

**A Soldier's
Guide
to
Financial
Readiness**

3 August 2004

FOREWORD

Welcome to the 266th Finance Command's Financial Readiness Guide! This guide is designed specifically for you, the soldier. In these fluctuating financial times and high operating tempo, we want to do all we can to help you understand your personal finances.

This guide explains overseas entitlements, travel guidelines, and personal financial readiness. In addition, the guide covers various deployment-related entitlements, as well as DA and DOD financial programs such as the Thrift Savings Plan and myPay. For the most current information on these issues and other pay entitlements, please visit our Web site at <https://www.266fc.hqusareur.army.mil> or <http://266fincom1.hqusareur.army.mil>.

Knowledge is power, and it is our sincere hope that the information provided in this guide will give you the power to better understand the financial issues affecting your well-being and readiness. For additional assistance in understanding investments and planning your financial future, contact your local Army Community Service.

“First in Finance Support” while we execute with excellence, Any Mission, Anywhere.

3 August 2004

Financial Administration
A Soldier's Guide to Financial Readiness

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Summary. This pamphlet provides financial readiness information.

Applicability. This pamphlet applies to soldiers in the Army in Europe.

Forms. AE and higher-level forms are available through the Army in Europe Publishing System (AEPUBS).

Suggested Improvements. The proponent of this pamphlet is the Office of the Staff Finance and Accounting Officer, HQ USAREUR/7A (SFAO) (AEAFC, DSN 379-7587). Users may suggest improvements to this pamphlet by sending DA Form 2028 to the SFAO (AEAFC), Unit 29011, APO AE 09007-9011.

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Section I Overseas Entitlements

PERMANENT CHANGE OF STATION (PCS) TRAVEL ADVANCE

Soldiers are authorized a travel advance before a PCS move. Advance PCS travel pay is 80 percent of the estimated cost of a soldier's allowable travel expenses. This money is for travel expenses only. If the advance payment is more than the soldier should have received, the soldier must pay back the excess amount in one lump sum.



PCS TRAVEL SETTLEMENT

Any soldier arriving in Europe on official PCS orders must submit a DD Form 1351-2, also known as a "travel voucher." On the first day of inprocessing, the finance office will hold a briefing to help soldiers complete their travel voucher. Soldiers must submit the following documents with the travel voucher to receive the final travel settlement:

- 5 copies of PCS orders
- 2 copies of DA Form 31
- Original plus 3 copies of—
 - plane tickets (if soldier purchased tickets out of pocket)
 - all lodging receipts
 - all individual receipts for expenses in excess of \$75.00.
 - PCS travel advance, DLA, and any payments for TDY

NOTE: Soldiers should also keep copies of the above documents.

DEPENDENT TRAVEL SETTLEMENT

Family member (dependent) travel is reimbursable after the travel is completed. If family members accompany the soldier, the soldier will enter that information on the travel voucher during inprocessing. If the soldier's family members are awaiting deferred travel orders, the soldier must still submit a personal travel voucher during inprocessing. Once the family members arrive at the permanent duty station (PDS), soldiers must go to the finance office to submit a final travel voucher. Soldiers must have the following documents to receive reimbursement for family member (dependent) travel:

- 5 copies of all PCS orders and any amendments
- Original plus 3 copies of—
 - plane tickets
 - all lodging receipts
 - all individual receipts for expenses in excess of \$75.00

FREQUENT FLIER MILES

Travelