	8,124
PHS Active Duty	6,310
NOAA Active Duty	313
<u>Total</u>	
Active Duty	1,529,607
Reserve	778,780

Population projections are generated by an actuarial projection model (called “HORGO” 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 Service Members (active duty and reserve)
- 4 New Entrant Cohort

The ten subcategories (future status) are:

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

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

The data on active duty service members 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 service members 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 is 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 pulled detailed claims data and workload files from the DoD’s Medical Data Repository (MDR) for fiscal years 2007, 2008 and 2009. The data were used to develop claim vectors (CVs), and aggregate 2009 claims data were completed and used to adjust the CVs to 2009 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. Changes identified 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)
- Detailed miscellaneous valuation parameters (Appendix J)

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 rates would have the following effects on the Actuarial Liability and per capita normal cost.

TABLE 12
MEDICAL TREND SENSITIVITY

	Assumed Trend	1% Higher Trend	1% Lower Trend
Actuarial Liability on 9/30/09 (\$ thousands)	\$488,769	\$620,864	\$389,933
Per Capita Normal Cost for FY 2012			
Active Duty	\$5,580	\$9,504	\$3,289
Reserve	\$3,260	\$5,599	\$1,902

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.

The information in this Appendix describes eligibility and benefit provisions assumed in this year’s valuation. Future plan changes, if any, will be included in this Appendix when such changes are incorporated into the valuation assumptions.

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

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
Outpatient Visit	<p>Services covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing <p>Services covered by Medicare, but not TRICARE.</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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 <p>Host Nation Provider</p> <ul style="list-style-type: none"> ▪ 25% of billed charges after the annual deductible is met
Preventive Services	<p>Services covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing <p>Services covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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 <p>Host Nation Provider</p> <ul style="list-style-type: none"> ▪ 25% of billed charges after the annual deductible is met

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
Inpatient Hospital	<p>Services Covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing (days 1-150) <p>Services Covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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 charges. ▪ 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</p> <ul style="list-style-type: none"> ▪ Member pays the total amount 	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> ▪ Nominal charges may apply (check with local facility for details) <p>Host Nation Provider</p> <ul style="list-style-type: none"> ▪ \$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services
Emergency Services	<p>Services covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing <p>Services covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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</p> <ul style="list-style-type: none"> ▪ 25% of billed charges after the annual deductible is met

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
Outpatient Behavioral Health care	<p>Services covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing <p>Services covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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 <p>Host Nation Provider</p> <ul style="list-style-type: none"> ▪ 25% of billed charges after the annual deductible is met
Inpatient Behavioral Health Care	<p>Services Covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> ▪ Member pays nothing (1-150 days) <p>Services Covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> ▪ Medicare cost shares apply <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</p> <ul style="list-style-type: none"> ▪ Member pays the total amount 	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> ▪ Nominal charges may apply (check with local facility) <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

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
Inpatient Skilled Nursing Care	<p>Services Covered by TRICARE and Medicare</p> <ul style="list-style-type: none"> Member pays nothing (1-100 days) <p>Services Covered by Medicare, but not TRICARE</p> <ul style="list-style-type: none"> Medicare cost shares apply <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 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</p> <ul style="list-style-type: none"> Member pays the total amount 	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> Nominal charges may apply (check with local facility) <p>Host Nation Provider</p> <ul style="list-style-type: none"> \$535 per day or 25% for institutional services, whichever is less, plus 25% for separately billed services
Annual Out-of-pocket Maximum	\$3,000 per family, per fiscal year	\$3,000 per family, per fiscal year
Pharmacy	<p>Retail Network Pharmacy (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 (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 (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 (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 	<p>Host Nation (30-day supply)</p> <ul style="list-style-type: none"> Member pays 25% after annual outpatient deductible is met <p>Mail Order Pharmacy (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 (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

	TRICARE For Life	TRICARE For Life (while in an overseas area that doesn't have Medicare)
	<ul style="list-style-type: none"> ▪ 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 	

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>

	TRICARE Prime	US Family Health Plan
Providers	<p>Member must select a PCM, or one is assigned. PCM may be a military 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>Member does not access Medicare, military treatment facilities or TRICARE network 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. 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. 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</p> <ul style="list-style-type: none"> ▪ \$11 per day (\$25 minimum) <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</p> <ul style="list-style-type: none"> ▪ \$30 per visit <p>Non-network Provider</p> <ul style="list-style-type: none"> ▪ \$30 per visit 	<ul style="list-style-type: none"> ▪ \$30 per visit ▪ \$0 if enrolled in Medicare Part B
Outpatient Behavioral Health Care	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> ▪ Member pays nothing. <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

	TRICARE Prime	US Family Health Plan
Inpatient Behavioral Health Care	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> Nominal charges may apply (check with local facility for details) <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 <p>Without PCM referral: 50% of the TRICARE allowable charge, after the POS annual deductible is met</p>	<ul style="list-style-type: none"> \$40/day (\$25 minimum) \$0 if enrolled in Medicare Part B)
Inpatient Skilled Nursing Care	<p>Military Treatment Facility</p> <ul style="list-style-type: none"> Nominal charges may apply (check with local facility for details) <p>TRICARE Network Provider</p> <ul style="list-style-type: none"> \$11 per day (\$25 minimum) <p>Non-network Provider</p> <ul style="list-style-type: none"> With PCM referral: Same as network provider costs <p>Without PCM referral: 50% of the TRICARE allowable charge</p>	<ul style="list-style-type: none"> \$11/day (\$25 minimum) \$0 if enrolled in Medicare Part B
Annual Out-of-pocket Maximum	<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>
Pharmacy	<p>Retail Network Pharmacy (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 (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 (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 (30-day supply) 50% of total cost after POS deductible</p>	<p>Network Pharmacy (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 (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)

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

APPENDIX B

SUPPLEMENTAL VALUATION RESULTS

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SUPPLEMENTAL VALUATION RESULTS

Tables B1 through B4 provide additional breakdowns of the Actuarial Liability and per capita Normal Costs (NCs). Table B5 shows the reconciliation of the MERHCF liability (gain)/loss. Table B6 provides details regarding the MERHCF's asset gain.

Historical and projected components of the Unfunded Liability amortization payments are shown in Table B7. Historical and projected UFL balances are shown in Table B8. 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 B1
SEPTEMBER 30, 2009 MERHCF ACTUARIAL LIABILITY BY BENEFIT TYPE
(\$ millions)

	Direct Care	Purchased Care	Total	Proportion of Total		
				DC	PC	Total
Inpatient	\$18,380	\$45,924	\$64,305	3.8%	9.4%	13.2%
Outpatient	\$20,314	\$113,017	\$133,331	4.2%	23.1%	27.3%
Pharmacy	\$24,650	\$226,765	\$251,415	5.0%	46.4%	51.4%
<u>USFHP</u>	<u>\$0</u>	<u>\$39,719</u>	<u>\$39,719</u>	<u>0.0%</u>	<u>8.1%</u>	<u>8.1%</u>
Total	\$63,345	\$425,424	\$488,769	13.0%	87.0%	100.0%

Table B2 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 B2
 SEPTEMBER 30, 2009 MERHCF ACTUARIAL LIABILITY BY SPONSOR STATUS
 (\$ millions)

Active Duty			
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	\$13,968	\$78,035	\$92,003
<u>Inactive</u>	<u>\$41,927</u>	<u>\$228,589</u>	<u>\$270,516</u>
Total	\$55,895	\$306,624	\$362,519
Reserve			
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	\$4,856	\$80,897	\$85,754
<u>Inactive</u>	<u>\$2,594</u>	<u>\$37,903</u>	<u>\$40,497</u>
Total	\$7,450	\$118,800	\$126,250
Total			
	<u>DC</u>	<u>PC</u>	<u>Total</u>
In-service	\$18,824	\$158,932	\$177,757
<u>Inactive</u>	<u>\$44,521</u>	<u>\$266,492</u>	<u>\$311,013</u>
Total	\$63,345	\$425,424	\$488,769

TABLE B3
 FY 2012 MERHCF PER CAPITA ACTIVE DUTY NORMAL COST

	Direct	Purchased	<u>Total</u>	Proportion of Total		
	<u>Care</u>	<u>Care</u>		<u>DC</u>	<u>PC</u>	<u>Total</u>
Inpatient	\$218	\$480	\$698	3.9%	8.6%	12.5%
Outpatient	\$261	\$1,288	\$1,548	4.7%	23.1%	27.7%
Pharmacy	\$289	\$2,622	\$2,911	5.2%	47.0%	52.2%
<u>USFHP</u>	<u>\$0</u>	<u>\$422</u>	<u>\$422</u>	<u>0.0%</u>	<u>7.6%</u>	<u>7.6%</u>
Total	\$768	\$4,812	\$5,580	13.8%	86.2%	100.0%

TABLE B4
 FY 2012 MERHCF PER CAPITA RESERVE NORMAL COST

	Direct	Purchased	<u>Total</u>	Proportion of Total		
	<u>Care</u>	<u>Care</u>		<u>DC</u>	<u>PC</u>	<u>Total</u>
Inpatient	\$35	\$265	\$300	1.1%	8.1%	9.2%
Outpatient	\$41	\$767	\$808	1.3%	23.5%	24.8%
Pharmacy	\$106	\$1,747	\$1,853	3.3%	53.6%	56.8%
<u>USFHP</u>	<u>\$0</u>	<u>\$300</u>	<u>\$300</u>	<u>0.0%</u>	<u>9.2%</u>	<u>9.2%</u>
Total	\$182	\$3,079	\$3,260	5.6%	94.4%	100.0%

TABLE B5
SEPTEMBER 30, 2009 MERHCF LIABILITY (GAIN)/LOSS RECONCILIATION

Step	Actuarial Liability			Normal Cost					Actuarial Liability (Gain)/Loss (\$ millions)	(Gain)/Loss Category
	As of	Amount (\$ millions)	% Change From Prior Step	FY	Active Duty	% Change From Prior Step	Reserve	% Change From Prior Step		
	09/30/08	\$479,991		FY11	\$5,673		\$3,317			
0	09/30/09	\$509,279	6.10%	FY12	\$6,028	6.25%	\$3,524	6.25%	\$29,288	Expected
1	09/30/09	\$516,826	1.48%	FY12	\$6,028	0.00%	\$3,524	0.00%	\$7,548	Experience
2	09/30/09	\$518,630	0.35%	FY12	\$6,051	0.38%	\$3,535	0.31%	\$1,804	Assumption
3	09/30/09	\$519,450	0.16%	FY12	\$6,064	0.21%	\$3,535	0.00%	\$820	Assumption
4	09/30/09	\$519,799	0.07%	FY12	\$6,069	0.09%	\$3,535	0.00%	\$349	Assumption
5	09/30/09	\$515,581	-0.81%	FY12	\$6,018	-0.84%	\$3,509	-0.73%	(\$4,218)	Experience
6	09/30/09	\$520,472	0.95%	FY12	\$6,053	0.58%	\$3,527	0.50%	\$4,891	Assumption
7	09/30/09	\$521,755	0.25%	FY12	\$6,069	0.25%	\$3,539	0.35%	\$1,283	Assumption
8	09/30/09	\$523,125	0.26%	FY12	\$6,084	0.26%	\$3,549	0.27%	\$1,370	Assumption
9	09/30/09	\$541,155	3.45%	FY12	\$6,293	3.44%	\$3,689	3.95%	\$18,030	Assumption
10	09/30/09	\$539,875	-0.24%	FY12	\$6,287	-0.10%	\$3,670	-0.51%	(\$1,280)	Assumption
11	09/30/09	\$488,769	-9.47%	FY12	\$5,580	-11.25%	\$3,260	-11.16%	(\$51,106)	Assumption

A description of the steps shown in Table B5 follows.

0. Expected results on September 30, 2009, based on a roll-forward of September 30, 2008, valuation results.
1. Bring in new census data (as of September 30, 2009.)
2. Apply another year of mortality improvement to mortality rates¹. Mortality rates are improved to the valuation date.
3. Update mortality rates for sponsors who retired due to permanent disability.
4. Update spouses per sponsor rates.
5. Calibrate 2009 cash flow generated by the model to actual 2009 incurred cost levels (both Purchased Care and Direct Care).
6. Adjust Population projection to mid-year counts (was end-of-year counts), consistent with mid-year decrements.
7. Update administration cost loads.
8. Update plan participation rates.
9. Update assumption that reflects retail pharmacy drug rebates, passed in the 2008 NDAA.
10. Update Claim Vectors.
11. Update medical trend rates.

¹ Mortality improvement factors are based on 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 Civil Service and Social Security 1977-1993 experience.

TABLE B6
 SEPTEMBER 30, 2009, MERHCF ASSET (GAIN)/LOSS
 (\$ millions)

	<u>(G)/L</u>	<u>% of 9/30/09 Fund</u>
1. Incurred benefit payments vs. expected	(\$288)	-0.2%
2. Implemented per capita NCs vs. expected	(\$1,071)	-0.7%
3. Force strengths vs. expected	\$85	0.1%
4. Unexpected, nonrecurring deposit	\$0	0.0%
5. Yield vs. expected	<u>\$7,507</u>	<u>5.1%</u>
6. Total	\$6,233	4.2%

Percentages shown are ratios of absolute values of each gain or loss component to the actuarial value of the MERHCF.

TABLE B7
PAST AND PROJECTED UNFUNDED LIABILITY PAYMENTS ON OCTOBER 1
(\$ millions)

<u>Calendar Year</u>	<u>Original UFL</u>	<u>Assumption Changes</u>	<u>Benefit Changes</u>	<u>Actuarial Experience</u>	<u>Total</u>
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	(\$6,303)	\$0	(\$2,228)	\$9,785
2011	\$19,003	(\$6,539)	\$0	(\$2,312)	\$10,152
2012	\$19,715	(\$6,785)	\$0	(\$2,399)	\$10,531
2013	\$20,454	(\$7,039)	\$0	(\$2,489)	\$10,926
2014	\$21,221	(\$7,303)	\$0	(\$2,582)	\$11,336
2015	\$22,017	(\$7,577)	\$0	(\$2,679)	\$11,761
2016	\$22,843	(\$7,861)	\$0	(\$2,779)	\$12,203
2017	\$23,700	(\$8,156)	\$0	(\$2,883)	\$12,661
2018	\$24,588	(\$8,462)	\$0	(\$2,992)	\$13,134
2019	\$25,510	(\$8,779)	\$0	(\$3,104)	\$13,627
2020	\$26,467	(\$9,108)	\$0	(\$3,220)	\$14,139
2021	\$27,459	(\$9,450)	\$0	(\$3,341)	\$14,668
2022	\$28,489	(\$9,804)	\$0	(\$3,466)	\$15,219
2023	\$29,558	(\$10,172)	\$0	(\$3,596)	\$15,790
2024	\$30,666	(\$10,553)	\$0	(\$3,731)	\$16,382
2025	\$31,816	(\$10,949)	\$0	(\$3,871)	\$16,996
2026	\$33,009	(\$11,359)	\$0	(\$4,016)	\$17,634
2027	\$34,247	(\$11,785)	\$0	(\$4,167)	\$18,295
2028	\$35,531	(\$12,227)	\$0	(\$4,323)	\$18,981
2029	\$36,864	(\$12,686)	\$0	(\$4,485)	\$19,693
2030	\$38,246	(\$13,161)	\$0	(\$4,653)	\$20,432
2031	\$39,680	(\$13,655)	\$0	(\$4,828)	\$21,197
2032	\$41,168	(\$14,167)	\$0	(\$5,009)	\$21,992
2033	\$42,712	(\$14,698)	\$0	(\$5,197)	\$22,817
2034	\$44,314	(\$15,249)	\$0	(\$5,392)	\$23,673
2035	\$45,975	(\$15,821)	\$0	(\$5,594)	\$24,560
2036	\$47,700	(\$16,415)	\$0	(\$5,803)	\$25,482
2037	\$49,488	(\$5,411)	\$0	(\$6,015)	\$38,062
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 B8
PAST AND PROJECTED UNFUNDED LIABILITY BALANCE ON SEPTEMBER 30 (BEFORE PAYMENT)
(\$ millions)

<u>Calendar Year</u>	<u>Original UFL</u>	<u>Assumption Changes</u>	<u>Benefit Changes</u>	<u>Actuarial Experience</u>	<u>Total</u>
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	(\$133,109)	\$0	(\$48,757)	\$340,879
2010	\$534,133	(\$135,442)	\$0	(\$48,793)	\$349,898
2011	\$545,477	(\$136,565)	\$0	(\$49,242)	\$359,670
2012	\$556,746	(\$137,502)	\$0	(\$49,628)	\$369,615
2013	\$567,910	(\$138,234)	\$0	(\$49,945)	\$379,732
2014	\$578,935	(\$138,738)	\$0	(\$50,185)	\$390,012
2015	\$589,783	(\$138,993)	\$0	(\$50,340)	\$400,450
2016	\$600,412	(\$138,972)	\$0	(\$50,402)	\$411,038
2017	\$610,779	(\$138,650)	\$0	(\$50,361)	\$421,768
2018	\$620,837	(\$137,998)	\$0	(\$50,208)	\$432,631
2019	\$630,533	(\$136,984)	\$0	(\$49,931)	\$443,618
2020	\$639,812	(\$135,577)	\$0	(\$49,519)	\$454,716
2021	\$648,612	(\$133,741)	\$0	(\$48,962)	\$465,910
2022	\$656,869	(\$131,437)	\$0	(\$48,244)	\$477,188
2023	\$664,512	(\$128,627)	\$0	(\$47,352)	\$488,532
2024	\$671,464	(\$125,266)	\$0	(\$46,272)	\$499,925
2025	\$677,644	(\$121,309)	\$0	(\$44,988)	\$511,347
2026	\$682,963	(\$116,706)	\$0	(\$43,481)	\$522,776
2027	\$687,326	(\$111,405)	\$0	(\$41,734)	\$534,188
2028	\$690,631	(\$105,348)	\$0	(\$39,727)	\$545,556
2029	\$692,769	(\$98,475)	\$0	(\$37,440)	\$556,854
2030	\$693,619	(\$90,722)	\$0	(\$34,850)	\$568,047
2031	\$693,057	(\$82,021)	\$0	(\$31,933)	\$579,103
2032	\$690,946	(\$72,297)	\$0	(\$28,664)	\$589,986
2033	\$687,140	(\$61,472)	\$0	(\$25,015)	\$600,653
2034	\$681,483	(\$49,464)	\$0	(\$20,957)	\$611,062
2035	\$673,806	(\$36,182)	\$0	(\$16,460)	\$621,164
2036	\$663,932	(\$21,532)	\$0	(\$11,491)	\$630,909
2037	\$651,665	(\$5,411)	\$0	(\$6,015)	\$640,239
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

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APPENDIX C

VALUATION POPULATION DATA

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DESCRIPTION OF POPULATION TABLES

The population data used in the MERHCF valuation includes military personnel, retirees and their dependents. The 15 tables in this appendix provide an assortment of summary data.

DoD and All Uniformed Military Personnel

Tables C1 and C3 – C10 include summary data of military personnel. These tables include active duty and selected reserve personnel counts. Tables C9 – C11 include summary data on non-selected reserve personnel (reservists who already have 20 good years). Dependents (spouses, children, and survivors) are not included in these tables; the MERHCF valuation includes assumptions about dependents and projects costs for dependents based on an analysis of retiree dependents and survivor data.

Table C1

Active duty, selected reserve and non-selected reserve strengths are shown for DoD, Coast Guard, PHS and NOAA. The 16.8% increase in DoD non-selected reserves in FY 2009 can be explained by the Army Guard's data submittal for non-selected reserves (prior to FY 2009, about 37,000 of their non-selected reserves had been unintentionally omitted from their data).

Tables C3, C4, and C5

Tables C3, C4 and C5 include DoD strengths of active duty officers, active duty enlistees, and active duty officers plus enlistees, respectively, by age and years of service as of the end of FY 2009. Note that the total active duty strength in table C5 ties to the FY 2009 DoD active duty strength shown in Table C1.

Tables C6, C7, and C8

Tables C6, C7 and C8 include DoD strengths of selected reserve officers, selected reserve enlistees, and selected reserve officers plus enlistees, respectively, by age and years of service as of the end of FY 2009. Note that the total selected reserve strength in table C8 ties to the FY 2009 DoD selected reserve strength shown in Table C1.

Tables C9, C10, and C11

Tables C9, C10 and C11 include DoD strengths of non-selected reserve officers, non-selected reserve enlistees, and non-selected reserve officers plus enlistees, respectively, by age and years of service as of the end of FY 2009. Note that the total non-selected reserve strength in table C11 ties to the FY 2009 DoD non-selected reserve strength shown in Table C1.

DoD and All Uniformed Retirees and Surviving Spouses

Tables C2 and C12 – C15 include summary data of military retirees and surviving spouses. Table C2 also includes a summary of dependent data (spouses, children, and other).

Tables C12, C13 and C14

Tables C12, C13 and C14 include a summary of the number of DoD and All Uniformed retired officers, retired enlistees, and retired officers plus enlistees, respectively, by age and by active duty disability vs. reserve status as of the end of FY 2009. Note that the total number of All Uniformed retirees in table C14 ties to the total number of (All Uniformed) retired sponsors shown in Table C2.

Table C15

Table C15 includes a summary of DoD and All Uniformed surviving spouses by age and by component (active duty, reserve) and paygrade (officer, enlistee) of the deceased military spouse. Note that the total number of All Uniformed surviving spouses in table C15 ties to the total number of FY 2009 (All Uniformed) spouse survivors shown in Table C2.

TABLE C1
ACTIVE DUTY AND SELECTED RESERVE AS OF 9/30/2008 And 9/30/2009
All Uniformed

	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>08 to 09 Increase</u>
<u>DoD</u>			
Active Duty	1,460,720	1,480,142	1.3%
Selected Reserve	765,910	770,656	0.6%
Non-selected Reserve	191,752	223,901	16.8%
<u>Coast Guard</u>			
Active Duty	41,744	42,842	2.6%
Selected Reserve	8,043	8,124	1.0%
Non-selected Reserve	5,901	6,402	8.5%
PHS Active Duty	6,195	6,310	1.9%
NOAA Active Duty	294	313	6.5%
<u>TOTAL</u>			
Active Duty	1,508,953	1,529,607	1.4%
Selected Reserve	773,953	778,780	0.6%
Non-selected Reserve	197,653	230,303	16.5%

TABLE C2
ELIGIBLE RETIRED BENEFICIARIES AS OF 9/30/2008 AND 9/30/2009

All Uniformed

	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>08 to 09 Increase</u>
<u>Retired Sponsors</u>			
Total	2,046,552	2,066,578	1.0%
Medicare-eligible	960,949	976,243	1.6%
<u>Spouses of Retirees</u>			
Total	1,636,280	1,650,377	0.9%
Medicare-eligible	600,041	613,408	2.2%
<u>Children of Retirees</u>			
Total	789,205	785,909	-0.4%
Medicare-eligible	7,167	7,457	4.0%
<u>Other Dependents of Retirees</u>			
Total	5,132	5,286	3.0%
Medicare-eligible	4,250	4,312	1.5%
<u>Survivors</u>			
Total Spouses	536,756	542,998	1.2%
Total Children	41,633	41,292	-0.8%
Total Other	354	350	-1.1%
Medicare-eligible Spouses	438,060	446,414	1.9%
Medicare-eligible Children	5,496	5,752	4.7%
Medicare-eligible Other	301	292	-3.0%
<u>Retirees, Dependents, Survivors</u>			
Total	5,055,912	5,092,790	0.7%
Medicare-eligible	2,016,264	2,053,878	1.9%

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

**TABLE C6
DOD SELECTED RESERVE OFFICERS BY AGE AND YEARS OF SERVICE FOR THE FY2009 VALUATION**

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31
21	73	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	78
22	336	10	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	352
23	750	70	5	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	829
24	990	139	37	11	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,185
25	992	234	103	33	19	7	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,389
26	1,051	457	214	114	59	12	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,917
27	928	508	340	214	209	70	14	5	1	0	0	0	0	0	0	0	0	0	0	0	0	2,289
28	956	562	383	304	329	167	49	16	13	2	0	0	0	0	0	0	0	0	0	0	0	2,781
29	830	469	403	323	437	299	145	51	28	11	2	1	0	0	0	0	0	0	0	0	0	2,999
30	723	374	351	316	400	285	242	117	50	41	9	0	0	0	0	0	0	0	0	0	0	2,908
31	579	317	365	307	377	252	289	192	119	57	16	9	2	0	2	0	0	0	0	0	0	2,883
32	580	294	266	278	356	311	325	185	166	119	36	16	8	6	0	0	0	0	0	0	0	2,946
33	525	296	248	262	340	275	276	235	186	196	101	24	15	4	2	3	0	0	0	0	0	2,988
34	554	288	278	265	314	297	244	212	173	206	169	65	29	12	1	1	0	0	0	0	0	3,108
35	624	330	278	272	323	313	251	202	194	232	198	141	78	24	11	3	0	0	0	0	0	3,474
36	540	307	295	271	325	247	271	239	199	211	190	177	99	47	14	5	1	0	0	0	0	3,438
37	622	385	316	284	326	282	279	236	193	211	182	137	131	72	24	17	6	2	1	0	0	3,706
38	708	397	364	325	348	297	289	284	219	227	220	199	133	97	48	21	11	3	0	0	0	4,190
39	765	484	492	381	395	377	307	305	243	237	228	208	145	110	74	33	10	10	2	3	0	4,809
40	718	463	476	395	429	325	316	265	229	270	240	214	183	165	75	54	20	17	4	1	1	4,860
41	639	477	455	413	407	306	267	246	238	192	248	210	208	169	91	62	34	7	6	2	2	4,679
42	639	422	416	377	406	358	284	255	195	251	258	239	201	168	96	77	33	20	11	4	4	4,714
43	554	389	434	405	391	382	319	228	252	212	259	257	266	178	157	72	59	24	12	10	8	4,868
44	510	396	378	363	383	373	324	267	239	207	224	231	231	162	118	85	58	38	17	6	13	4,623
45	476	342	400	381	337	350	321	259	258	188	215	234	184	170	119	102	65	39	20	13	19	4,492
46	416	407	315	319	370	323	292	304	234	231	212	177	191	171	119	100	79	52	25	17	17	4,371
47	387	292	262	291	287	282	277	228	246	218	190	190	164	156	114	92	57	35	23	17	22	3,830
48	350	300	213	280	264	251	236	223	188	209	173	196	199	167	120	96	43	48	19	9	23	3,607
49	279	264	188	209	201	192	221	229	179	177	172	161	153	144	97	63	68	34	31	16	22	3,100
50	216	222	165	193	172	207	188	202	178	137	124	131	128	100	109	77	38	44	20	13	20	2,684
51	246	171	152	142	167	154	162	142	137	121	95	134	110	80	96	61	45	26	10	8	20	2,279
52	192	183	146	149	154	150	150	122	112	106	99	85	82	85	51	55	31	26	12	5	15	2,010
53	178	162	143	130	136	145	146	115	92	73	62	67	68	59	52	31	40	16	6	8	10	1,739
54	151	198	134	105	107	124	92	109	82	76	59	52	53	49	39	31	26	30	17	9	8	1,551
55	132	164	111	93	108	108	93	71	71	53	56	41	33	39	30	50	21	12	8	9	12	1,315
56	130	158	143	98	78	89	78	82	57	46	47	45	32	29	30	14	19	12	3	5	11	1,206
57	98	122	109	81	93	74	85	64	60	36	36	32	25	25	19	12	15	12	6	2	6	1,012
58	91	113	106	79	84	64	62	48	35	38	22	28	23	16	19	10	9	6	5	3	1	862
59	83	102	110	86	91	58	54	58	31	21	17	19	18	12	11	5	8	2	3	1	2	792
60	47	67	65	80	49	35	35	29	26	15	15	11	9	13	5	6	6	4	6	0	3	526
61	25	41	45	20	17	23	10	19	11	10	5	3	2	3	1	1	2	0	0	0	1	249
62	21	29	27	17	15	12	10	15	9	1	6	2	3	3	2	0	0	0	0	0	0	175
63+	12	45	31	18	11	12	8	4	4	3	4	4	2	1	2	0	3	1	0	0	0	165
Total	19,747	11,455	9,765	8,689	9,320	7,892	7,022	5,863	4,947	4,641	4,194	3,742	3,209	2,535	1,751	1,241	806	522	267	161	240	108,009

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

Average Age 40.7

Average Years of Active Service 4.8
Department of Defense - Office of the Actuary

TABLE C7
DOD SELECTED RESERVE ENLISTEES BY AGE AND YEARS OF SERVICE FOR THE FY2009 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	551
18	12,161	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,161
19	26,920	176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,096
20	33,333	1,288	30	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,653
21	34,177	3,612	265	74	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,129
22	30,611	5,638	817	444	179	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,694
23	25,530	6,638	1,679	1,257	1,174	139	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,421
24	20,756	7,259	2,676	1,989	2,924	641	97	9	0	0	0	0	0	0	0	0	0	0	0	0	0	36,351
25	16,639	7,134	3,140	2,618	4,004	1,416	544	54	5	0	0	0	0	0	0	0	0	0	0	0	0	35,554
26	13,822	6,163	3,458	2,948	4,170	1,755	1,126	272	31	9	0	0	0	0	0	0	0	0	0	0	0	33,754
27	11,196	5,435	3,416	2,946	4,056	1,621	1,446	537	230	33	11	0	0	0	0	0	0	0	0	0	0	30,927
28	8,855	4,174	3,066	2,622	3,702	1,702	1,402	650	500	124	17	10	0	0	0	0	0	0	0	0	0	26,824
29	7,369	3,459	2,459	2,226	3,056	1,516	1,388	729	608	308	98	15	12	0	0	0	0	0	0	0	0	23,243
30	6,073	2,877	2,188	1,840	2,636	1,377	1,218	656	666	438	225	63	13	3	0	0	0	0	0	0	0	20,273
31	5,146	2,331	1,800	1,602	2,334	1,292	989	616	600	490	304	125	31	10	4	0	0	0	0	0	0	17,674
32	4,372	2,012	1,599	1,443	2,016	1,150	891	583	542	426	305	157	78	32	9	1	0	0	0	0	0	15,616
33	3,889	1,773	1,386	1,259	1,889	1,088	832	559	510	424	320	172	87	57	24	5	1	0	0	0	0	14,275
34	3,428	1,616	1,354	1,204	1,699	984	798	570	490	405	290	164	124	93	39	15	2	4	0	0	0	13,279
35	3,356	1,581	1,297	1,137	1,513	960	792	522	484	418	295	194	174	108	57	22	12	6	2	0	0	12,930
36	3,157	1,540	1,340	1,051	1,431	927	681	551	456	412	296	236	161	119	71	32	17	5	3	0	0	12,486
37	3,189	1,654	1,440	1,194	1,418	912	771	570	498	431	364	220	199	118	74	52	20	16	6	2	1	13,149
38	3,269	1,651	1,543	1,324	1,578	956	854	652	567	482	415	340	222	130	101	61	38	24	9	6	4	14,226
39	3,129	1,756	1,575	1,489	1,709	1,137	908	749	623	535	477	374	257	130	108	70	58	32	13	6	5	15,140
40	2,839	1,620	1,428	1,379	1,609	1,125	947	678	592	491	460	340	256	178	118	78	61	22	9	6	8	14,244
41	2,477	1,485	1,266	1,216	1,474	1,049	886	707	586	463	445	310	242	161	110	106	49	33	23	8	10	13,106
42	2,206	1,226	1,166	1,118	1,283	1,015	866	675	544	408	436	318	246	155	109	74	51	23	35	4	13	11,971
43	1,994	1,173	1,046	1,050	1,221	970	810	643	563	440	372	333	236	154	115	88	64	33	24	18	13	11,360
44	1,684	1,109	1,064	1,027	1,064	932	763	636	541	413	410	323	209	175	138	84	76	42	25	11	21	10,747
45	1,484	941	993	982	1,011	880	741	570	512	419	407	371	265	191	138	122	85	37	32	12	21	10,214
46	1,286	925	911	950	946	853	710	600	471	431	418	357	251	216	162	124	71	50	33	11	37	9,813
47	1,119	840	851	842	870	803	641	572	441	383	404	324	286	196	139	114	85	56	27	16	26	9,035
48	1,013	738	709	797	791	637	613	444	347	350	317	278	220	220	162	124	67	49	32	18	28	7,954
49	811	612	645	693	704	620	540	444	344	268	280	252	218	195	166	139	68	45	25	13	26	7,108
50	608	471	524	549	539	567	459	381	292	266	200	225	157	151	127	88	75	46	22	14	16	5,777
51	510	451	490	498	498	493	423	332	234	221	204	135	138	110	97	87	66	37	29	10	26	5,089
52	470	387	419	459	463	450	381	290	222	159	151	149	110	85	81	65	45	35	25	5	13	4,464
53	378	299	379	418	397	390	328	300	201	154	126	129	86	72	67	58	41	33	10	9	16	3,891
54	284	294	336	383	356	363	299	221	181	150	116	121	89	64	56	43	40	31	19	11	8	3,465
55	243	236	285	306	279	301	255	193	146	134	97	76	78	54	35	28	22	24	9	11	9	2,821
56	199	203	272	276	262	236	208	147	129	96	79	58	47	49	24	26	14	14	7	5	8	2,359
57	213	198	267	294	210	201	189	126	113	84	54	42	36	26	23	18	13	20	4	1	6	2,138
58	156	163	264	270	191	197	160	130	94	68	60	42	31	25	20	8	9	11	7	2	8	1,916
59	143	163	238	255	208	164	128	97	70	56	42	27	28	25	12	11	12	5	3	5	1	1,693
60	79	103	133	127	107	88	76	50	40	25	17	21	15	9	8	6	4	5	1	1	1	916
61	9	13	15	15	18	8	7	7	3	4	1	5	0	1	2	1	0	1	0	1	2	113
62	3	9	5	4	5	3	4	1	3	0	1	0	0	0	0	0	0	0	0	0	0	38
63+	1	0	5	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	9
Total	301,137	83,426	50,239	44,578	55,995	31,923	25,176	16,523	13,479	10,418	8,514	6,307	4,602	3,312	2,396	1,750	1,166	739	434	206	327	662,647

Note: Numbers have been adjusted to budget.
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 FY2009 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	551
18	12,161	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,161
19	26,920	176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,096
20	33,364	1,288	30	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,684
21	34,250	3,617	265	74	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,207
22	30,947	5,648	820	447	179	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,046
23	26,280	6,708	1,684	1,259	1,176	139	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,250
24	21,746	7,398	2,713	2,000	2,928	645	97	9	0	0	0	0	0	0	0	0	0	0	0	0	0	37,536
25	17,631	7,368	3,243	2,651	4,023	1,423	545	54	5	0	0	0	0	0	0	0	0	0	0	0	0	36,943
26	14,873	6,620	3,672	3,062	4,229	1,767	1,136	272	31	9	0	0	0	0	0	0	0	0	0	0	0	35,671
27	12,124	5,943	3,756	3,160	4,265	1,691	1,460	542	231	33	11	0	0	0	0	0	0	0	0	0	0	33,216
28	9,811	4,736	3,449	2,926	4,031	1,869	1,451	666	513	126	17	10	0	0	0	0	0	0	0	0	0	29,605
29	8,199	3,928	2,862	2,549	3,493	1,815	1,533	780	636	319	100	16	12	0	0	0	0	0	0	0	0	26,242
30	6,796	3,251	2,539	2,156	3,036	1,662	1,460	773	716	479	234	63	13	3	0	0	0	0	0	0	0	23,181
31	5,725	2,648	2,165	1,909	2,711	1,544	1,278	808	719	547	320	134	33	10	6	0	0	0	0	0	0	20,557
32	4,952	2,306	1,865	1,721	2,372	1,461	1,216	768	708	545	341	173	86	38	9	1	0	0	0	0	0	18,562
33	4,414	2,069	1,634	1,521	2,229	1,363	1,108	794	696	620	421	196	102	61	26	8	1	0	0	0	0	17,263
34	3,982	1,904	1,632	1,469	2,013	1,281	1,042	782	663	611	459	229	153	105	40	16	2	4	0	0	0	16,387
35	3,980	1,911	1,575	1,409	1,836	1,273	1,043	724	678	650	493	335	252	132	68	25	12	6	2	0	0	16,404
36	3,697	1,847	1,635	1,322	1,756	1,174	952	790	655	623	486	413	260	166	85	37	18	5	3	0	0	15,924
37	3,811	2,039	1,756	1,478	1,744	1,194	1,050	806	691	642	546	357	330	190	98	69	26	18	7	2	1	16,855
38	3,977	2,048	1,907	1,649	1,926	1,253	1,143	936	786	709	635	539	355	227	149	82	49	27	9	6	4	18,416
39	3,894	2,240	2,067	1,870	2,104	1,514	1,215	1,054	866	772	705	582	402	240	182	103	68	42	15	9	5	19,949
40	3,557	2,083	1,904	1,774	2,038	1,450	1,263	943	821	761	700	554	439	343	193	132	81	39	13	7	9	19,104
41	3,116	1,962	1,721	1,629	1,881	1,355	1,153	953	824	655	693	520	450	330	201	168	83	40	29	10	12	17,785
42	2,845	1,648	1,582	1,495	1,689	1,373	1,150	930	739	659	694	557	447	323	205	151	84	43	46	8	17	16,685
43	2,548	1,562	1,480	1,455	1,612	1,352	1,129	871	815	652	631	590	502	332	272	160	123	57	36	28	21	16,228
44	2,194	1,505	1,442	1,390	1,447	1,305	1,087	903	780	620	634	554	440	337	256	169	134	80	42	17	34	15,370
45	1,960	1,283	1,393	1,363	1,348	1,230	1,062	829	770	607	622	605	449	361	257	224	150	76	52	25	40	14,706
46	1,702	1,332	1,226	1,269	1,316	1,176	1,002	904	705	662	630	534	442	387	281	224	150	102	58	28	54	14,184
47	1,506	1,132	1,113	1,133	1,157	1,085	918	800	687	601	594	514	450	352	253	206	142	91	50	33	48	12,865
48	1,363	1,038	922	1,077	1,055	888	849	667	535	559	490	474	419	387	282	220	110	97	51	27	51	11,561
49	1,090	876	833	902	905	812	761	673	523	445	452	413	371	339	263	202	136	79	56	29	48	10,208
50	824	693	689	742	711	774	647	583	470	403	324	356	285	251	236	165	113	90	42	27	36	8,461
51	756	622	642	640	665	647	585	474	371	342	299	269	248	190	193	148	111	63	39	18	46	7,368
52	662	570	565	608	617	600	531	412	334	265	250	234	192	170	132	120	76	61	37	10	28	6,474
53	556	461	522	548	533	535	474	415	293	227	188	196	154	131	119	89	81	49	16	17	26	5,630
54	435	492	470	488	463	487	391	330	263	226	175	173	142	113	95	74	66	61	36	20	16	5,016
55	375	400	396	399	387	409	348	264	217	187	153	117	111	93	65	78	43	36	17	20	21	4,136
56	329	361	415	374	340	325	286	229	186	142	126	103	79	78	54	40	33	26	10	10	19	3,565
57	311	320	376	375	303	275	274	190	173	120	90	74	61	51	42	30	28	32	10	3	12	3,150
58	247	276	370	349	275	261	222	178	129	106	82	70	54	41	39	18	17	12	5	9	2,778	
59	226	265	348	341	299	222	182	155	101	77	59	46	46	37	23	16	20	7	6	6	3	2,485
60	126	170	198	207	156	123	111	79	66	40	32	32	24	22	13	12	10	9	7	1	4	1,442
61	34	54	60	35	35	31	17	26	14	14	11	10	3	3	5	2	1	3	0	1	3	362
62	24	38	32	21	20	15	14	16	12	1	7	2	3	3	3	2	0	0	0	0	0	213
63+	13	45	36	19	11	12	9	4	4	3	4	5	2	1	2	0	3	1	0	0	0	174
Total	320,884	94,881	60,004	53,267	65,315	39,815	32,198	22,386	18,426	15,059	12,708	10,049	7,811	5,847	4,147	2,991	1,972	1,261	701	367	567	770,656

Note: Numbers have been adjusted to budget. Average Age 32.1 Average Years of Active Service 2.7
 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 FY2009 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
36	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
37	1	0	0	0	0	0	1	0	0	1	0	1	0	0	0	0	0	0	1	0	0	5
38	0	3	8	7	0	2	0	5	0	2	2	0	2	2	2	0	0	0	0	0	0	37
39	12	15	13	19	9	3	9	3	3	0	1	4	6	6	1	1	1	0	0	0	0	106
40	15	32	34	14	15	23	28	12	6	6	8	5	3	8	2	5	5	0	2	0	0	223
41	39	62	53	45	29	42	17	12	14	15	14	14	12	14	11	3	3	5	2	2	0	408
42	34	60	69	61	40	52	42	15	30	36	32	44	34	24	11	8	7	1	1	1	1	603
43	48	56	94	59	51	60	48	34	46	59	70	76	60	42	34	8	14	8	0	4	0	871
44	45	78	110	75	106	60	74	56	61	83	79	79	81	35	54	21	16	6	4	1	5	1,129
45	34	139	113	96	116	126	112	83	78	116	100	100	106	72	79	43	19	5	8	1	5	1,551
46	64	131	137	128	128	154	159	129	160	151	122	118	104	91	99	57	33	21	9	1	5	2,001
47	46	118	121	100	152	157	169	181	209	153	117	140	115	85	113	52	29	21	15	3	8	2,104
48	62	149	110	93	135	185	188	195	238	177	145	146	158	90	101	62	35	30	7	6	9	2,321
49	51	145	110	94	148	241	218	210	267	215	200	169	154	110	95	58	42	30	8	7	5	2,577
50	72	137	105	102	188	246	227	247	288	246	207	209	147	127	81	69	46	33	17	2	5	2,801
51	57	147	103	116	220	272	237	273	320	243	228	196	194	147	100	92	55	27	15	5	13	3,060
52	71	165	98	128	244	311	296	336	302	247	223	245	232	161	118	106	67	36	9	15	12	3,422
53	55	159	132	171	280	342	308	379	327	290	263	273	236	172	160	113	77	28	12	2	8	3,787
54	69	182	136	180	275	357	322	356	345	269	269	309	236	229	171	109	89	46	16	4	2	3,971
55	83	216	156	173	296	380	348	336	341	276	253	260	228	179	170	106	58	43	17	7	6	3,932
56	83	213	171	215	319	398	394	377	306	255	273	260	260	197	161	83	63	42	21	4	0	4,095
57	106	336	242	257	392	491	456	384	331	268	230	238	248	188	144	119	56	43	26	10	4	4,569
58	103	405	276	309	444	481	430	379	285	263	251	235	237	183	108	82	72	40	18	5	1	4,607
59	108	557	337	393	555	521	459	404	342	294	275	200	168	156	105	106	68	38	14	13	1	5,114
60	59	343	227	272	300	288	239	227	186	139	126	128	100	66	62	53	23	27	7	5	3	2,880
61	2	4	4	8	14	8	7	9	5	1	2	8	2	2	1	0	0	0	0	4	0	81
62	3	0	5	11	11	5	6	4	4	4	3	5	0	1	1	1	0	1	0	0	0	65
63+	11	10	27	38	50	31	15	10	6	10	6	7	1	0	0	1	3	6	1	0	0	233
Total	1,334	3,862	2,991	3,165	4,518	5,236	4,809	4,656	4,500	3,819	3,499	3,469	3,124	2,387	1,984	1,360	881	537	230	102	93	56,556

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 53.1

Average Years of Active Service 7.4
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 FY2009 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	1	2	5	1	1	0	2	0	0	2	0	2	1	0	0	0	0	0	0	0	1	18
37	2	0	7	2	2	0	4	0	0	0	2	0	4	0	2	0	0	2	0	0	4	31
38	12	27	23	23	20	5	12	9	5	11	16	4	0	2	4	2	2	0	0	0	0	177
39	35	76	96	73	60	38	30	41	39	24	39	33	28	25	14	2	0	0	3	0	2	658
40	48	159	170	178	141	122	89	55	58	44	61	78	56	53	30	11	8	2	3	3	0	1,369
41	87	304	271	224	253	241	155	135	105	119	129	117	87	78	51	35	23	3	6	6	2	2,431
42	147	382	354	323	317	379	241	182	154	154	179	144	107	104	182	75	59	47	13	12	4	3,379
43	164	521	428	384	423	435	355	286	239	199	241	195	143	116	79	65	51	20	12	4	5	4,365
44	163	571	491	445	607	488	397	280	283	272	319	227	139	169	107	95	69	45	13	1	5	5,186
45	221	728	507	490	741	750	521	389	370	351	402	327	228	196	135	116	96	38	22	15	5	6,648
46	203	809	589	557	832	742	614	422	485	420	488	434	312	270	173	137	104	42	14	9	14	7,670
47	218	932	615	563	895	926	670	507	479	438	522	446	382	247	191	152	114	44	21	8	11	8,381
48	218	976	566	626	987	930	747	526	540	516	527	438	381	386	257	173	113	41	16	10	19	8,993
49	243	974	561	606	1,025	1,013	712	530	622	507	509	397	376	387	324	206	115	50	37	6	21	9,221
50	214	958	549	713	1,149	1,021	751	571	498	432	457	380	309	337	285	208	129	78	48	10	18	9,115
51	223	968	489	726	1,193	980	813	513	492	469	395	356	276	271	278	218	102	94	24	12	22	8,914
52	231	1,040	591	751	1,442	1,076	737	528	495	433	461	355	280	262	269	191	156	87	33	7	19	9,444
53	241	1,243	610	884	1,508	1,055	806	606	423	390	348	281	256	248	194	154	137	90	42	19	26	9,561
54	257	1,136	687	955	1,426	1,076	771	583	428	397	370	288	253	201	143	121	86	87	40	16	19	9,340
55	257	1,115	661	1,012	1,426	1,014	689	567	501	384	358	253	249	133	127	101	105	52	31	14	26	9,075
56	308	1,196	786	1,042	1,414	1,024	741	589	578	476	348	209	246	180	122	106	74	58	30	11	15	9,553
57	321	1,905	1,272	1,396	1,615	967	807	558	644	497	382	273	205	174	117	79	75	62	24	20	16	11,409
58	320	2,106	1,373	1,480	1,656	943	746	579	619	488	462	269	192	175	104	53	42	27	13	16	18	11,681
59	312	2,225	2,055	1,673	1,818	1,106	672	496	540	409	339	266	224	137	111	88	44	40	20	4	31	12,610
60	161	1,152	1,201	1,025	1,119	657	397	255	311	247	221	123	86	89	39	34	11	5	7	4	6	7,150
61	3	11	62	14	45	22	18	11	10	6	11	1	1	4	1	0	3	0	0	0	1	224
62	8	11	43	21	46	20	3	5	3	9	3	5	5	3	0	2	0	2	0	0	0	189
63+	14	40	113	81	113	70	28	26	12	14	10	8	4	2	6	2	2	6	2	0	0	553
Total	4,632	21,567	15,175	16,268	22,274	17,100	12,528	9,249	8,933	7,708	7,599	5,909	4,830	4,249	3,238	2,410	1,708	988	473	199	308	167,345

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 51.9

Average Years of Active Service 5.7
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 FY2009 VALUATION

Age	Completed Years Of Active Duty Service																				Total	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20+
36	2	2	5	2	2	0	2	0	0	2	0	2	1	0	0	0	0	0	0	0	1	21
37	3	0	7	2	2	0	5	0	0	1	2	1	4	0	2	0	0	2	1	0	4	36
38	12	30	31	30	20	7	12	14	5	13	18	4	2	4	6	4	2	0	0	0	0	214
39	47	91	109	92	69	41	39	44	42	24	40	37	34	31	15	3	1	0	3	0	2	764
40	63	191	204	192	156	145	117	67	64	50	69	83	59	61	32	16	13	2	5	3	0	1,592
41	126	366	324	269	282	283	172	147	119	134	143	131	99	92	62	38	26	8	8	8	2	2,839
42	181	442	423	384	357	431	283	197	184	190	211	188	141	128	86	67	54	14	13	5	3	3,982
43	212	577	522	443	474	495	403	320	285	258	311	271	203	158	113	73	65	28	12	8	5	5,236
44	208	649	601	520	713	548	471	336	344	355	398	306	220	204	161	116	85	51	17	2	10	6,315
45	255	867	620	586	857	876	633	472	448	467	502	427	334	268	214	159	115	43	30	16	10	8,199
46	267	940	726	685	960	896	773	551	645	571	610	552	416	361	272	194	137	63	23	10	19	9,671
47	264	1,050	736	663	1,047	1,083	839	688	688	591	639	586	497	332	304	204	143	65	36	11	19	10,485
48	280	1,125	676	719	1,122	1,115	935	721	778	693	672	584	539	476	358	235	148	71	23	16	28	11,314
49	294	1,119	671	700	1,173	1,254	930	740	889	722	709	566	530	497	419	264	157	80	45	13	26	11,798
50	286	1,095	654	815	1,337	1,267	978	818	786	678	664	589	456	464	366	277	175	111	65	12	23	11,916
51	280	1,115	592	842	1,413	1,252	1,050	786	812	712	623	552	470	418	378	310	157	121	39	17	35	11,974
52	302	1,205	689	879	1,686	1,387	1,033	864	797	680	684	600	512	423	387	297	223	123	42	22	31	12,866
53	296	1,402	742	1,055	1,788	1,397	1,114	985	750	680	611	554	492	420	354	267	214	118	54	21	34	13,348
54	326	1,318	823	1,135	1,701	1,433	1,093	939	773	666	639	597	489	430	314	230	175	133	56	20	21	13,311
55	340	1,331	817	1,185	1,722	1,394	1,037	903	842	660	611	513	477	312	297	207	163	95	48	21	32	13,007
56	391	1,409	957	1,257	1,733	1,422	1,135	966	884	731	621	469	506	377	283	189	137	100	51	15	15	13,648
57	427	2,241	1,514	1,653	2,007	1,458	1,263	942	975	765	612	511	453	362	261	198	131	105	50	30	20	15,978
58	423	2,511	1,649	1,789	2,100	1,424	1,176	958	904	751	713	504	429	358	212	135	114	67	31	21	19	16,288
59	420	2,782	2,392	2,066	2,373	1,627	1,131	900	882	703	614	466	392	293	216	194	112	78	34	17	32	17,724
60	220	1,495	1,428	1,297	1,419	945	636	482	497	386	347	251	186	155	101	87	34	32	14	9	9	10,030
61	5	15	66	22	59	30	25	20	15	7	13	9	3	6	2	0	3	0	0	4	1	305
62	11	11	48	32	57	25	9	9	7	13	6	10	5	4	1	3	0	3	0	0	0	254
63+	25	50	140	119	163	101	43	36	18	24	16	15	5	2	6	3	5	12	3	0	0	786
Total	5,966	25,429	18,166	19,433	26,792	22,336	17,337	13,905	13,433	11,527	11,098	9,378	7,954	6,636	5,222	3,770	2,589	1,525	703	301	401	223,901

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 52.2

Average Years of Active Service 6.1
Department of Defense - Office of the Actuary

TABLE C12

DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2009

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	0	0	0	0	0	0	0	0
23	0	0	3	0	3	0	0	3	0	3
24	0	1	7	0	8	0	1	7	0	8
25	0	1	15	0	16	0	1	15	0	16
26	0	7	15	0	22	0	8	15	0	23
27	0	17	25	0	42	0	17	25	0	42
28	0	22	38	0	60	0	22	38	0	60
29	0	32	39	0	71	0	32	41	0	73
30	0	36	41	0	77	0	37	42	0	79
31	0	35	36	0	71	0	35	36	0	71
32	0	40	40	0	80	0	41	40	0	81
33	0	48	33	0	81	0	49	33	0	82
34	0	59	39	0	98	0	64	40	0	104
35	0	65	42	0	107	0	65	42	0	107
36	0	76	35	0	111	0	79	35	0	114
37	0	84	45	0	129	0	87	46	0	133
38	27	90	37	0	154	28	94	37	0	159
39	121	108	43	0	272	127	109	43	0	279
40	327	122	28	0	477	338	125	29	0	492
41	522	118	42	0	682	542	124	45	0	711
42	933	133	40	0	1,106	962	143	41	0	1,146
43	1,748	154	32	0	1,934	1,818	159	34	0	2,011
44	2,750	178	27	0	2,955	2,846	188	27	0	3,061
45	3,671	211	25	0	3,907	3,812	222	26	0	4,060
46	4,518	214	19	0	4,751	4,705	216	19	0	4,940
47	4,980	264	28	0	5,272	5,236	279	29	0	5,544
48	5,557	252	13	0	5,822	5,879	260	13	0	6,152
49	6,178	237	25	0	6,440	6,519	247	25	0	6,791
50	6,853	268	13	0	7,134	7,236	284	13	0	7,533
51	7,499	287	19	0	7,805	7,894	302	21	0	8,217
52	8,380	308	13	0	8,701	8,803	332	13	0	9,148
53	8,896	313	15	0	9,224	9,358	331	16	0	9,705
54	9,525	284	13	0	9,822	10,010	305	14	0	10,329
55	9,813	334	8	0	10,155	10,308	352	9	0	10,669
56	10,205	373	6	0	10,584	10,679	391	7	0	11,077
57	10,279	367	6	0	10,652	10,842	385	6	0	11,233
58	10,230	349	10	0	10,589	10,744	374	10	0	11,128
59	10,588	379	3	8	10,978	11,156	406	4	11	11,577
60	11,278	437	3	2,840	14,558	11,851	462	3	2,922	15,238
61	12,127	462	4	7,709	20,302	12,723	493	4	7,847	21,067
62	13,091	625	3	8,729	22,448	13,760	649	3	8,885	23,297
63	14,001	743	1	9,564	24,309	14,671	781	1	9,720	25,173
64	9,761	569	0	6,818	17,148	10,226	595	0	6,936	17,757
65	9,879	565	0	6,829	17,273	10,351	587	0	6,916	17,854

TABLE C12 (continued)

DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2009

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	10,093	555	0	6,467	17,115	10,590	576	0	6,595	17,761
67	9,981	566	0	6,440	16,987	10,495	583	0	6,552	17,630
68	8,791	426	0	5,231	14,448	9,251	447	0	5,323	15,021
69	8,950	419	0	4,701	14,070	9,366	446	0	4,793	14,605
70	8,987	345	0	4,413	13,745	9,400	363	0	4,514	14,277
71	8,633	334	0	4,430	13,397	9,019	349	0	4,540	13,908
72	8,245	308	0	4,307	12,860	8,600	321	0	4,400	13,321
73	7,883	300	0	4,103	12,286	8,228	321	0	4,192	12,741
74	7,764	299	0	3,902	11,965	8,057	312	0	3,982	12,351
75	8,116	293	0	4,015	12,424	8,407	310	0	4,104	12,821
76	7,789	273	0	3,692	11,754	8,018	284	0	3,761	12,063
77	7,852	307	0	3,801	11,960	8,084	324	0	3,880	12,288
78	7,465	361	0	3,957	11,783	7,707	372	0	4,036	12,115
79	7,406	327	0	4,195	11,928	7,605	344	0	4,258	12,207
80	6,661	366	0	3,954	10,981	6,836	377	0	4,047	11,260
81	5,396	322	0	3,460	9,178	5,564	339	0	3,512	9,415
82	3,886	235	0	2,427	6,548	4,032	250	0	2,477	6,759
83	3,164	223	0	2,251	5,638	3,274	229	0	2,290	5,793
84	3,365	240	0	2,587	6,192	3,470	247	0	2,611	6,328
85	3,713	362	0	3,138	7,213	3,821	368	0	3,160	7,349
86	3,759	505	0	3,195	7,459	3,849	511	0	3,214	7,574
87	3,669	563	0	3,256	7,488	3,772	570	0	3,285	7,627
88	4,026	648	0	3,241	7,915	4,129	655	0	3,269	8,053
89	3,493	690	0	2,967	7,150	3,577	700	0	2,992	7,269
90	3,005	609	0	2,433	6,047	3,065	617	0	2,455	6,137
91	2,347	438	0	2,025	4,810	2,390	445	0	2,046	4,881
92	1,662	379	0	1,495	3,536	1,697	384	0	1,504	3,585
93	1,106	264	0	1,060	2,430	1,143	266	0	1,073	2,482
94	814	184	0	728	1,726	829	186	0	736	1,751
95	467	99	0	485	1,051	480	102	0	490	1,072
96	282	74	0	298	654	296	76	0	307	679
97	148	53	0	174	375	154	53	0	175	382
98	102	24	0	103	229	106	24	0	103	233
99	61	22	0	81	164	63	22	0	81	166
100	29	9	0	51	89	31	9	0	52	92
101	24	4	0	26	54	26	4	0	26	56
102	14	3	0	10	27	15	3	0	10	28
103	6	2	0	7	15	7	2	0	7	16
104	2	1	0	5	8	3	1	0	5	9
105	3	0	0	1	4	3	0	0	1	4
106	3	1	0	2	6	3	1	0	2	6
107	1	0	0	0	1	1	0	0	0	1
108	0	0	0	0	0	0	0	0	0	0
109	2	0	0	1	3	2	0	0	1	3
110	0	0	0	1	1	0	0	0	1	1
Total	362,902	20,700	929	145,613	530,144	378,889	21,526	950	148,099	549,464
60+	239,302	14,834	11	145,605	399,752	249,047	15,360	11	148,088	412,506
62+	215,897	13,935	4	135,056	364,892	224,473	14,405	4	137,319	376,201
65+	179,044	11,998	0	109,945	300,987	185,816	12,380	0	111,778	309,974

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 9/30/2009

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	2	30	0	32	0	2	30	0	32
20	0	6	99	0	105	0	6	99	0	105
21	0	33	266	0	299	0	33	267	0	300
22	0	93	478	0	571	0	94	483	0	577
23	0	184	814	0	998	0	184	822	0	1,006
24	0	339	1,022	0	1,361	0	340	1,034	0	1,374
25	0	456	1,142	0	1,598	0	460	1,159	0	1,619
26	0	603	1,097	0	1,700	0	620	1,119	0	1,739
27	0	663	1,054	0	1,717	0	677	1,072	0	1,749
28	0	690	978	0	1,668	0	710	1,001	0	1,711
29	0	832	857	0	1,689	0	855	881	0	1,736
30	0	830	777	0	1,607	0	857	798	0	1,655
31	0	859	676	0	1,535	0	880	695	0	1,575
32	0	892	581	0	1,473	0	919	595	0	1,514
33	0	962	539	0	1,501	0	980	546	0	1,526
34	0	955	432	0	1,387	0	985	442	0	1,427
35	0	1,092	421	0	1,513	0	1,125	434	0	1,559
36	0	1,096	344	0	1,440	0	1,132	352	0	1,484
37	0	1,330	347	0	1,677	0	1,360	354	0	1,714
38	577	1,467	350	0	2,394	579	1,510	357	0	2,446
39	3,073	1,703	313	0	5,089	3,094	1,741	319	0	5,154
40	6,295	1,669	266	0	8,230	6,369	1,740	272	0	8,381
41	9,508	1,786	245	0	11,539	9,622	1,852	248	0	11,722
42	13,253	1,845	202	0	15,300	13,403	1,911	204	0	15,518
43	17,207	2,074	194	0	19,475	17,398	2,150	195	0	19,743
44	20,755	2,308	167	0	23,230	21,034	2,391	169	0	23,594
45	25,011	2,556	153	0	27,720	25,365	2,662	154	0	28,181
46	28,361	2,661	140	0	31,162	28,855	2,772	144	0	31,771
47	31,307	2,841	122	0	34,270	31,944	2,998	124	0	35,066
48	33,936	2,861	102	0	36,899	34,781	2,992	106	0	37,879
49	35,737	2,942	117	0	38,796	36,584	3,109	117	0	39,810
50	35,903	3,131	84	0	39,118	36,732	3,281	85	0	40,098
51	35,412	3,063	75	0	38,550	36,159	3,213	77	0	39,449
52	34,969	3,237	70	0	38,276	35,708	3,378	70	0	39,156
53	33,742	3,183	43	0	36,968	34,404	3,339	43	0	37,786
54	32,982	3,273	48	0	36,303	33,616	3,392	48	0	37,056
55	32,798	3,330	39	0	36,167	33,314	3,421	40	0	36,775
56	31,849	3,385	24	0	35,258	32,350	3,479	24	0	35,853
57	31,804	3,497	30	0	35,331	32,263	3,611	30	0	35,904
58	29,245	3,602	29	0	32,876	29,647	3,702	30	0	33,379
59	28,149	4,786	23	5	32,963	28,545	4,881	23	6	33,455
60	28,684	6,420	14	6,286	41,404	29,051	6,513	14	6,387	41,965
61	29,028	7,843	17	16,477	53,365	29,403	7,930	17	16,727	54,077
62	29,261	8,090	8	18,009	55,368	29,636	8,192	9	18,280	56,117
63	29,065	6,715	7	18,017	53,804	29,428	6,806	7	18,341	54,582
64	20,344	4,126	1	12,657	37,128	20,592	4,189	1	12,865	37,647
65	21,003	3,399	0	11,749	36,151	21,286	3,458	0	11,953	36,697

TABLE C13 (continued)
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2009

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	22,896	2,903	0	11,290	37,089	23,181	2,953	0	11,493	37,627
67	25,135	2,651	0	10,769	38,555	25,459	2,701	0	10,995	39,155
68	23,549	2,209	0	8,602	34,360	23,863	2,268	0	8,769	34,900
69	22,882	1,905	0	7,492	32,279	23,267	1,960	0	7,661	32,888
70	23,014	1,603	0	7,363	31,980	23,420	1,655	0	7,545	32,620
71	24,326	1,629	0	7,314	33,269	24,775	1,685	0	7,473	33,933
72	26,070	1,591	0	7,225	34,886	26,501	1,634	0	7,330	35,465
73	25,825	1,519	0	6,896	34,240	26,221	1,571	0	7,009	34,801
74	25,269	1,506	0	6,581	33,356	25,563	1,534	0	6,670	33,767
75	23,610	1,566	0	5,783	30,959	23,897	1,612	0	5,881	31,390
76	21,680	1,638	0	4,786	28,104	21,922	1,677	0	4,871	28,470
77	21,300	2,105	0	4,644	28,049	21,557	2,151	0	4,700	28,408
78	20,481	2,377	0	4,614	27,472	20,689	2,433	0	4,679	27,801
79	21,024	2,429	0	4,391	27,844	21,219	2,462	0	4,442	28,123
80	19,089	2,221	0	3,534	24,844	19,266	2,253	0	3,566	25,085
81	14,921	1,687	0	2,809	19,417	15,119	1,707	0	2,847	19,673
82	11,908	1,234	0	1,983	15,125	12,057	1,262	0	1,998	15,317
83	8,899	763	0	1,709	11,371	9,024	776	0	1,726	11,526
84	7,495	617	0	1,511	9,623	7,620	630	0	1,534	9,784
85	6,746	520	0	1,454	8,720	6,838	525	0	1,484	8,847
86	5,835	423	0	1,172	7,430	5,904	427	0	1,187	7,518
87	4,832	373	0	959	6,164	4,890	380	0	964	6,234
88	4,279	263	0	905	5,447	4,330	266	0	914	5,510
89	3,389	192	0	663	4,244	3,424	199	0	668	4,291
90	2,769	174	0	524	3,467	2,802	178	0	526	3,506
91	1,866	141	0	367	2,374	1,889	144	0	371	2,404
92	1,247	70	0	292	1,609	1,261	71	0	294	1,626
93	765	52	0	150	967	776	52	0	152	980
94	506	41	0	110	657	515	43	0	110	668
95	346	24	0	83	453	350	26	0	83	459
96	176	11	0	49	236	179	11	0	49	239
97	110	5	0	30	145	113	6	0	30	149
98	75	3	0	13	91	75	3	0	13	91
99	37	3	0	4	44	38	3	0	4	45
100	24	3	0	7	34	26	3	0	7	36
101	20	1	0	2	23	21	1	0	2	24
102	15	4	0	2	21	16	4	0	2	22
103	11	1	0	1	13	11	1	0	1	13
104	11	1	0	0	12	11	1	0	0	12
105	7	1	0	0	8	7	1	0	0	8
106	4	2	0	0	6	4	2	0	0	6
107	2	3	0	0	5	2	3	0	0	5
108	7	2	0	0	9	7	2	0	0	9
109	3	0	0	0	3	3	0	0	0	3
110	11	2	0	0	13	11	2	0	0	13
Total	1,131,724	146,178	14,837	199,283	1,492,022	1,149,285	150,110	15,110	202,609	1,517,114
60+	579,851	73,061	47	199,278	852,237	587,519	74,366	48	202,603	864,536
62+	522,139	58,798	16	176,515	757,468	529,065	59,923	17	179,489	768,494
65+	443,469	39,867	0	127,832	611,168	449,409	40,736	0	130,003	620,148

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 9/30/2009

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	2	30	0	32	0	2	30	0	32
20	0	6	99	0	105	0	6	99	0	105
21	0	33	266	0	299	0	33	267	0	300
22	0	93	478	0	571	0	94	483	0	577
23	0	184	817	0	1,001	0	184	825	0	1,009
24	0	340	1,029	0	1,369	0	341	1,041	0	1,382
25	0	457	1,157	0	1,614	0	461	1,174	0	1,635
26	0	610	1,112	0	1,722	0	628	1,134	0	1,762
27	0	680	1,079	0	1,759	0	694	1,097	0	1,791
28	0	712	1,016	0	1,728	0	732	1,039	0	1,771
29	0	864	896	0	1,760	0	887	922	0	1,809
30	0	866	818	0	1,684	0	894	840	0	1,734
31	0	894	712	0	1,606	0	915	731	0	1,646
32	0	932	621	0	1,553	0	960	635	0	1,595
33	0	1,010	572	0	1,582	0	1,029	579	0	1,608
34	0	1,014	471	0	1,485	0	1,049	482	0	1,531
35	0	1,157	463	0	1,620	0	1,190	476	0	1,666
36	0	1,172	379	0	1,551	0	1,211	387	0	1,598
37	0	1,414	392	0	1,806	0	1,447	400	0	1,847
38	604	1,557	387	0	2,548	607	1,604	394	0	2,605
39	3,194	1,811	356	0	5,361	3,221	1,850	362	0	5,433
40	6,622	1,791	294	0	8,707	6,707	1,865	301	0	8,873
41	10,030	1,904	287	0	12,221	10,164	1,976	293	0	12,433
42	14,186	1,978	242	0	16,406	14,365	2,054	245	0	16,664
43	18,955	2,228	226	0	21,409	19,216	2,309	229	0	21,754
44	23,505	2,486	194	0	26,185	23,880	2,579	196	0	26,655
45	28,682	2,767	178	0	31,627	29,177	2,884	180	0	32,241
46	32,879	2,875	159	0	35,913	33,560	2,988	163	0	36,711
47	36,287	3,105	150	0	39,542	37,180	3,277	153	0	40,610
48	39,493	3,113	115	0	42,721	40,660	3,252	119	0	44,031
49	41,915	3,179	142	0	45,236	43,103	3,356	142	0	46,601
50	42,756	3,399	97	0	46,252	43,968	3,565	98	0	47,631
51	42,911	3,350	94	0	46,355	44,053	3,515	98	0	47,666
52	43,349	3,545	83	0	46,977	44,511	3,710	83	0	48,304
53	42,638	3,496	58	0	46,192	43,762	3,670	59	0	47,491
54	42,507	3,557	61	0	46,125	43,626	3,697	62	0	47,385
55	42,611	3,664	47	0	46,322	43,622	3,773	49	0	47,444
56	42,054	3,758	30	0	45,842	43,029	3,870	31	0	46,930
57	42,083	3,864	36	0	45,983	43,105	3,996	36	0	47,137
58	39,475	3,951	39	0	43,465	40,391	4,076	40	0	44,507
59	38,737	5,165	26	13	43,941	39,701	5,287	27	17	45,032
60	39,962	6,857	17	9,126	55,962	40,902	6,975	17	9,309	57,203
61	41,155	8,305	21	24,186	73,667	42,126	8,423	21	24,574	75,144
62	42,352	8,715	11	26,738	77,816	43,396	8,841	12	27,165	79,414
63	43,066	7,458	8	27,581	78,113	44,099	7,587	8	28,061	79,755
64	30,105	4,695	1	19,475	54,276	30,818	4,784	1	19,801	55,404
65	30,882	3,964	0	18,578	53,424	31,637	4,045	0	18,869	54,551

TABLE C14 (continued)
DOD AND ALL UNIFORMED RETIRED VALUATION DATA AS OF 9/30/2009

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	32,989	3,458	0	17,757	54,204	33,771	3,529	0	18,088	55,388
67	35,116	3,217	0	17,209	55,542	35,954	3,284	0	17,547	56,785
68	32,340	2,635	0	13,833	48,808	33,114	2,715	0	14,092	49,921
69	31,832	2,324	0	12,193	46,349	32,633	2,406	0	12,454	47,493
70	32,001	1,948	0	11,776	45,725	32,820	2,018	0	12,059	46,897
71	32,959	1,963	0	11,744	46,666	33,794	2,034	0	12,013	47,841
72	34,315	1,899	0	11,532	47,746	35,101	1,955	0	11,730	48,786
73	33,708	1,819	0	10,999	46,526	34,449	1,892	0	11,201	47,542
74	33,033	1,805	0	10,483	45,321	33,620	1,846	0	10,652	46,118
75	31,726	1,859	0	9,798	43,383	32,304	1,922	0	9,985	44,211
76	29,469	1,911	0	8,478	39,858	29,940	1,961	0	8,632	40,533
77	29,152	2,412	0	8,445	40,009	29,641	2,475	0	8,580	40,696
78	27,946	2,738	0	8,571	39,255	28,396	2,805	0	8,715	39,916
79	28,430	2,756	0	8,586	39,772	28,824	2,806	0	8,700	40,330
80	25,750	2,587	0	7,488	35,825	26,102	2,630	0	7,613	36,345
81	20,317	2,009	0	6,269	28,595	20,683	2,046	0	6,359	29,088
82	15,794	1,469	0	4,410	21,673	16,089	1,512	0	4,475	22,076
83	12,063	986	0	3,960	17,009	12,298	1,005	0	4,016	17,319
84	10,860	857	0	4,098	15,815	11,090	877	0	4,145	16,112
85	10,459	882	0	4,592	15,933	10,659	893	0	4,644	16,196
86	9,594	928	0	4,367	14,889	9,753	938	0	4,401	15,092
87	8,501	936	0	4,215	13,652	8,662	950	0	4,249	13,861
88	8,305	911	0	4,146	13,362	8,459	921	0	4,183	13,563
89	6,882	882	0	3,630	11,394	7,001	899	0	3,660	11,560
90	5,774	783	0	2,957	9,514	5,867	795	0	2,981	9,643
91	4,213	579	0	2,392	7,184	4,279	589	0	2,417	7,285
92	2,909	449	0	1,787	5,145	2,958	455	0	1,798	5,211
93	1,871	316	0	1,210	3,397	1,919	318	0	1,225	3,462
94	1,320	225	0	838	2,383	1,344	229	0	846	2,419
95	813	123	0	568	1,504	830	128	0	573	1,531
96	458	85	0	347	890	475	87	0	356	918
97	258	58	0	204	520	267	59	0	205	531
98	177	27	0	116	320	181	27	0	116	324
99	98	25	0	85	208	101	25	0	85	211
100	53	12	0	58	123	57	12	0	59	128
101	44	5	0	28	77	47	5	0	28	80
102	29	7	0	12	48	31	7	0	12	50
103	17	3	0	8	28	18	3	0	8	29
104	13	2	0	5	20	14	2	0	5	21
105	10	1	0	1	12	10	1	0	1	12
106	7	3	0	2	12	7	3	0	2	12
107	3	3	0	0	6	3	3	0	0	6
108	7	2	0	0	9	7	2	0	0	9
109	5	0	0	1	6	5	0	0	1	6
110	11	2	0	1	14	11	2	0	1	14
Total	1,494,626	166,878	15,766	344,896	2,022,166	1,528,174	171,636	16,060	350,708	2,066,578
60+	819,153	87,895	58	344,883	1,251,989	836,566	89,726	59	350,691	1,277,042
62+	738,036	72,733	20	311,571	1,122,360	753,538	74,328	21	316,808	1,144,695
65+	622,513	51,865	0	237,777	912,155	635,225	53,116	0	241,781	930,122

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 9/30/2009

Age	DoD Only				Total	All Uniformed				Total
	Active Duty Officer	Active Duty Enlistee	Reserve Officer	Reserve Enlistee		Active Duty Officer	Active Duty Enlistee	Reserve Officer	Reserve Enlistee	
0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0
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	7	0	0	7	1	7	0	0	8
20	0	29	0	0	29	0	29	0	0	29
21	1	58	0	0	59	1	58	0	0	59
22	0	90	0	1	91	0	90	0	1	91
23	2	158	0	0	160	2	159	0	0	161
24	3	217	0	0	220	3	218	0	0	221
25	10	261	1	0	272	10	261	1	0	272
26	10	279	0	0	289	10	279	0	0	289
27	15	299	0	0	314	15	306	0	0	321
28	17	313	0	0	330	17	316	0	0	333
29	23	312	0	0	335	23	316	0	0	339
30	27	303	0	3	333	27	306	0	3	336
31	35	263	0	1	299	35	266	0	1	302
32	28	348	0	2	378	28	349	0	2	379
33	42	330	1	2	375	42	336	1	2	381
34	53	333	2	3	391	53	340	2	3	398
35	53	381	1	3	438	53	388	1	3	445
36	50	381	1	2	434	52	385	1	3	441
37	58	435	2	9	504	59	445	2	9	515
38	71	473	0	2	546	74	480	0	2	556
39	87	628	2	12	729	89	635	2	12	738
40	84	652	3	7	746	89	665	3	7	764
41	82	634	6	9	731	82	644	6	10	742
42	102	723	7	17	849	109	739	7	17	872
43	111	793	2	8	914	116	803	2	8	929
44	128	971	6	18	1,123	133	982	6	18	1,139
45	136	1,166	7	17	1,326	144	1,181	7	19	1,351
46	148	1,275	12	28	1,463	153	1,295	12	28	1,488
47	183	1,383	14	36	1,616	188	1,402	14	36	1,640
48	206	1,574	20	39	1,839	209	1,606	20	39	1,874
49	255	1,796	18	51	2,120	265	1,834	18	52	2,169
50	268	1,899	20	64	2,251	271	1,935	22	64	2,292
51	277	2,043	21	58	2,399	290	2,075	23	58	2,446
52	323	2,382	27	85	2,817	332	2,432	27	85	2,876
53	369	2,691	58	92	3,210	384	2,735	59	95	3,273
54	428	2,751	51	102	3,332	438	2,811	51	104	3,404
55	532	3,266	63	132	3,993	558	3,305	63	134	4,060
56	576	3,492	67	152	4,287	595	3,537	69	152	4,353
57	625	3,727	90	190	4,632	654	3,774	92	191	4,711
58	725	4,170	96	247	5,238	756	4,221	96	250	5,323
59	833	4,477	128	285	5,723	871	4,539	131	285	5,826

TABLE C15 (continued)
DOD AND ALL UNIFORMED SURVIVING SPOUSES VALUATION DATA AS OF 9/30/2009

Age	DoD Only				Total	All Uniformed				Total
	Active Duty Officer	Active Duty Enlistee	Reserve Officer	Reserve Enlistee		Active Duty Officer	Active Duty Enlistee	Reserve Officer	Reserve Enlistee	
60	1,027	5,081	132	351	6,591	1,065	5,135	136	357	6,693
61	1,184	5,670	196	436	7,486	1,219	5,742	200	443	7,604
62	1,391	6,341	264	512	8,508	1,443	6,426	270	519	8,658
63	1,579	6,792	303	603	9,277	1,635	6,884	309	610	9,438
64	1,307	5,984	295	517	8,103	1,361	6,073	300	524	8,258
65	1,571	6,891	353	625	9,440	1,626	6,993	358	635	9,612
66	1,733	7,857	414	701	10,705	1,791	7,986	422	715	10,914
67	1,979	8,555	473	821	11,828	2,040	8,675	484	839	12,038
68	1,975	8,985	465	832	12,257	2,052	9,109	475	844	12,480
69	2,030	9,587	498	879	12,994	2,094	9,711	511	892	13,208
70	2,237	10,175	571	886	13,869	2,310	10,307	580	900	14,097
71	2,439	11,342	631	993	15,405	2,513	11,477	641	1,010	15,641
72	2,580	12,070	666	1,059	16,375	2,656	12,196	677	1,070	16,599
73	2,702	12,598	746	1,083	17,129	2,787	12,716	759	1,098	17,360
74	3,094	13,473	812	1,178	18,557	3,150	13,603	827	1,185	18,765
75	3,288	13,654	938	1,145	19,025	3,355	13,787	952	1,155	19,249
76	3,173	13,035	952	1,165	18,325	3,251	13,148	971	1,177	18,547
77	3,563	13,640	1,087	1,144	19,434	3,634	13,769	1,104	1,158	19,665
78	3,651	13,115	1,219	1,134	19,119	3,730	13,246	1,235	1,149	19,360
79	3,858	12,759	1,303	1,042	18,962	3,941	12,880	1,323	1,056	19,200
80	3,767	11,941	1,368	1,062	18,138	3,856	12,079	1,391	1,071	18,397
81	3,955	11,135	1,499	1,086	17,675	4,037	11,265	1,515	1,096	17,913
82	4,101	10,646	1,732	935	17,414	4,185	10,787	1,752	952	17,676
83	4,745	10,314	1,938	971	17,968	4,839	10,433	1,954	978	18,204
84	5,397	9,356	2,114	878	17,745	5,487	9,460	2,133	888	17,968
85	5,854	8,710	2,281	861	17,706	5,952	8,802	2,300	869	17,923
86	6,292	7,894	2,463	785	17,434	6,385	7,982	2,482	794	17,643
87	6,156	6,791	2,384	614	15,945	6,237	6,878	2,403	616	16,134
88	5,960	5,751	2,425	568	14,704	6,032	5,831	2,450	577	14,890
89	5,116	4,424	2,044	410	11,994	5,194	4,482	2,061	413	12,150
90	4,051	3,406	1,707	344	9,508	4,119	3,453	1,730	347	9,649
91	3,123	2,445	1,276	262	7,106	3,187	2,494	1,285	264	7,230
92	2,436	1,917	1,083	182	5,618	2,488	1,944	1,089	183	5,704
93	1,799	1,423	789	124	4,135	1,843	1,445	797	125	4,210
94	1,325	1,027	578	100	3,030	1,348	1,060	584	101	3,093
95	1,056	789	438	54	2,337	1,086	809	443	54	2,392
96	788	566	290	33	1,677	814	580	294	33	1,721
97	578	412	232	35	1,257	596	428	234	35	1,293
98	408	304	131	18	861	422	311	131	18	882
99	292	225	91	10	618	303	233	91	10	637
100	208	173	77	7	465	220	178	77	7	482
101	141	128	43	5	317	147	131	43	5	326
102	117	81	40	1	239	119	82	41	1	243
103	67	66	11	1	145	69	67	11	1	148
104	104	102	28	2	236	108	106	28	2	244
105	80	66	18	0	164	80	66	20	0	166
106	35	21	7	1	64	37	22	7	1	67
107	0	0	0	0	0	0	0	0	0	0
108	0	0	0	0	0	0	0	0	0	0
109	35	37	4	1	77	38	38	4	1	81
Total	121,323	345,517	40,135	28,133	535,108	124,112	349,793	40,622	28,471	542,998
60+	114,347	297,754	39,409	26,456	477,966	116,881	301,309	39,884	26,778	484,852
62+	112,136	287,003	39,081	25,669	463,889	114,597	290,432	39,548	25,978	470,555
65+	107,859	267,886	38,219	24,037	438,001	110,158	271,049	38,669	24,325	444,201

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.

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APPENDIX D

ECONOMIC ASSUMPTIONS

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ECONOMIC ASSUMPTIONS

In August, 2010, the DoD MERHCF Board of Actuaries adopted the following economic assumptions for use in the valuation as of September 30, 2009:

- 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 34-year period ending in 2009 is approximately 3.97 percent.

The CPI assumption chosen in 2010 by the MERHCF Board of Actuaries is 3.00 percent, unchanged from the prior year and the same as the CPI assumption selected in 2010 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 2010 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 0.47 percent; its average annual nominal yield since inception is 3.4%, computed by multiplying the average annual real yield by the average annual inflation rate:

- 1.0047 (table D3), the average real MERHCF effective yield from 2002 to 2009, times
- 1.0289 (table D1), the average annual CPI increase from 2002 to 2009

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 2010 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 August 2010, The MERHCF Board approved the use of the medical trend rates contained in Table D4 for the MERHCF actuarial valuation as of September 30, 2009. Consistent across all benefit trends (inpatient, outpatient, and Rx), the MERHCF Board maintained its original position that there be a 25-year select period, with an ultimate trend rate of 6.25%.

Inpatient Medical Trend

Following the MERHCF Board’s recommendation, OACT based preliminary inpatient medical trend for Purchased Care (PC) benefits on the trend assumptions implied in the projections of Medicare Part A deductibles and copayments, produced by the Centers for

Medicaid and Medicare Services Office of the Actuary (CMS OACT). In particular, the CMS OACT provided:

- Table V.C1 — HI Cost Sharing and Premium Amounts, from its 2009 Medicare Trustees Report¹, and
- Projected Medicare Part A utilization and enrollment

From this data, which included projections through 2018, OACT developed inpatient medical trend on a fiscal year basis through 2019. 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 2009 – 2019 were increased 0.25% 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 2009 – 2019 were reduced one percent per year 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 OACT¹. In particular, CMS OACT provided:

- Table IV.B1 — Components of increases in Total Allowed Charges per Fee-for-Service Enrollee for Carrier Services, from its 2009 Medicare Trustees Report,
- 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

¹ The MERHCF Board approved the use of the 2009 Medicare Trustees Report for this valuation and not the 2010 Medicare Trustees Report, which contained many caveats related to the assumptions made in the Medicare projection model to reflect the impact of the Patient Protection and Affordable Care Act (PPACA). The MERHCF Board opted to wait for some evidence of the impact of the PPACA on TRICARE and TRICARE For Life before reflecting its impact in the MERHCF assumptions.

From this data, which included projections through 2018, OACT developed outpatient medical trend on a fiscal year basis through 2019. 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 2009 – 2019 were increased 0.25% 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 2009 – 2019 were reduced one percent per year to reflect the recent low and negative trend experienced in the MTFs.
- PC OP trend and DC OP trend were increased 1% and 1.5%, respectively, in the first projection year to reflect recent plan experience

Prescription Drug Trend

After reviewing OACT's analyses, the MERHCF Board approved a set of prescription drug trends for the September 30, 2009, MERHCF actuarial valuation, as shown in Table D4.

OACT analyzed three years of PC and DC prescription drug data, from FY 2007 through FY 2009. 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 efforts to convert retail scripts to mail order. 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. Consistent with the MERHCF Board's recommendations for long-term trend, 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. The MERHCF Board approved an initial DC Rx trend rate of 2.75%, graded linearly to 6.25% over the next 24 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 2010. 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. For the initial trend rate, the MERHCF Board agreed that the rate should be a weighted average of PC and DC trends, using the TFL cost components of DC pharmacy and PC pharmacy, PC inpatient and PC outpatient benefit components as weights. This weighting was used during each of the 25 years in the select period to produce the USFHP trend rates. 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 END OF:	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008
TO END OF:																							
1935	-3.04																						
1940	-1.34	0.38																					
1945	0.81	2.79	5.25																				
1950	2.22	4.03	5.91	6.57																			
1955	2.06	3.37	4.39	3.96	1.43																		
1960	2.07	3.12	3.82	3.35	1.77	2.12																	
1965	1.96	2.82	3.32	2.84	1.63	1.73	1.33																
1970	2.28	3.07	3.52	3.18	2.35	2.65	2.92	4.54															
1975	2.79	3.54	4.00	3.79	3.24	3.70	4.23	5.71	6.90														
1980	3.41	4.16	4.64	4.55	4.22	4.79	5.46	6.88	8.07	9.24													
1985	3.45	4.12	4.55	4.46	4.16	4.62	5.13	6.10	6.63	6.50	3.82												
1990	3.49	4.10	4.48	4.40	4.13	4.52	4.93	5.66	5.95	5.63	3.87	3.91											
1995	3.45	4.01	4.34	4.25	4.00	4.32	4.64	5.20	5.34	4.95	3.56	3.42	2.94										
2000	3.37	3.88	4.18	4.08	3.84	4.11	4.36	4.80	4.85	4.44	3.28	3.09	2.69	2.44									
2001	3.36	3.86	4.16	4.06	3.82	4.08	4.32	4.74	4.77	4.37	3.24	3.06	2.68	2.46	2.60								
2002	3.34	3.83	4.11	4.01	3.77	4.02	4.25	4.65	4.67	4.26	3.16	2.96	2.57	2.31	2.00	1.40							
2003	3.32	3.80	4.08	3.98	3.74	3.98	4.20	4.58	4.59	4.18	3.11	2.92	2.54	2.29	2.03	1.75	2.10						
2004	3.31	3.79	4.06	3.96	3.72	3.95	4.16	4.53	4.53	4.13	3.10	2.90	2.55	2.33	2.20	2.07	2.40	2.70					
2005	3.32	3.79	4.06	3.96	3.72	3.96	4.16	4.52	4.52	4.13	3.14	2.96	2.65	2.51	2.58	2.57	2.96	3.40	4.10				
2006	3.32	3.78	4.05	3.95	3.72	3.94	4.14	4.49	4.49	4.10	3.14	2.98	2.69	2.58	2.70	2.72	3.05	3.37	3.70	3.30			
2007	3.31	3.76	4.02	3.92	3.69	3.91	4.10	4.44	4.43	4.04	3.11	2.95	2.67	2.56	2.64	2.65	2.90	3.10	3.23	2.80	2.30		
2008	3.34	3.79	4.05	3.95	3.73	3.95	4.14	4.47	4.46	4.10	3.20	3.07	2.84	2.80	3.03	3.09	3.38	3.63	3.87	3.79	4.04	5.80	
2009	3.30	3.74	3.99	3.89	3.66	3.87	4.05	4.37	4.35	3.97	3.09	2.94	2.69	2.60	2.69	2.70	2.89	3.02	3.08	2.83	2.67	2.86	0.00

All figures are average annual percentage increases.

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

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:

	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008
TO DECEMBER 31:																							
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	1.79	1.45	1.39	1.81	2.43	2.58	2.72	2.73	2.94	3.52	4.46	3.35	2.64	2.44	0.30	0.05							
2003	1.78	1.44	1.39	1.80	2.41	2.55	2.68	2.68	2.89	3.43	4.30	3.22	2.52	2.26	0.53	0.52	0.99						
2004	1.78	1.44	1.38	1.79	2.38	2.52	2.64	2.64	2.84	3.35	4.17	3.11	2.43	2.15	0.71	0.76	1.12	1.25					
2005	1.78	1.45	1.39	1.79	2.37	2.51	2.62	2.62	2.81	3.30	4.08	3.05	2.38	2.11	0.93	1.02	1.35	1.53	1.80				
2006	1.78	1.46	1.40	1.80	2.37	2.50	2.62	2.61	2.79	3.27	4.01	3.01	2.38	2.13	1.15	1.27	1.58	1.78	2.04	2.28			
2007	1.79	1.47	1.42	1.80	2.37	2.50	2.61	2.60	2.78	3.23	3.94	2.97	2.37	2.14	1.30	1.43	1.71	1.89	2.10	2.24	2.21		
2008	1.79	1.47	1.42	1.81	2.36	2.49	2.59	2.59	2.75	3.19	3.87	2.92	2.34	2.11	1.37	1.49	1.73	1.88	2.04	2.11	2.03	1.86	
2009	1.79	1.48	1.43	1.81	2.36	2.48	2.58	2.58	2.74	3.16	3.81	2.89	2.33	2.12	1.46	1.58	1.80	1.93	2.07	2.14	2.09	2.03	2.20

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 END OF FISCAL YEAR:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008			
TO END OF FISCAL YEAR:																												
1985	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										
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									
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								
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	N/A							
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	N/A							
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	N/A	0.08	0.39	0.62	1.44			
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	N/A	0.40	0.71	0.97	1.57	1.69		
2009	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	N/A	0.42	0.67	0.86	1.21	1.09	0.50	
2009	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	N/A	0.47	0.69	0.84	1.10	0.99	0.63	0.77

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, 2009 MERHCF VALUATION MEDICAL TRENDS

From FY:	To FY:	DC			PC			
		IP	OP	Rx	IP	OP	Rx	USFHP
2009	2010	3.63%	2.76%	2.75%	4.63%	3.26%	7.51%	5.49%
2010	2011	3.09%	3.72%	2.89%	4.09%	4.72%	7.43%	5.87%
2011	2012	2.85%	3.33%	3.03%	3.85%	4.33%	7.35%	5.55%
2012	2013	2.88%	3.51%	3.17%	3.88%	4.51%	7.28%	5.59%
2013	2014	3.13%	4.04%	3.31%	4.13%	5.04%	7.21%	5.88%
2014	2015	3.08%	3.98%	3.45%	4.08%	4.98%	7.14%	5.79%
2015	2016	3.21%	4.15%	3.59%	4.21%	5.15%	7.08%	5.87%
2016	2017	3.26%	4.88%	3.73%	4.26%	5.88%	7.03%	6.17%
2017	2018	3.40%	5.37%	3.87%	4.40%	6.37%	6.97%	6.37%
2018	2019	3.45%	4.78%	4.01%	4.45%	5.78%	6.92%	6.06%
2019	2020	3.62%	4.87%	4.15%	4.56%	5.80%	6.87%	6.05%
2020	2021	3.80%	4.96%	4.29%	4.67%	5.83%	6.82%	6.03%
2021	2022	3.97%	5.05%	4.43%	4.79%	5.86%	6.77%	5.62%
2022	2023	4.15%	5.14%	4.57%	4.90%	5.89%	6.73%	5.67%
2023	2024	4.32%	5.24%	4.71%	5.01%	5.92%	6.68%	5.73%
2024	2025	4.50%	5.33%	4.85%	5.12%	5.95%	6.64%	5.78%
2025	2026	4.67%	5.42%	4.99%	5.24%	5.98%	6.60%	5.82%
2026	2027	4.85%	5.51%	5.13%	5.35%	6.01%	6.56%	5.87%
2027	2028	5.02%	5.60%	5.27%	5.46%	6.04%	6.52%	5.92%
2028	2029	5.20%	5.70%	5.41%	5.57%	6.07%	6.48%	5.97%
2029	2030	5.37%	5.79%	5.55%	5.69%	6.10%	6.44%	6.02%
2030	2031	5.55%	5.88%	5.69%	5.80%	6.13%	6.40%	6.06%
2031	2032	5.72%	5.97%	5.83%	5.91%	6.16%	6.36%	6.11%
2032	2033	5.90%	6.07%	5.97%	6.02%	6.19%	6.32%	6.16%
2033	2034	6.07%	6.16%	6.11%	6.14%	6.22%	6.29%	6.20%
Ultimate		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

DC Direct Care
PC Purchased Care
IP Inpatient Hospital
OP Outpatient
Rx Pharmacy
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 incurred while the patient was Medicare-eligible (Medicare-eligible CV), and from
- (ii) average family costs derived from claims incurred while 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.

Since the September 30, 2008, MERHCF valuation, survivor CVs are developed using survivor age. Therefore, a survivor CV value at age 90 represents the average cost for survivors who were age nearest 90 at the end of the experience year.

The MERHCF valuation uses 70 claim vectors, derived from seven benefit categories and 10 population subcategories. The seven 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)
- Purchased care USFHP

Direct care (DC) refers to care obtained at a military treatment facility (MTF), and purchased care (PC) refers to care obtained outside the MTFs. USFHP refers to the managed care program run by US Family Health Plans. While USFHP is considered purchased care, the USFHP CV development is described in its own section (below) because USFHP CVs are based on global rates and not experience claims.

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

CV values 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 aggregate incurred claim levels and to account for administrative costs. An additional small (downward) adjustment was made to reflect near-term enrollment growth into the USFHP plans.

Purchased care CVs for the September 30, 2009, valuation were developed by blending detail data from 2007 – 2009 fiscal years. Before blending, the claims in each age cell for 2007 and 2009 were brought to 2008 claim cost levels by multiplying each element by the following ratio:

Adjustment to 2007 claim cells before blending:

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

Adjustment to 2009 claim cells before blending:

$$\frac{[2008 \text{ weighted average cost per 2008 sponsor and family}]}{[2009 \text{ weighted average cost per 2009 sponsor and family}]}$$

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

Survivor CVs were developed based on survivor 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. For the MERHCF population, dependent child survivor PC claim costs represent less than 1% of surviving spouse claim costs.

The preliminary September 30, 2009, CVs were smoothed (with a combination of formulaic and manual methods).

The IP, OP and Rx CVs were adjusted to reflect aggregate 2009 incurred purchased care claims levels for IP, OP and Rx benefits, respectively. Estimates of 2009 incurred PC claims were produced from aggregate claims paid through March 2010. 2009 incurred PC claims (completed) are shown in Table E1.

TABLE E1
 FY 2009 PURCHASED CARE AGGREGATE INCURRED CLAIMS – MERHCF
 (\$ millions)

Inpatient Hospital	\$739
Outpatient	\$1,873
<u>Pharmacy</u>	<u>\$3,501</u>
Total	\$6,113

Incurred pharmacy claims in Table E1 have not been adjusted to reflect voluntary rebates on retail brand prescriptions incurred during FY 2009.

A small adjustment was made to the PC aggregate incurred claims values to reflect near-term expected growth in USFHP enrollment. Based on recent experience, OACT assumed USFHP enrollment growth would continue to exceed general MERHCF population growth. Extrapolating current USFHP enrollment experience, an assumption was made about USFHP enrollment growth over the first five projection years of the valuation model, which resulted in the application of the following factor to each of the PC (and DC) incurred claims values:

$$(1 - \text{USFHP enrollment \% in five years}) / (1 - \text{USFHP enrollment \% in current year}) = .99934$$

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.

Expected retail pharmacy rebates are subtracted from each future year's projected cash flow. Information about OACT's pharmacy rebate assumptions is included later in this section.

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, 2009, valuation, the MERHCF Board approved purchased care claim loads for administrative costs of 6.0% (IP and OP) and 2.3% (Rx). These loads are based on amounts paid for claims administration that were not already reflected in the claims data.

Adjustment for Ultimate Plan Participation

As described in Appendix F (Participation Rates), the PC CVs are 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 final ruling on this law was effective May 26, 2009. In addition, prior voluntary drug rebate arrangements, implemented in FY 2007, are also in effect. More information regarding the details and status of these DoD retail drug rebate programs is available in the

Management’s Discussion and Analysis of the DoD Medicare-Eligible Retiree Health Care Fund year-end Financial Statement.

As with most drug rebate programs, the reduced drug price comes in the form of rebates or refunds (i.e., not in the claims), so an explicit assumption is applied to the PC pharmacy CVs to reflect this discount. An estimate of annual pharmacy rebates under both the voluntary and mandatory rebate arrangements was determined by applying rebate information supplied by the TMA Pharmacy Operations Directorate to retail drug claims data at the NDC and package size level. This estimate was converted to an effective PC pharmacy refund rate in each projection year. For the September 30, 2009, MERHCF valuation, that effective rate was 14.3%. Since the refund rate is applied to the CVs that have been loaded for administration costs, the effective drug refund rate must be divided by one plus the drug admin load in order to preserve the expected level of administration costs on pharmacy claims.

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

Approximately 1.9% of the MERHCF-eligible population enrolls in a USFHP plan. USFHP is a managed care plan, offered in six US locations, that is funded on a fully capitated or global rate basis. Average costs for USFHP enrollees are higher than costs for other enrollees primarily because USFHP is primary payer (enrollees' costs are not offset first by Medicare, and perhaps other health insurance, as is the case with TRICARE For Life).

OACT produced USFHP CVs¹ based on the average family global rate 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 global rates by age and gender. The smoothing techniques that were used to develop the purchased care CVs were also used to develop the USFHP CVs. Since the USFHP global rates are all inclusive (all benefits), only 10 CVs were produced—one for each population subcategory.

The USFHP CVs were adjusted to calibrate the initial MERHCF valuation year’s cash flow to aggregate incurred global rate payments (\$621 million for FY 2009). Estimates of FY 2009 incurred USFHP payments were obtained from the Military Health System Data Mart (M2), and verified against TMA’s Contract Resource Management (CRM) MERHCF Trust Fund Reports.

No plan participation adjustment is made to the CVs. 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 billing consolidation. For the September 30, 2009, valuation, the MERHCF Board approved an administration cost load of 0.45% for the USFHP CVs, unchanged from the prior year.

Finally, FY 2009 incurred USFHP payments are multiplied by 1.0348 to adjust for the expected growth in USFHP enrollment over the next five years. This adjustment, determined by projecting recent USFHP enrollment growth among Medicare eligible members, is consistent with the adjustments that are made to the aggregate incurred PC and DC claims.

¹ In the case of USFHP, CV refers to the age-based vector of capitation rates. “Capitation rate” and “global rate” are used interchangeably.

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 2009 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 CVs for the September 30, 2009, valuation were developed by blending detail data from 2007 – 2009 fiscal years. Before blending, the workloads in each age cell for 2007 and 2009 were brought to 2008 workload levels by multiplying each element by the following ratio:

Adjustment to 2007 workload cells before blending:

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

Adjustment to 2009 workload cells before blending:

$$\frac{[2008 \text{ weighted average workload per 2008 sponsor and family}]}{[2009 \text{ weighted average workload per 2009 sponsor and family}]}$$

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

As with PC, DC 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. For the MERHCF population, DC dependent child survivor DC claim costs represent less than 1% of surviving spouse claim costs.

The preliminary September 30, 2009, CVs were smoothed (with a combination of formulaic and manual methods).

The IP, OP and Rx CVs were adjusted to reflect aggregate 2009 incurred direct care claims levels for IP, OP and Rx benefits, respectively. Estimates of 2009 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 2009 DIRECT CARE COSTS – MERHCF
(\$ millions)

Inpatient Hospital	\$500
Outpatient	\$523
<u>Pharmacy</u>	<u>\$664</u>
Total	\$1,687

A small adjustment was made to the DC aggregate incurred claims levels to reflect near-term expected growth in USFHP enrollment. Based on recent experience, OACT assumed USFHP enrollment growth would continue to exceed general MERHCF population growth. Extrapolating current USFHP enrollment experience, an assumption was made about USFHP enrollment growth over the first five projection years of the valuation model, which resulted in the application of the following factor to each of the DC (and PC) incurred claims values:

$$(1 - \text{USFHP enrollment \% in five years}) / (1 - \text{USFHP enrollment \% in current year}) = .99934$$

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 70 PC and DC CVs, in abbreviated form (quinquennial ages). All values are in dollars.

TABLE E3
FY 2009 MERHCF CLAIM VECTORS

Age	Direct Care									
	Inpatient Retiree Active Duty Nondisabled Enlisted	Inpatient Retiree Active Duty Nondisabled Officer	Inpatient Retiree Active Duty Disabled Enlisted	Inpatient Retiree Active Duty Disabled Officer	Inpatient Retiree Reserve Nondisabled Enlisted	Inpatient Retiree Reserve Nondisabled Officer	Inpatient Survivor Active Duty Enlisted	Inpatient Survivor Active Duty Officer	Inpatient Survivor Reserve Enlisted	Inpatient Survivor Reserve Officer
20	\$10.60	\$5.49	\$42.66	\$86.59	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
25	\$10.60	\$5.49	\$42.66	\$86.59	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
30	\$10.60	\$5.49	\$53.21	\$86.59	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
35	\$10.60	\$5.49	\$60.87	\$86.59	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
40	\$10.60	\$5.49	\$69.72	\$86.59	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
45	\$12.05	\$5.49	\$78.98	\$125.17	\$5.46	\$5.09	\$3.96	\$8.49	\$21.66	\$19.47
50	\$19.80	\$12.59	\$87.44	\$139.08	\$5.46	\$5.09	\$25.90	\$8.49	\$21.66	\$19.47
55	\$36.37	\$14.23	\$93.49	\$152.99	\$5.46	\$5.09	\$31.35	\$8.49	\$21.66	\$19.47
60	\$66.45	\$20.97	\$95.02	\$166.89	\$5.46	\$5.09	\$38.96	\$28.70	\$21.66	\$19.47
65	\$318.09	\$172.00	\$189.69	\$234.91	\$33.18	\$34.65	\$83.03	\$32.36	\$21.66	\$39.78
70	\$401.10	\$293.78	\$383.55	\$454.88	\$55.28	\$58.11	\$180.09	\$114.30	\$25.79	\$42.84
75	\$491.19	\$381.66	\$385.09	\$630.59	\$85.41	\$76.19	\$210.39	\$150.19	\$36.41	\$45.90
80	\$559.31	\$469.54	\$450.03	\$586.93	\$114.54	\$99.78	\$229.12	\$181.12	\$50.28	\$48.95
85	\$606.91	\$557.42	\$620.99	\$503.54	\$142.78	\$130.08	\$235.45	\$200.77	\$53.94	\$52.01
90	\$635.03	\$645.30	\$1,029.37	\$529.34	\$163.85	\$168.41	\$228.63	\$200.77	\$53.94	\$55.52
95	\$635.03	\$737.68	\$1,029.37	\$760.49	\$163.85	\$210.54	\$195.10	\$200.77	\$53.94	\$55.52
100	\$635.03	\$737.68	\$1,029.37	\$760.49	\$163.85	\$210.54	\$195.10	\$200.77	\$53.94	\$55.52
105	\$635.03	\$737.68	\$1,029.37	\$760.49	\$163.85	\$210.54	\$195.10	\$200.77	\$53.94	\$55.52
110	\$635.03	\$737.68	\$1,029.37	\$760.49	\$163.85	\$210.54	\$195.10	\$200.77	\$53.94	\$55.52
115	\$635.03	\$737.68	\$1,029.37	\$760.49	\$163.85	\$210.54	\$195.10	\$200.77	\$53.94	\$55.52

TABLE E3 (continued)
 FY 2009 MERHCF CLAIM VECTORS

Age	Direct Care									
	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty	Active Duty	Active Duty	Active Duty	Reserve	Reserve	Active Duty	Active Duty	Reserve	Reserve
	Nondisabled	Nondisabled	Disabled	Disabled	Nondisabled	Nondisabled				
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	\$7.95	\$5.32	\$52.90	\$47.71	\$3.30	\$8.12	\$3.06	\$10.53	\$1.43	\$7.21
25	\$7.95	\$5.32	\$52.90	\$47.71	\$3.30	\$8.12	\$3.06	\$10.53	\$1.43	\$7.21
30	\$7.95	\$5.32	\$57.78	\$47.71	\$3.30	\$8.12	\$3.06	\$10.53	\$1.43	\$7.21
35	\$7.95	\$5.32	\$69.09	\$47.71	\$3.30	\$8.12	\$3.06	\$10.53	\$1.43	\$7.21
40	\$7.95	\$5.32	\$88.10	\$47.71	\$3.30	\$8.12	\$3.06	\$10.53	\$1.43	\$7.21
45	\$16.88	\$5.32	\$105.61	\$136.11	\$3.30	\$8.12	\$12.58	\$10.53	\$1.43	\$7.21
50	\$27.13	\$13.80	\$110.72	\$231.99	\$3.30	\$8.12	\$21.31	\$10.53	\$1.43	\$7.21
55	\$42.91	\$23.17	\$99.65	\$292.46	\$3.30	\$8.12	\$34.32	\$10.53	\$3.06	\$7.21
60	\$74.52	\$32.14	\$87.78	\$234.33	\$3.30	\$8.12	\$53.02	\$27.40	\$13.16	\$30.69
65	\$194.84	\$136.24	\$179.10	\$140.11	\$27.98	\$23.78	\$79.12	\$35.03	\$21.95	\$47.07
70	\$471.01	\$478.79	\$344.22	\$543.87	\$73.28	\$93.32	\$214.79	\$192.76	\$29.13	\$50.64
75	\$520.76	\$553.44	\$345.05	\$653.37	\$94.20	\$121.46	\$216.85	\$195.98	\$34.38	\$46.89
80	\$522.41	\$583.54	\$363.72	\$579.35	\$107.70	\$134.37	\$205.06	\$187.43	\$37.38	\$40.24
85	\$493.62	\$573.20	\$424.40	\$447.59	\$110.08	\$133.20	\$180.70	\$168.20	\$37.96	\$34.35
90	\$449.12	\$525.94	\$593.31	\$373.50	\$97.22	\$124.23	\$144.88	\$139.23	\$37.96	\$32.21
95	\$398.26	\$444.80	\$593.31	\$373.50	\$48.59	\$124.23	\$98.53	\$101.31	\$37.96	\$37.82
100	\$398.26	\$277.80	\$593.31	\$373.50	\$48.59	\$124.23	\$30.76	\$52.97	\$37.96	\$37.82
105	\$398.26	\$277.80	\$593.31	\$373.50	\$48.59	\$124.23	\$30.76	\$52.97	\$37.96	\$37.82
110	\$398.26	\$277.80	\$593.31	\$373.50	\$48.59	\$124.23	\$30.76	\$52.97	\$37.96	\$37.82
115	\$398.26	\$277.80	\$593.31	\$373.50	\$48.59	\$124.23	\$30.76	\$52.97	\$37.96	\$37.82

TABLE E3 (continued)
 FY 2009 MERHCF CLAIM VECTORS

Direct Care										
	Pharmacy Retiree Active Duty Nondisabled	Pharmacy Retiree Active Duty Nondisabled	Pharmacy Retiree Active Duty Disabled	Pharmacy Retiree Active Duty Disabled	Pharmacy Retiree Reserve Nondisabled	Pharmacy Retiree Reserve Nondisabled	Pharmacy Survivor Active Duty	Pharmacy Survivor Active Duty	Pharmacy Survivor Reserve	Pharmacy Survivor Reserve
Age	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	\$12.59	\$6.70	\$9.22	\$24.00	\$18.81	\$12.89	\$3.47	\$21.72	\$4.01	\$8.49
25	\$12.59	\$6.70	\$9.22	\$24.00	\$18.81	\$12.89	\$3.47	\$21.72	\$4.01	\$8.49
30	\$12.59	\$6.70	\$9.22	\$24.00	\$18.81	\$12.89	\$3.47	\$21.72	\$4.01	\$8.49
35	\$12.59	\$6.70	\$55.46	\$24.00	\$18.81	\$12.89	\$3.47	\$21.72	\$4.01	\$8.49
40	\$12.59	\$6.70	\$85.23	\$54.49	\$18.81	\$12.89	\$3.47	\$21.72	\$4.01	\$8.49
45	\$14.39	\$6.70	\$104.93	\$113.49	\$18.81	\$12.89	\$15.95	\$21.72	\$4.01	\$8.49
50	\$21.82	\$12.95	\$108.63	\$175.85	\$18.81	\$12.89	\$27.01	\$21.72	\$4.01	\$8.49
55	\$41.42	\$20.85	\$97.88	\$209.16	\$18.81	\$12.89	\$43.49	\$21.72	\$4.01	\$8.49
60	\$83.94	\$32.22	\$87.04	\$172.02	\$18.81	\$12.89	\$67.20	\$21.72	\$25.29	\$38.00
65	\$235.41	\$127.10	\$181.94	\$139.37	\$66.23	\$46.18	\$100.27	\$52.20	\$89.06	\$86.34
70	\$675.40	\$537.22	\$421.72	\$577.40	\$302.34	\$270.51	\$325.55	\$256.94	\$136.63	\$116.56
75	\$741.88	\$621.52	\$430.62	\$665.23	\$385.05	\$344.96	\$318.30	\$258.91	\$150.63	\$124.53
80	\$680.15	\$621.89	\$432.59	\$574.39	\$366.72	\$351.30	\$284.11	\$233.29	\$121.99	\$112.54
85	\$542.07	\$546.36	\$426.41	\$411.33	\$269.94	\$292.73	\$226.89	\$188.30	\$88.10	\$87.80
90	\$381.58	\$414.57	\$406.67	\$264.48	\$154.72	\$196.75	\$157.09	\$133.93	\$39.67	\$61.22
95	\$219.35	\$259.21	\$377.72	\$214.80	\$116.51	\$112.55	\$93.37	\$81.87	\$39.67	\$49.57
100	\$219.35	\$110.24	\$377.72	\$214.80	\$116.51	\$102.11	\$64.02	\$46.33	\$39.67	\$49.57
105	\$219.35	\$110.24	\$377.72	\$214.80	\$116.51	\$102.11	\$64.02	\$46.33	\$39.67	\$49.57
110	\$219.35	\$110.24	\$377.72	\$214.80	\$116.51	\$102.11	\$64.02	\$46.33	\$39.67	\$49.57
115	\$219.35	\$110.24	\$377.72	\$214.80	\$116.51	\$102.11	\$64.02	\$46.33	\$39.67	\$49.57

TABLE E3 (continued)
 FY 2009 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient	Inpatient
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled	Active Duty Nondisabled	Active Duty Disabled	Active Duty Disabled	Reserve Nondisabled	Reserve Nondisabled	Active Duty	Active Duty	Reserve	Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	\$10.55	\$3.31	\$15.51	\$35.67	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
25	\$10.55	\$3.31	\$15.51	\$35.67	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
30	\$10.55	\$3.31	\$32.03	\$35.67	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
35	\$10.55	\$3.31	\$48.59	\$35.67	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
40	\$10.55	\$3.31	\$68.11	\$35.67	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
45	\$9.26	\$3.31	\$89.48	\$49.47	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
50	\$14.39	\$6.29	\$111.09	\$64.71	\$33.49	\$8.33	\$17.78	\$27.03	\$22.65	\$23.11
55	\$29.67	\$10.14	\$130.79	\$77.78	\$33.49	\$8.33	\$66.83	\$27.03	\$22.65	\$23.11
60	\$64.23	\$15.66	\$145.88	\$84.57	\$33.49	\$8.33	\$101.77	\$27.03	\$113.81	\$23.11
65	\$221.83	\$55.65	\$232.12	\$126.76	\$114.58	\$37.33	\$142.37	\$65.58	\$185.48	\$112.54
70	\$475.47	\$301.96	\$459.47	\$495.22	\$306.62	\$251.32	\$365.30	\$300.83	\$267.61	\$193.39
75	\$689.84	\$499.74	\$626.75	\$632.91	\$459.86	\$443.17	\$492.43	\$484.99	\$360.52	\$288.13
80	\$906.35	\$747.43	\$852.91	\$791.10	\$621.05	\$657.58	\$625.24	\$656.91	\$464.55	\$390.30
85	\$1,102.19	\$999.38	\$1,010.68	\$969.09	\$779.93	\$874.29	\$750.56	\$794.85	\$580.03	\$489.64
90	\$1,247.36	\$1,217.73	\$1,010.68	\$1,165.26	\$923.01	\$1,063.39	\$850.03	\$872.82	\$746.81	\$571.44
95	\$1,303.83	\$1,378.30	\$1,010.68	\$1,375.05	\$987.58	\$1,183.70	\$883.92	\$860.46	\$746.81	\$604.93
100	\$838.50	\$1,378.30	\$1,010.68	\$1,375.05	\$987.58	\$1,177.69	\$883.92	\$642.15	\$746.81	\$604.93
105	\$838.50	\$1,378.30	\$1,010.68	\$1,375.05	\$987.58	\$1,177.69	\$883.92	\$642.15	\$746.81	\$604.93
110	\$838.50	\$1,378.30	\$1,010.68	\$1,375.05	\$987.58	\$1,177.69	\$883.92	\$642.15	\$746.81	\$604.93
115	\$838.50	\$1,378.30	\$1,010.68	\$1,375.05	\$987.58	\$1,177.69	\$883.92	\$642.15	\$746.81	\$604.93

TABLE E3 (continued)
FY 2009 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient	Outpatient
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty	Active Duty	Active Duty	Active Duty	Reserve	Reserve	Active Duty	Active Duty	Reserve	Reserve
	Nondisabled	Nondisabled	Disabled	Disabled	Nondisabled	Nondisabled				
	Enlisted	Officer	Enlisted	Officer	Enlisted	Officer	Enlisted	Officer	Enlisted	Officer
20	\$26.85	\$15.81	\$70.67	\$73.51	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
25	\$26.85	\$15.81	\$70.67	\$73.51	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
30	\$26.85	\$15.81	\$141.90	\$73.51	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
35	\$26.85	\$15.81	\$193.80	\$73.51	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
40	\$26.85	\$15.81	\$243.49	\$181.83	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
45	\$33.92	\$15.81	\$290.31	\$260.40	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$38.82
50	\$61.17	\$24.94	\$333.49	\$330.14	\$115.25	\$53.12	\$69.85	\$86.50	\$127.82	\$40.62
55	\$107.02	\$42.92	\$372.17	\$368.47	\$115.25	\$53.12	\$170.59	\$86.50	\$127.82	\$49.58
60	\$195.90	\$82.45	\$405.43	\$344.84	\$115.25	\$53.12	\$244.93	\$86.50	\$349.02	\$160.13
65	\$436.99	\$249.73	\$546.07	\$550.15	\$286.24	\$170.04	\$291.84	\$126.95	\$593.55	\$473.67
70	\$1,664.97	\$1,662.56	\$1,487.17	\$1,941.41	\$1,329.60	\$1,297.49	\$1,045.84	\$995.43	\$786.53	\$754.81
75	\$1,997.82	\$2,140.22	\$1,700.35	\$2,391.19	\$1,659.08	\$1,735.79	\$1,102.15	\$1,123.60	\$897.88	\$929.62
80	\$2,049.00	\$2,361.14	\$1,720.70	\$2,417.52	\$1,699.01	\$1,934.33	\$1,088.95	\$1,165.07	\$909.87	\$974.94
85	\$1,896.36	\$2,349.04	\$1,617.49	\$2,190.59	\$1,547.80	\$1,908.62	\$1,012.65	\$1,125.30	\$824.69	\$904.93
90	\$1,604.93	\$2,124.21	\$1,617.49	\$1,860.29	\$1,275.74	\$1,696.78	\$878.75	\$1,009.05	\$550.67	\$761.54
95	\$1,229.55	\$1,704.16	\$1,617.49	\$1,559.73	\$901.67	\$1,362.42	\$691.99	\$820.49	\$550.67	\$568.00
100	\$529.59	\$1,104.10	\$1,617.49	\$1,199.56	\$563.13	\$957.74	\$456.49	\$493.09	\$550.67	\$568.00
105	\$529.59	\$635.77	\$1,617.49	\$1,199.56	\$563.13	\$957.74	\$223.52	\$493.09	\$550.67	\$568.00
110	\$529.59	\$635.77	\$1,617.49	\$1,199.56	\$563.13	\$957.74	\$223.52	\$493.09	\$550.67	\$568.00
115	\$529.59	\$635.77	\$1,617.49	\$1,199.56	\$563.13	\$957.74	\$223.52	\$493.09	\$550.67	\$568.00

TABLE E3 (continued)
 FY 2009 MERHCF CLAIM VECTORS

Age	Purchased Care									
	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy	Pharmacy
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty	Active Duty	Active Duty	Active Duty	Reserve	Reserve	Active Duty	Active Duty	Reserve	Reserve
	Nondisabled	Nondisabled	Disabled	Disabled	Nondisabled	Nondisabled				
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	\$56.89	\$43.66	\$50.97	\$128.54	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
25	\$56.89	\$43.66	\$50.97	\$128.54	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
30	\$56.89	\$43.66	\$178.41	\$128.54	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
35	\$56.89	\$43.66	\$308.81	\$128.54	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
40	\$56.89	\$43.66	\$440.51	\$417.48	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
45	\$81.53	\$43.66	\$559.57	\$650.02	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
50	\$132.26	\$57.43	\$656.63	\$875.36	\$83.60	\$73.08	\$127.20	\$211.09	\$128.51	\$16.23
55	\$217.87	\$105.86	\$725.15	\$1,013.60	\$83.60	\$73.08	\$361.63	\$211.09	\$458.41	\$16.23
60	\$392.31	\$191.59	\$760.50	\$943.38	\$104.82	\$73.08	\$489.60	\$211.09	\$659.95	\$506.26
65	\$925.54	\$603.19	\$1,010.55	\$1,232.28	\$710.15	\$491.71	\$619.83	\$365.03	\$1,266.26	\$1,175.00
70	\$2,830.69	\$3,040.61	\$2,523.11	\$3,358.47	\$2,658.86	\$2,664.40	\$2,042.89	\$2,090.04	\$1,860.38	\$1,756.93
75	\$3,263.31	\$3,744.75	\$2,754.64	\$4,107.52	\$3,130.38	\$3,334.00	\$2,111.69	\$2,322.53	\$2,171.04	\$2,142.40
80	\$3,198.63	\$3,942.94	\$2,582.69	\$4,098.42	\$3,034.85	\$3,544.48	\$2,085.64	\$2,446.65	\$2,142.89	\$2,285.19
85	\$2,867.08	\$3,868.30	\$2,360.65	\$3,719.26	\$2,752.59	\$3,434.49	\$1,954.95	\$2,431.62	\$1,847.79	\$2,192.29
90	\$2,460.28	\$3,582.04	\$2,360.65	\$3,249.85	\$2,401.39	\$3,119.76	\$1,708.93	\$2,245.10	\$1,431.19	\$1,916.04
95	\$2,009.40	\$3,010.48	\$2,360.65	\$2,778.08	\$1,689.42	\$2,697.75	\$1,336.02	\$1,853.25	\$1,431.19	\$1,401.18
100	\$2,009.40	\$1,752.37	\$2,360.65	\$1,991.80	\$899.57	\$2,052.21	\$823.80	\$1,055.15	\$1,431.19	\$1,401.18
105	\$2,009.40	\$1,752.37	\$2,360.65	\$1,991.80	\$899.57	\$2,052.21	\$153.81	\$1,055.15	\$1,431.19	\$1,401.18
110	\$2,009.40	\$1,752.37	\$2,360.65	\$1,991.80	\$899.57	\$2,052.21	\$153.81	\$1,055.15	\$1,431.19	\$1,401.18
115	\$2,009.40	\$1,752.37	\$2,360.65	\$1,991.80	\$899.57	\$2,052.21	\$153.81	\$1,055.15	\$1,431.19	\$1,401.18

TABLE E3 (continued)
 FY 2009 MERHCF CLAIM VECTORS

Age	Purchased Care									
	USFHP	USFHP	USFHP	USFHP	USFHP	USFHP	USFHP	USFHP	USFHP	USFHP
	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled	Active Duty Nondisabled	Active Duty Disabled	Active Duty Disabled	Reserve Nondisabled	Reserve Nondisabled	Active Duty	Active Duty	Reserve	Reserve
<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	
20	\$0.00	\$0.00	\$24.94	\$0.00	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
25	\$0.00	\$0.00	\$24.94	\$0.00	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
30	\$0.00	\$0.00	\$24.94	\$0.00	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
35	\$0.00	\$0.00	\$24.94	\$0.00	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
40	\$0.13	\$0.00	\$24.94	\$24.29	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
45	\$2.50	\$1.04	\$24.94	\$30.74	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
50	\$4.24	\$1.80	\$40.08	\$37.95	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
55	\$9.26	\$2.24	\$53.26	\$45.92	\$0.00	\$0.00	\$12.19	\$4.97	\$18.06	\$10.57
60	\$23.16	\$8.82	\$69.82	\$54.65	\$14.73	\$1.57	\$12.19	\$4.97	\$18.06	\$10.57
65	\$130.77	\$110.92	\$202.76	\$146.85	\$112.33	\$106.63	\$81.82	\$58.59	\$74.45	\$57.64
70	\$461.38	\$469.11	\$457.93	\$424.10	\$428.74	\$428.64	\$279.41	\$276.95	\$275.50	\$279.84
75	\$579.08	\$598.76	\$577.26	\$538.47	\$550.46	\$556.89	\$330.90	\$329.95	\$325.00	\$328.85
80	\$623.15	\$656.81	\$640.26	\$604.18	\$610.98	\$626.35	\$363.43	\$363.78	\$358.53	\$354.81
85	\$622.10	\$664.25	\$647.14	\$625.73	\$615.97	\$642.44	\$376.73	\$378.31	\$372.39	\$374.03
90	\$599.66	\$638.62	\$509.76	\$555.30	\$570.25	\$609.81	\$376.73	\$378.31	\$372.39	\$374.03
95	\$571.27	\$577.07	\$509.76	\$555.30	\$417.44	\$518.73	\$376.73	\$378.31	\$372.39	\$374.03
100	\$571.27	\$577.07	\$509.76	\$555.30	\$417.44	\$518.73	\$376.73	\$378.31	\$372.39	\$374.03
105	\$571.27	\$577.07	\$509.76	\$555.30	\$417.44	\$518.73	\$376.73	\$378.31	\$372.39	\$374.03
110	\$571.27	\$577.07	\$509.76	\$555.30	\$417.44	\$518.73	\$376.73	\$378.31	\$372.39	\$374.03
115	\$571.27	\$577.07	\$509.76	\$555.30	\$417.44	\$518.73	\$376.73	\$378.31	\$372.39	\$374.03

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 (about 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 cost is the eligible population, not the enrolled population. As more claims are filed with TFL from members with other health plans, the per capita cost 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

Ultimate participation rates are not applied to USFHP CVs. Members must enroll in USFHP, and the global rates that apply to USFHP are based on full participation. USFHP is a designated provider plan that is designed to encourage members to receive all their care from this plan.

TABLE F1

MERHCF PLAN PARTICIPATION RATES

Fiscal Year	DC			PC		
	IP	OP	RX	IP	OP	RX
2009	108.0%	108.0%	104.0%	91.1%	91.2%	90.9%
2010	107.3%	107.3%	103.7%	92.1%	92.2%	91.9%
2011	106.7%	106.7%	103.3%	93.0%	93.1%	92.9%
2012	106.0%	106.0%	103.0%	93.9%	94.0%	93.8%
2013	105.3%	105.3%	102.7%	94.8%	94.8%	94.7%
2014	104.7%	104.7%	102.3%	95.6%	95.6%	95.5%
2015	104.0%	104.0%	102.0%	96.4%	96.4%	96.3%
2016	103.3%	103.3%	101.7%	97.1%	97.1%	97.0%
2017	102.7%	102.7%	101.3%	97.8%	97.8%	97.8%
2018	102.0%	102.0%	101.0%	98.5%	98.5%	98.4%
2019	101.3%	101.3%	100.7%	99.0%	99.0%	99.0%
2020	100.7%	100.7%	100.3%	99.6%	99.6%	99.5%
2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2022	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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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. In addition, the death rates are updated each year to reflect another year of mortality improvement to the valuation date (using Scale AA, a trend created by the Society of Actuaries (SOA), with adjustments to reflect the impact of military-specific gender mix and the relative difference in mortality improvement experience between officers and enlistees). 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 ACTIVE DUTY 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
Paygrade 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	0.00026	0.00058	39	0.00037	0.00056
17	0.00028	0.00064	40	0.00036	0.00060
18	0.00031	0.00068	41	0.00037	0.00063
19	0.00032	0.00069	42	0.00037	0.00067
20	0.00033	0.00066	43	0.00039	0.00070
21	0.00035	0.00065	44	0.00042	0.00074
22	0.00037	0.00062	45	0.00046	0.00079
23	0.00046	0.00058	46	0.00050	0.00084
24	0.00053	0.00054	47	0.00055	0.00090
25	0.00059	0.00051	48	0.00060	0.00099
26	0.00064	0.00051	49	0.00065	0.00109
27	0.00065	0.00049	50	0.00070	0.00121
28	0.00063	0.00047	51	0.00074	0.00135
29	0.00060	0.00047	52	0.00080	0.00152
30	0.00055	0.00047	53	0.00086	0.00170
31	0.00052	0.00048	54	0.00093	0.00188
32	0.00048	0.00048	55	0.00106	0.00217
33	0.00045	0.00047	56	0.00120	0.00246
34	0.00043	0.00047	57	0.00137	0.00283
35	0.00042	0.00048	58	0.00158	0.00324
36	0.00040	0.00049	59	0.00178	0.00365
37	0.00040	0.00051	60	0.00200	0.00410
38	0.00038	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>Years of Service</u>	<u>Non-disability</u>	<u>Temporary Disability</u>	<u>Permanent Disability</u>
0	0.00000	0.00051	0.00012
1	0.00000	0.00087	0.00009
2	0.00000	0.00099	0.00011
3	0.00000	0.00115	0.00016
4	0.00000	0.00130	0.00017
5	0.00000	0.00129	0.00018
6	0.00000	0.00128	0.00033
7	0.00000	0.00126	0.00032
8	0.00000	0.00124	0.00032
9	0.00000	0.00121	0.00033
10	0.00000	0.00118	0.00032
11	0.00000	0.00115	0.00031
12	0.00000	0.00111	0.00031
13	0.00000	0.00107	0.00031
14	0.00000	0.00103	0.00033
15	0.00000	0.00098	0.00038
16	0.00000	0.00094	0.00046
17	0.00000	0.00089	0.00056
18	0.00000	0.00084	0.00065
19	0.24055	0.00275	0.00145
20	0.21309	0.00306	0.00186
21	0.16279	0.00226	0.00170
22	0.14225	0.00266	0.00161
23	0.14163	0.00313	0.00190
24	0.13776	0.00272	0.00182
25	0.17677	0.00319	0.00158
26	0.18520	0.00541	0.00261
27	0.21555	0.00462	0.00194
28	0.20353	0.00501	0.00339
29	0.47452	0.00795	0.00459
30	0.38848	0.01134	0.00630
31	0.29656	0.00848	0.00446
32	0.26316	0.00848	0.00446
33	0.26941	0.00848	0.00446
34	1.00000	0.00848	0.00446

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

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

Example: Nine completed years of service could include 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)

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

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

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

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

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

TABLE G8
ACTIVE DUTY TRANSFER RATES (BY COMPLETED YEARS OF SERVICE)

<u>Years of 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.

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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 reentrants into the Selected Reserve, and (4) a table that shows the timing of when new entrants or reentrants enter.

The separation rates give the probability that a member in a given status at the beginning of the fiscal year leaves the status during the fiscal year. Separation rates from the Selected Reserve, shown in Tables H1 and H2, include ordinary losses, transfers to active duty, discharge, and death. A transfer of a Selected Reservist from officer to enlisted status or vice versa is treated as a separation combined with a reentrance. They do not include transfers to non-Selected Reserves with 20 good years, or retirement. Separations from the Selected Reserve to the non-Selected Reserve with 20 good years are shown in Tables H3 and H4. Separation rates from the non-Selected Reserve with 20 good years, shown in Tables H5 and H6, include transfer to Selected Reserve, death, discharge, and file corrections and timing delays. They do not include transfer to retirement. Separations from the Selected Reserve and non-Selected Reserve with 20 good years to retirement are shown in Tables H7 and H8 (Selected Reserve) and in Tables H9 and H10 (non-Selected Reserve). The separation rates are given by age of reservist, number of years of active duty service, and whether the reservist is an officer or enlistee.

Column-transfer rates give the rate at which a member will accrue enough active service to move from one completed years of total active federal military service column to the next as a result of active duty for special work, mobilizations, summer camp, and initial active duty for training. These rates are shown in Tables H11 and H12.

The separation rates are based on fiscal years 1997-2000. In most cases the separation rates are not smoothed. However, cells with numerators of fewer than 20 cases were combined with other cells or smoothed by fitting equations to the data using weighted-least-squares regression. The column-transfer rates are based on fiscal years 1998-2001. They are smoothed over all ages and years of active service using weighted-least-squares regression.

The distribution of new entrants and reentrants into the Selected Reserve gives the proportion of entrants by officer/enlisted, age nearest birthday, and completed years of active duty service. The cell count for the complete table, including both officers and enlisted, is 100,000. For this purpose, a new entrant or reentrant is defined as someone who was actively on the Reserve Component Common Personnel Data System file at the end of a fiscal year, but not at the beginning. The entrant/reentrant distribution was determined using fiscal years 1997-2000, and is shown in Tables H13 and H14.

The timing table has the same dimensions as the entrant/reentrant distribution and operates in concordance with it. Every cell of the timing table has an integer representing the year in which persons in that cell enter. The timing table is based on fiscal years 1997-2000. This table is shown in tables H15 and H16. How the table is used depends on the type of projection. Below is an explanation of its use in normal cost and closed group projections.

Normal Cost

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

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

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

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

The multiplier (or radix) for a normal cost run in one sense does not matter, because the present value of benefits changes proportionately with it. However, part of the Reserve retirements are paid for with the active duty normal cost, since part of the Reserve retirement is attributable to active duty service. For this reason the radices for part-time and full-time normal costs must be 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
SUMMARY OF FISCAL YEARS ON WHICH RESERVE RATES ARE BASED

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

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

Age	Completed Years Of Total Active Federal Military Service																				
	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17	0.046	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18	0.046	0.217	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
19	0.046	0.217	0.113	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20	0.046	0.217	0.113	0.105	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21	0.119	0.217	0.113	0.105	0.122	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22	0.183	0.217	0.113	0.105	0.122	0.138	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23	0.160	0.217	0.113	0.105	0.122	0.138	0.150	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	0.117	0.143	0.113	0.105	0.122	0.138	0.150	0.127	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25	0.098	0.102	0.162	0.105	0.122	0.138	0.150	0.127	0.180	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
26	0.104	0.106	0.160	0.152	0.122	0.138	0.150	0.127	0.180	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	0.112	0.104	0.145	0.156	0.172	0.138	0.150	0.127	0.180	0.141	0.105	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	0.138	0.096	0.119	0.153	0.187	0.186	0.150	0.127	0.180	0.141	0.105	0.157	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	0.135	0.122	0.130	0.158	0.185	0.201	0.121	0.127	0.180	0.141	0.105	0.157	0.192	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.165	0.102	0.132	0.145	0.171	0.189	0.172	0.152	0.180	0.141	0.105	0.157	0.192	0.152	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	0.149	0.110	0.111	0.130	0.132	0.164	0.183	0.190	0.097	0.141	0.105	0.157	0.192	0.152	0.150	0.000	0.000	0.000	0.000	0.000	0.000
32	0.130	0.096	0.114	0.123	0.127	0.138	0.145	0.135	0.131	0.114	0.105	0.157	0.192	0.152	0.150	0.106	0.000	0.000	0.000	0.000	0.000
33	0.115	0.092	0.096	0.132	0.117	0.119	0.125	0.144	0.126	0.134	0.119	0.157	0.192	0.152	0.150	0.106	0.072	0.000	0.000	0.000	0.000
34	0.120	0.084	0.108	0.120	0.108	0.135	0.122	0.124	0.135	0.137	0.137	0.128	0.192	0.152	0.150	0.106	0.072	0.073	0.000	0.000	0.000
35	0.116	0.077	0.100	0.103	0.104	0.111	0.114	0.124	0.130	0.127	0.122	0.132	0.157	0.152	0.150	0.106	0.072	0.073	0.071	0.000	0.000
36	0.112	0.079	0.093	0.107	0.099	0.089	0.094	0.103	0.113	0.101	0.092	0.127	0.122	0.127	0.150	0.106	0.072	0.073	0.071	0.134	0.000
37	0.111	0.083	0.089	0.100	0.094	0.091	0.099	0.113	0.119	0.098	0.095	0.093	0.095	0.100	0.107	0.106	0.072	0.073	0.071	0.134	0.121
38	0.112	0.071	0.086	0.104	0.089	0.081	0.092	0.115	0.109	0.102	0.098	0.112	0.087	0.093	0.106	0.106	0.072	0.073	0.071	0.134	0.121
39	0.111	0.067	0.075	0.098	0.083	0.087	0.090	0.090	0.099	0.101	0.111	0.095	0.096	0.079	0.111	0.106	0.072	0.073	0.071	0.134	0.121
40	0.104	0.066	0.072	0.083	0.080	0.073	0.072	0.097	0.074	0.090	0.085	0.091	0.078	0.074	0.094	0.106	0.072	0.073	0.071	0.134	0.121
41	0.093	0.063	0.064	0.074	0.066	0.080	0.078	0.090	0.089	0.074	0.108	0.100	0.097	0.076	0.076	0.106	0.072	0.073	0.071	0.134	0.121
42	0.092	0.060	0.065	0.083	0.076	0.067	0.078	0.080	0.097	0.082	0.100	0.097	0.086	0.080	0.093	0.092	0.072	0.073	0.071	0.134	0.121
43	0.087	0.062	0.058	0.071	0.076	0.073	0.069	0.076	0.074	0.068	0.086	0.088	0.090	0.099	0.089	0.070	0.072	0.073	0.071	0.134	0.121
44	0.078	0.056	0.054	0.070	0.065	0.054	0.058	0.073	0.065	0.053	0.067	0.080	0.068	0.055	0.069	0.051	0.072	0.073	0.071	0.134	0.121
45	0.079	0.049	0.062	0.062	0.054	0.047	0.064	0.074	0.066	0.049	0.050	0.052	0.060	0.051	0.066	0.051	0.072	0.073	0.071	0.134	0.121
46	0.080	0.042	0.046	0.060	0.048	0.038	0.047	0.049	0.046	0.056	0.055	0.085	0.046	0.049	0.067	0.051	0.072	0.073	0.071	0.134	0.121
47	0.080	0.040	0.042	0.048	0.035	0.050	0.046	0.037	0.050	0.047	0.050	0.055	0.056	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
48	0.082	0.035	0.049	0.042	0.045	0.037	0.036	0.049	0.037	0.026	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
49	0.078	0.038	0.043	0.043	0.037	0.034	0.037	0.036	0.042	0.050	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
50	0.084	0.036	0.039	0.051	0.052	0.045	0.041	0.029	0.039	0.044	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
51	0.075	0.046	0.051	0.043	0.052	0.037	0.042	0.034	0.046	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
52	0.092	0.047	0.054	0.058	0.037	0.036	0.041	0.045	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
53	0.088	0.050	0.040	0.067	0.041	0.046	0.046	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
54	0.074	0.054	0.076	0.051	0.049	0.034	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
55	0.079	0.051	0.054	0.036	0.049	0.054	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
56	0.077	0.055	0.052	0.066	0.047	0.043	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
57	0.083	0.051	0.054	0.057	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
58	0.090	0.036	0.042	0.032	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
59	0.136	0.058	0.099	0.079	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
60	0.217	0.060	0.065	0.025	0.047	0.044	0.054	0.051	0.044	0.039	0.037	0.035	0.044	0.034	0.044	0.051	0.072	0.073	0.071	0.134	0.121
61	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106	0.106
62	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143
>62	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143

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

TABLE H3
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	0.067	0.094	0.130	0.096	0.133	0.190	0.174
45	0.082	0.052	0.055	0.071	0.059	0.045	0.050	0.071	0.057	0.058	0.070	0.065	0.096	0.107	0.094	0.077	0.094	0.096	0.133	0.190	0.174
46	0.075	0.049	0.056	0.064	0.050	0.037	0.050	0.067	0.048	0.047	0.083	0.067	0.068	0.070	0.093	0.070	0.094	0.096	0.133	0.190	0.174
47	0.074	0.048	0.045	0.057	0.047	0.034	0.055	0.048	0.040	0.052	0.047	0.085	0.062	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
48	0.079	0.046	0.050	0.052	0.045	0.024	0.054	0.049	0.039	0.060	0.059	0.060	0.063	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
49	0.068	0.043	0.051	0.051	0.039	0.030	0.034	0.035	0.033	0.050	0.055	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
50	0.074	0.050	0.047	0.054	0.039	0.020	0.046	0.054	0.056	0.045	0.060	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
51	0.076	0.047	0.046	0.053	0.038	0.022	0.032	0.044	0.047	0.045	0.066	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
52	0.067	0.045	0.053	0.048	0.039	0.019	0.047	0.041	0.037	0.044	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
53	0.066	0.050	0.047	0.047	0.037	0.023	0.035	0.043	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
54	0.068	0.047	0.047	0.049	0.040	0.018	0.037	0.046	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
55	0.061	0.047	0.052	0.043	0.048	0.022	0.038	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
56	0.070	0.055	0.055	0.047	0.048	0.027	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
57	0.081	0.054	0.055	0.057	0.045	0.024	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
58	0.049	0.028	0.047	0.054	0.038	0.033	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
59	0.124	0.124	0.113	0.126	0.118	0.082	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
60	0.126	0.067	0.062	0.065	0.059	0.029	0.054	0.047	0.037	0.031	0.058	0.054	0.048	0.056	0.063	0.070	0.094	0.096	0.133	0.190	0.174
61	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143
62	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151
>62	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151

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

TABLE H4
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 H5
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 H6
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 H7
ENLISTEE 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	0.165	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 H8
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 H9
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 H10
OFFICER NON-SELECTED RESERVE WITH 20 GOOD YEARS NON-DISABILITY RETIREMENT RATES

Age	Completed Years Of Total Active Federal Military Service																						
	<u>Under 1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20+</u>		
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 H11
ENLISTEE NON-SELECTED RESERVE WITH 20 GOOD YEARS NON-DISABILITY RETIREMENT RATES

Age	Completed Years Of Total Active Federal Military Service																						
	<u>Under 1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20+</u>		
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	0.411	0.412	0.412
60	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	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 H14
OFFICER 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	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	21	18	37	15	5	2	1	0
39	54	18	8	23	27	17	18	17	21	20	26	34	26	17	21	14	9	3	0	0	0
40	52	16	3	18	20	17	18	16	15	16	20	28	21	14	10	11	5	2	0	0	1
41	34	19	7	17	23	15	16	17	17	16	21	25	18	15	12	6	2	3	1	1	0
42	35	11	7	11	24	17	11	15	14	14	14	18	14	12	8	8	3	1	1	1	1
43	27	8	8	14	15	16	11	10	11	11	11	15	15	9	10	3	2	2	1	1	1
44	21	10	6	15	15	10	11	11	9	8	11	14	9	7	9	5	3	1	0	0	1
45	25	10	6	11	15	8	7	7	10	10	7	10	9	7	7	3	3	1	0	1	1
46	20	8	5	10	14	8	10	7	8	6	7	6	8	7	3	3	2	1	1	0	0
47	19	8	8	8	11	7	6	6	3	5	5	6	3	2	5	2	1	0	1	0	0
48	16	7	5	9	8	6	5	6	5	3	1	5	3	2	3	1	1	0	1	1	1
49	16	8	6	9	7	5	2	2	3	5	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	0	1	1
54	7	2	1	2	2	2	2	1	1	1	1	1	0	1	1	0	0	0	0	0	0
55	6	2	0	2	1	1	1	1	2	0	0	0	0	0	1	0	0	0	0	0	0
56	3	1	1	2	1	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0
57	2	1	0	0	1	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
58	2	0	1	1	1	1	1	1	0	0	0	0	1	1	0	0	0	0	0	0	0
59	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0

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

TABLE H15
ENLISTEE SELECTED RESERVE NEW ENTRANT RATES *

Age	Completed Years Of Total Active Federal Military Service																				
	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	10,929	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	9,492	21	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	5,812	55	32	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	3,291	115	520	489	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	1,840	145	688	1,270	484	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	1,353	159	454	1,403	1,608	69	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	1,074	153	389	1,100	1,976	300	56	2	0	0	0	0	0	0	0	0	0	0	0	0	0
25	1,007	169	355	832	1,517	434	314	28	3	0	0	0	0	0	0	0	0	0	0	0	0
26	951	172	316	683	1,177	375	476	239	26	1	0	0	0	0	0	0	0	0	0	0	0
27	841	173	265	571	984	301	417	406	178	22	1	0	0	0	0	0	0	0	0	0	0
28	759	154	212	509	783	233	318	328	265	138	45	3	0	0	0	0	0	0	0	0	0
29	697	151	174	406	645	201	248	260	206	235	188	60	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	0	0	0	0	0	0
59	2	1	2	2	1	0	1	1	0	0	0	0	0	0	0	0	0	1	0	1	0
60	1	0	2	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0

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

TABLE H16
OFFICER SELECTED RESERVE TIMING TABLE*

Completed Years Of Total Active Federal Military Service																					
Age	Under 1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	3	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	3	3	3	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	3	3	4	4	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	4	4	4	5	5	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	4	4	5	5	6	6	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	5	6	5	5	6	7	7	8	0	0	0	0	0	0	0	0	0	0	0	0	0
25	5	6	5	6	6	7	7	8	9	0	0	0	0	0	0	0	0	0	0	0	0
26	6	7	6	7	7	7	8	8	9	10	0	0	0	0	0	0	0	0	0	0	0
27	6	8	7	7	8	7	8	9	9	10	11	0	0	0	0	0	0	0	0	0	0
28	7	9	8	8	8	8	9	9	10	10	11	12	0	0	0	0	0	0	0	0	0
29	8	10	9	8	9	8	9	10	10	10	11	12	13	0	0	0	0	0	0	0	0
30	9	11	10	10	9	9	9	10	11	10	11	13	13	14	0	0	0	0	0	0	0
31	9	12	11	10	10	10	11	10	11	11	11	13	13	14	15	0	0	0	0	0	0
32	10	12	12	11	11	11	11	11	11	11	12	13	14	14	15	16	0	0	0	0	0
33	10	13	13	12	12	11	12	12	12	12	12	14	14	15	16	16	15	0	0	0	0
34	11	14	13	13	13	12	13	13	12	13	13	14	15	15	16	16	16	16	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	18	18	19	19	20	20
39	14	16	16	17	17	16	16	17	17	17	16	16	17	16	17	18	19	19	19	20	20
40	14	16	17	17	18	18	17	17	17	17	18	17	17	17	18	18	19	20	20	21	21
41	15	17	18	17	19	18	19	18	19	17	18	18	19	19	18	20	20	21	21	21	22
42	16	17	18	20	20	19	18	18	20	19	18	19	20	20	19	20	21	21	22	22	22
43	14	16	20	18	21	20	21	19	19	19	20	20	20	20	21	20	22	22	22	23	23
44	16	19	19	21	20	20	21	21	21	21	21	20	21	21	21	22	22	23	23	23	24
45	15	19	21	23	21	22	21	23	21	20	22	21	21	22	22	21	23	24	24	24	25
46	17	20	23	23	22	23	23	22	22	22	21	19	21	22	23	24	24	24	25	25	25
47	17	21	25	25	23	22	22	22	25	20	22	22	24	23	24	25	25	25	26	26	26
48	18	25	23	23	24	22	24	23	24	24	24	24	24	24	25	26	26	26	27	27	27
49	18	26	27	24	26	26	26	24	25	25	25	25	25	24	26	27	27	27	27	28	28
50	19	27	28	28	29	26	26	24	26	27	27	27	27	25	26	28	27	28	28	28	29
51	18	28	27	27	29	27	27	28	26	28	28	28	28	26	27	29	28	29	29	29	30
52	21	29	28	29	30	28	28	32	27	29	29	29	29	27	28	30	29	30	30	30	31
53	19	30	31	29	30	29	29	30	28	30	30	30	30	29	30	31	30	30	31	31	31
54	19	30	32	31	31	30	30	31	29	31	31	31	31	30	31	32	31	31	32	32	32
55	19	31	32	32	32	30	30	31	30	32	32	32	32	31	32	33	32	32	33	33	33
56	22	31	33	33	33	31	31	32	31	33	33	33	33	32	34	35	33	33	34	34	34
57	22	31	34	33	33	32	32	32	32	35	35	35	35	34	35	36	34	34	35	35	35
58	22	31	34	34	34	33	33	33	33	36	36	36	36	35	37	38	35	35	36	36	36
59	23	31	35	35	35	34	34	33	34	36	36	36	36	37	38	39	36	36	37	37	37
60	23	31	35	36	36	35	35	33	36	36	36	36	36	39	40	41	37	37	38	38	38

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

TABLE H17
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	16	0	0	0	0	0	0
33	11	13	13	13	13	13	13	13	13	13	13	14	15	15	16	17	0	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	18	18	19	20	0	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	17	18	19	19	20	18	20	20	21	21	21
40	17	18	19	20	19	19	19	19	19	19	18	19	20	20	20	20	21	22	21	21	21
41	18	20	21	21	20	20	20	20	19	20	19	20	20	20	21	20	22	22	22	22	22
42	18	21	21	21	21	21	20	20	21	22	20	19	20	21	21	21	23	24	23	23	23
43	19	21	23	23	22	22	23	21	21	21	20	20	21	21	22	21	24	24	24	24	24
44	20	22	24	24	24	23	23	24	22	23	21	22	22	22	22	23	24	24	25	25	25
45	21	23	24	25	24	23	24	24	24	24	21	23	21	23	22	22	23	24	26	26	26
46	21	23	26	25	26	25	25	24	25	24	24	24	21	24	21	23	24	25	26	26	26
47	22	24	27	26	26	25	25	28	26	26	24	25	24	23	26	24	26	26	27	27	27
48	23	25	28	27	27	25	26	28	27	27	26	26	26	25	25	25	27	28	28	28	28
49	24	27	29	29	29	27	28	27	28	28	29	28	28	26	26	26	26	28	29	29	29
50	25	28	29	30	29	28	26	30	30	30	30	30	30	27	27	27	27	29	30	30	30
51	25	27	30	31	31	30	31	31	31	31	31	31	31	29	29	29	29	30	31	31	31
52	27	29	31	31	32	31	32	31	31	31	31	31	31	30	30	30	30	31	32	32	32
53	26	30	32	33	33	33	33	32	32	32	32	32	32	31	31	31	31	32	33	33	33
54	26	30	31	33	34	34	34	33	33	33	33	33	33	33	33	33	33	33	34	34	34
55	22	28	34	35	35	35	35	34	34	34	34	34	34	34	34	34	34	34	35	35	35
56	27	32	34	33	36	36	36	35	35	35	35	35	35	35	35	35	35	35	36	36	36
57	29	33	35	37	37	37	37	36	36	36	36	36	36	36	36	36	36	36	37	37	37
58	27	33	36	34	38	38	38	38	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	39	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.

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

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

DEATH OF PERMANENT DISABILITY RETIREES (by age nearest birthday)

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

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

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

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)

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

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

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

<u>DEATH RATES</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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>									
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
 RETIRED 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	0.00533	0.02302	0.01162	0.00595	0.00232	0.00234
17	0.00000	0.00000	0.00533	0.02145	0.01083	0.00554	0.00216	0.00218
18	0.00000	0.00000	0.00533	0.01999	0.01009	0.00516	0.00201	0.00203
19	0.00000	0.00000	0.00533	0.01863	0.00940	0.00481	0.00187	0.00189
20	0.00000	0.00000	0.00533	0.01735	0.00876	0.00448	0.00175	0.00176
21	0.00000	0.00000	0.00533	0.01621	0.00818	0.00419	0.00163	0.00165
22	0.00000	0.00000	0.00533	0.01521	0.00768	0.00393	0.00153	0.00154
23	0.00000	0.00000	0.00533	0.01434	0.00724	0.00370	0.00144	0.00146
24	0.00000	0.00000	0.00533	0.01360	0.00687	0.00351	0.00137	0.00138
25	0.00000	0.00000	0.00533	0.01302	0.00657	0.00336	0.00131	0.00132
26	0.00000	0.00000	0.00533	0.01258	0.00635	0.00325	0.00127	0.00128
27	0.00000	0.00000	0.00533	0.01230	0.00621	0.00318	0.00124	0.00125
28	0.00000	0.00000	0.00533	0.01218	0.00615	0.00315	0.00123	0.00124
29	0.00000	0.00000	0.00533	0.01223	0.00617	0.00316	0.00123	0.00124
30	0.00029	0.00042	0.00533	0.01245	0.00628	0.00322	0.00125	0.00126
31	0.00030	0.00043	0.00533	0.01285	0.00648	0.00332	0.00129	0.00130
32	0.00031	0.00044	0.00533	0.01343	0.00678	0.00347	0.00135	0.00136
33	0.00031	0.00045	0.00533	0.01420	0.00717	0.00367	0.00143	0.00144
34	0.00031	0.00045	0.00533	0.01517	0.00766	0.00392	0.00153	0.00154
35	0.00031	0.00045	0.00533	0.01635	0.00825	0.00422	0.00164	0.00166
36	0.00031	0.00046	0.00533	0.01774	0.00895	0.00458	0.00178	0.00180
37	0.00033	0.00047	0.00533	0.01935	0.00977	0.00500	0.00195	0.00197
38	0.00033	0.00049	0.00533	0.02119	0.01070	0.00547	0.00213	0.00215
39	0.00035	0.00051	0.00533	0.02327	0.01174	0.00601	0.00234	0.00236
40	0.00037	0.00054	0.00533	0.02559	0.01291	0.00661	0.00257	0.00260
41	0.00047	0.00057	0.00533	0.02816	0.01421	0.00727	0.00283	0.00286
42	0.00056	0.00061	0.00533	0.03099	0.01564	0.00800	0.00312	0.00315
43	0.00064	0.00064	0.00533	0.03409	0.01721	0.00881	0.00343	0.00346
44	0.00070	0.00069	0.00533	0.03747	0.01891	0.00968	0.00377	0.00381
45	0.00077	0.00073	0.00533	0.04113	0.02076	0.01062	0.00414	0.00418
46	0.00094	0.00079	0.00533	0.04509	0.02276	0.01165	0.00453	0.00458
47	0.00113	0.00084	0.00533	0.04935	0.02491	0.01275	0.00496	0.00501
48	0.00119	0.00092	0.00533	0.05392	0.02722	0.01393	0.00542	0.00548
49	0.00135	0.00100	0.00533	0.05882	0.02969	0.01519	0.00592	0.00597
50	0.00142	0.00109	0.00574	0.06405	0.03233	0.01655	0.00644	0.00651
51	0.00156	0.00120	0.00596	0.06962	0.03514	0.01798	0.00700	0.00707
52	0.00171	0.00131	0.00620	0.07554	0.03813	0.01951	0.00760	0.00767
53	0.00190	0.00147	0.00647	0.08182	0.04130	0.02114	0.00823	0.00831
54	0.00210	0.00164	0.00677	0.08847	0.04465	0.02285	0.00890	0.00899
55	0.00234	0.00185	0.00710	0.09550	0.04820	0.02467	0.00961	0.00970
56	0.00261	0.00210	0.00747	0.10292	0.05195	0.02659	0.01035	0.01045
57	0.00295	0.00242	0.00791	0.11074	0.05590	0.02861	0.01114	0.01125
58	0.00333	0.00278	0.00843	0.11897	0.06005	0.03073	0.01197	0.01208
59	0.00375	0.00313	0.00905	0.12762	0.06442	0.03297	0.01284	0.01296
60	0.00424	0.00353	0.00981	0.13670	0.06900	0.03531	0.01375	0.01388
61	0.00481	0.00411	0.01072	0.14623	0.07381	0.03777	0.01471	0.01485

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

OFFICER

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

TABLE I3
RETIRED 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	0.00290	0.01100	0.00566	0.00407	0.00594	0.00516
17	0.00000	0.00000	0.00290	0.01025	0.00528	0.00380	0.00554	0.00481
18	0.00000	0.00000	0.00290	0.00955	0.00492	0.00354	0.00516	0.00448
19	0.00000	0.00000	0.00290	0.00890	0.00458	0.00330	0.00481	0.00418
20	0.00000	0.00000	0.00290	0.00829	0.00427	0.00307	0.00448	0.00389
21	0.00000	0.00000	0.00290	0.00775	0.00399	0.00287	0.00418	0.00363
22	0.00000	0.00000	0.00290	0.00727	0.00374	0.00269	0.00392	0.00341
23	0.00000	0.00000	0.00290	0.00685	0.00353	0.00254	0.00370	0.00321
24	0.00000	0.00000	0.00290	0.00650	0.00335	0.00241	0.00351	0.00305
25	0.00000	0.00000	0.00290	0.00622	0.00320	0.00230	0.00336	0.00292
26	0.00000	0.00000	0.00290	0.00601	0.00310	0.00223	0.00325	0.00282
27	0.00000	0.00000	0.00290	0.00588	0.00303	0.00218	0.00318	0.00276
28	0.00000	0.00000	0.00290	0.00582	0.00300	0.00216	0.00314	0.00273
29	0.00000	0.00000	0.00290	0.00585	0.00301	0.00216	0.00316	0.00274
30	0.00050	0.00072	0.00290	0.00595	0.00306	0.00220	0.00321	0.00279
31	0.00052	0.00074	0.00290	0.00614	0.00316	0.00227	0.00331	0.00288
32	0.00053	0.00075	0.00290	0.00642	0.00330	0.00238	0.00347	0.00301
33	0.00054	0.00076	0.00290	0.00679	0.00349	0.00251	0.00366	0.00318
34	0.00053	0.00076	0.00290	0.00725	0.00373	0.00268	0.00392	0.00340
35	0.00053	0.00076	0.00290	0.00781	0.00402	0.00289	0.00422	0.00367
36	0.00054	0.00077	0.00290	0.00848	0.00436	0.00314	0.00458	0.00398
37	0.00055	0.00080	0.00290	0.00925	0.00476	0.00342	0.00499	0.00434
38	0.00058	0.00083	0.00290	0.01013	0.00521	0.00375	0.00547	0.00475
39	0.00060	0.00087	0.00351	0.01112	0.00572	0.00412	0.00600	0.00522
40	0.00064	0.00092	0.00369	0.01223	0.00629	0.00453	0.00660	0.00574
41	0.00081	0.00097	0.00393	0.01346	0.00693	0.00498	0.00727	0.00631
42	0.00099	0.00103	0.00421	0.01481	0.00762	0.00548	0.00800	0.00695
43	0.00113	0.00110	0.00455	0.01629	0.00839	0.00603	0.00880	0.00764
44	0.00123	0.00117	0.00493	0.01791	0.00922	0.00663	0.00967	0.00840
45	0.00136	0.00124	0.00534	0.01966	0.01012	0.00728	0.01061	0.00922
46	0.00166	0.00133	0.00580	0.02155	0.01109	0.00798	0.01164	0.01011
47	0.00199	0.00144	0.00629	0.02359	0.01214	0.00873	0.01274	0.01106
48	0.00210	0.00157	0.00680	0.02577	0.01327	0.00954	0.01392	0.01209
49	0.00238	0.00172	0.00734	0.02811	0.01447	0.01041	0.01518	0.01319
50	0.00251	0.00187	0.00790	0.03061	0.01576	0.01133	0.01653	0.01436
51	0.00265	0.00205	0.00848	0.03328	0.01713	0.01232	0.01797	0.01561
52	0.00310	0.00225	0.00910	0.03610	0.01858	0.01337	0.01949	0.01694
53	0.00396	0.00252	0.00975	0.03911	0.02013	0.01448	0.02112	0.01834
54	0.00445	0.00280	0.01047	0.04229	0.02176	0.01566	0.02283	0.01983
55	0.00496	0.00317	0.01127	0.04565	0.02349	0.01690	0.02465	0.02141
56	0.00592	0.00360	0.01217	0.04919	0.02532	0.01821	0.02656	0.02307
57	0.00680	0.00412	0.01320	0.05293	0.02724	0.01960	0.02858	0.02483
58	0.00744	0.00473	0.01438	0.05686	0.02927	0.02105	0.03070	0.02667
59	0.00857	0.00534	0.01571	0.06100	0.03139	0.02258	0.03294	0.02861
60	0.00989	0.00600	0.01719	0.06534	0.03363	0.02419	0.03528	0.03065
61	0.01099	0.00698	0.01884	0.06989	0.03597	0.02588	0.03774	0.03278

TABLE I3 (CONT'D)
 RETIRED 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	0.01202	0.00808	0.02065	0.07476	0.03848	0.02768	0.04037	0.03507
63	0.01320	0.00936	0.02262	0.07997	0.04116	0.02961	0.04318	0.03751
64	0.01454	0.01072	0.02476	0.08554	0.04403	0.03167	0.04619	0.04012
65	0.01623	0.01216	0.02706	0.09150	0.04709	0.03388	0.04940	0.04292
66	0.01827	0.01374	0.02953					
67	0.02081	0.01534	0.03219					
68	0.02287	0.01696	0.03506					
69	0.02521	0.01882	0.03815					
70	0.02758	0.02076	0.04149					
71	0.02994	0.02303	0.04511					
72	0.03329	0.02559	0.04902					
73	0.03763	0.02850	0.05327					
74	0.04237	0.03180	0.05789					
75	0.04675	0.03578	0.06292					
76	0.05166	0.04008	0.06842					
77	0.05698	0.04513	0.07442					
78	0.06297	0.05067	0.08100					
79	0.07006	0.05668	0.08819					
80	0.07711	0.06312	0.09606					
81	0.08499	0.07007	0.10466					
82	0.09327	0.07766	0.11403					
83	0.10225	0.08562	0.12422					
84	0.11171	0.09512	0.13526					
85	0.12113	0.10545	0.14718					
86	0.13242	0.11731	0.16000					
87	0.14783	0.13172	0.17374					
88	0.16671	0.14835	0.18843					
89	0.18721	0.16652	0.20407					
90	0.21143	0.18811	0.22067					
91	0.23587	0.21128	0.23826					
92	0.26143	0.23830	0.25683					
93	0.28413	0.26675	0.27638					
94	0.30303	0.29781	0.29693					
95	0.31886	0.33332	0.31846					
96	0.32813	0.36255	0.34098					
97	0.33566	0.39136	0.36604					
98	0.34688	0.42609	0.39109					
99	0.36014	0.45426	0.41614					
100	0.37793	0.48283	0.44119					
101	0.40761	0.52072	0.46625					
102	0.43260	0.55266	0.49130					
103	0.46017	0.58788	0.51635					
104	0.49009	0.62610	0.54140					
105	0.52082	0.66536	0.56646					
106	0.55067	0.66667	0.59151					
107	0.57781	0.66667	0.61656					
108	0.60428	0.66667	0.64161					
109	0.63127	0.66667	0.66667					
110	1.00000	1.00000	1.00000					

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
RATES OF REMARRIAGE

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	0.00594
1	0.00118	56	0.00664
2	0.00077	57	0.00724
3	0.00057	58	0.00767
4	0.00043	59	0.00793
5	0.00039	60	0.00815
6	0.00036	61	0.00864
7	0.00034	62	0.00963
8	0.00030	63	0.01094
9	0.00029	64	0.01220
10	0.00029	65	0.01317
11	0.00031	66	0.01405
12	0.00033	67	0.01507
13	0.00036	68	0.01634
14	0.00043	69	0.01782
15	0.00050	70	0.01948
16	0.00053	71	0.02136
17	0.00058	72	0.02367
18	0.00061	73	0.02610
19	0.00061	74	0.02847
20	0.00061	75	0.03052
21	0.00061	76	0.03259
22	0.00061	77	0.03521
23	0.00063	78	0.03845
24	0.00063	79	0.04232
25	0.00064	80	0.04642
26	0.00067	81	0.05060
27	0.00069	82	0.05527
28	0.00072	83	0.06082
29	0.00075	84	0.06696
30	0.00083	85	0.07470
31	0.00090	86	0.08437
32	0.00096	87	0.09541
33	0.00101	88	0.10650
34	0.00106	89	0.11880
35	0.00111	90	0.13147
36	0.00117	91	0.14531
37	0.00124	92	0.16051
38	0.00132	93	0.17782
39	0.00142	94	0.19493
40	0.00154	95	0.21204
41	0.00167	96	0.22872
42	0.00179	97	0.24630
43	0.00191	98	0.26268
44	0.00200	99	0.27964
45	0.00208	100	0.29800
46	0.00218	101	0.31997
47	0.00230	102	0.34281
48	0.00250	103	0.36818
49	0.00271	104	0.39267
50	0.00301	105	0.41723
51	0.00336	106	0.44075
52	0.00383	107	0.46210
53	0.00435	108	0.48333
54	0.00518	109	0.50519

TABLE I8
NUMBER OF SPOUSES GENERATED BY EACH SPONSOR - OFFICER

(Age Nearest Birthday)

OFFICER				OFFICER			
Age	Active Nondisabled	Active Disabled	Reserve Nondisabled	Age	Active Nondisabled	Active Disabled	Reserve Nondisabled
16	0.00016	0.00045	0.00000	64	0.92489	0.74816	0.82213
17	0.00043	0.00122	0.00000	65	0.92793	0.75155	0.82620
18	0.00116	0.00330	0.00000	66	0.93010	0.75483	0.82937
19	0.00313	0.00893	0.00000	67	0.93137	0.75798	0.83166
20	0.00846	0.02417	0.00000	68	0.93174	0.76101	0.83310
21	0.02290	0.06540	0.00000	69	0.93118	0.76393	0.83371
22	0.06195	0.17695	0.00000	70	0.92968	0.76673	0.83350
23	0.16761	0.47875	0.00000	71	0.92720	0.76943	0.83247
24	0.26460	0.48840	0.00000	72	0.92368	0.77201	0.83059
25	0.35292	0.49794	0.00000	73	0.91910	0.77448	0.82786
26	0.43266	0.50735	0.00000	74	0.91341	0.77685	0.82424
27	0.50402	0.51663	0.00000	75	0.90653	0.77911	0.81968
28	0.56730	0.52577	0.00000	76	0.89841	0.80699	0.81413
29	0.62284	0.53478	0.00000	77	0.88896	0.79145	0.80754
30	0.67106	0.54363	0.00000	78	0.87810	0.77500	0.79982
31	0.71240	0.55234	0.00000	79	0.86574	0.75766	0.79089
32	0.74734	0.56089	0.00000	80	0.85176	0.73942	0.78065
33	0.77639	0.56928	0.00000	81	0.83606	0.72033	0.76902
34	0.80004	0.57751	0.00000	82	0.81852	0.70040	0.75586
35	0.81881	0.58557	0.00000	83	0.79900	0.67968	0.74107
36	0.83320	0.59347	0.00000	84	0.77740	0.65823	0.72453
37	0.84372	0.60120	0.00000	85	0.75360	0.63611	0.70612
38	0.85083	0.60876	0.00000	86	0.72751	0.61339	0.68574
39	0.85163	0.61615	0.00000	87	0.69905	0.59018	0.66329
40	0.85253	0.62337	0.00000	88	0.66821	0.56656	0.63871
41	0.85354	0.63042	0.00000	89	0.63501	0.54263	0.61198
42	0.85467	0.63729	0.00000	90	0.59956	0.51850	0.58311
43	0.85591	0.64400	0.00000	91	0.56206	0.49428	0.55220
44	0.85728	0.65054	0.00000	92	0.52279	0.47009	0.51940
45	0.85877	0.65690	0.00000	93	0.48216	0.44605	0.48495
46	0.86040	0.66310	0.00000	94	0.44065	0.42225	0.44918
47	0.86215	0.66914	0.00000	95	0.39883	0.39880	0.41249
48	0.86402	0.67500	0.00000	96	0.35733	0.37582	0.37535
49	0.86602	0.68071	0.00000	97	0.31680	0.35337	0.33830
50	0.86812	0.68625	0.00000	98	0.27786	0.33156	0.30188
51	0.87034	0.69164	0.00000	99	0.24108	0.31045	0.26663
52	0.87265	0.69686	0.00000	100	0.20690	0.29010	0.23306
53	0.87503	0.70193	0.00000	101	0.17568	0.27055	0.20159
54	0.87748	0.70685	0.00000	102	0.14762	0.25186	0.17256
55	0.87998	0.71162	0.00000	103	0.12280	0.23405	0.14620
56	0.88250	0.71624	0.00000	104	0.10116	0.21712	0.12263
57	0.88502	0.72071	0.00000	105	0.08257	0.20103	0.10186
58	0.88768	0.72504	0.00000	106	0.06681	0.18599	0.08381
59	0.89626	0.72923	0.00000	107	0.05360	0.17169	0.04645
60	0.90384	0.73329	0.79561	108	0.03584	0.15834	0.03710
61	0.91046	0.73720	0.80391	109	0.02422	0.14585	0.04428
62	0.91616	0.74098	0.81104	110	0.02013	0.13419	0.02313
63	0.92097	0.74463	0.81709				

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	0.01670	0.02437	0.00000	64	0.86060	0.63943	0.78753
17	0.03085	0.04502	0.00000	65	0.86185	0.65031	0.78753
18	0.05700	0.08318	0.00000	66	0.86125	0.66192	0.78753
19	0.10531	0.15368	0.00000	67	0.85988	0.67419	0.78753
20	0.19456	0.19327	0.00000	68	0.85771	0.68708	0.78753
21	0.27609	0.23693	0.00000	69	0.85473	0.70050	0.78753
22	0.35008	0.28335	0.00000	70	0.85091	0.71609	0.78753
23	0.41673	0.33094	0.00000	71	0.84624	0.70705	0.79965
24	0.47631	0.37809	0.00000	72	0.84066	0.69783	0.79577
25	0.52914	0.42334	0.00000	73	0.83412	0.68845	0.79082
26	0.57556	0.46551	0.00000	74	0.82656	0.67892	0.78477
27	0.61596	0.50375	0.00000	75	0.81793	0.66923	0.77755
28	0.65075	0.53754	0.00000	76	0.80814	0.65940	0.76908
29	0.68036	0.56666	0.00000	77	0.79710	0.64942	0.75928
30	0.70525	0.59105	0.00000	78	0.78474	0.63932	0.74806
31	0.72589	0.61081	0.00000	79	0.77096	0.62909	0.73533
32	0.74274	0.62607	0.00000	80	0.75565	0.61874	0.72097
33	0.75630	0.63700	0.00000	81	0.73873	0.60829	0.70488
34	0.76702	0.64374	0.00000	82	0.72010	0.59773	0.68696
35	0.77537	0.64639	0.00000	83	0.69968	0.58709	0.66713
36	0.78178	0.64500	0.00000	84	0.67741	0.57636	0.64530
37	0.78668	0.63952	0.00000	85	0.65324	0.56556	0.62142
38	0.79044	0.62990	0.00000	86	0.62717	0.55469	0.59548
39	0.79084	0.65864	0.00000	87	0.59922	0.54378	0.56751
40	0.79134	0.64723	0.00000	88	0.56950	0.53282	0.53760
41	0.79196	0.63655	0.00000	89	0.53813	0.52183	0.50590
42	0.79271	0.62665	0.00000	90	0.50533	0.51081	0.47264
43	0.79361	0.61758	0.00000	91	0.47137	0.49979	0.43813
44	0.79467	0.60935	0.00000	92	0.43659	0.48877	0.40275
45	0.79591	0.60199	0.00000	93	0.40138	0.47776	0.36694
46	0.79734	0.59554	0.00000	94	0.36619	0.46677	0.33120
47	0.79895	0.59000	0.00000	95	0.33147	0.45581	0.29605
48	0.80076	0.58539	0.00000	96	0.29768	0.44490	0.26198
49	0.80276	0.58171	0.00000	97	0.26524	0.43404	0.22948
50	0.80492	0.57898	0.00000	98	0.23455	0.42324	0.19895
51	0.80722	0.57720	0.00000	99	0.20592	0.41251	0.17071
52	0.80964	0.57638	0.00000	100	0.17957	0.40187	0.14501
53	0.81212	0.57651	0.00000	101	0.15566	0.39132	0.12195
54	0.81463	0.57760	0.00000	102	0.13425	0.38086	0.10156
55	0.81711	0.57964	0.00000	103	0.11532	0.37052	0.08379
56	0.81951	0.58263	0.00000	104	0.09877	0.36030	0.09239
57	0.82176	0.58657	0.00000	105	0.08445	0.35020	0.07568
58	0.82381	0.59144	0.00000	106	0.07222	0.34023	0.06143
59	0.82561	0.59723	0.00000	107	0.06186	0.33040	0.04944
60	0.84654	0.60394	0.78753	108	0.05316	0.32072	0.03947
61	0.85194	0.61153	0.78753	109	0.04591	0.31110	0.03126
62	0.85608	0.62000	0.78753	110	0.03991	0.30182	0.02456
63	0.85896	0.62931	0.78753				

APPENDIX J

MISCELLANEOUS VALUATION PARAMETERS

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Description.....	J-2
Table J1: Description of Miscellaneous Valuation Parameters	J-3

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 parameters by population is given in Table J1. Numerical values are also shown for selected items.

TABLE J1
DESCRIPTION OF MISCELLANEOUS VALUATION 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 portion of the benefit 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	In the current valuation, when sponsors die, surviving spouses are assumed three years younger than their sponsors (for Active Duty) and four years younger than their sponsors (for Reserves). This assumption is used when projecting future survivors. The valuation projects current survivors based on the survivors' ages.

TABLE J1 (continued)
DESCRIPTION OF MISCELLANEOUS VALUATION PARAMETERS

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 K

GLOSSARY

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MERHCF Terms.....	K-2

TERM / ACRONYM	DEFINITION
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
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. CVs for USFHP contain average capitation rates or global rates 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
Global Rate	A capitated rate; one rate that covers the full cost of providing care provided under USFHP
HA	Health Affairs; component of Military Health System; partner with TRICARE Management Activity (TMA)

TERM / ACRONYM	DEFINITION
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

TERM / ACRONYM	DEFINITION
	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	US Family Health Plan; a TRICARE medical plan with a managed care design (like TRICARE Prime). USFHP serves Uniformed Services families. 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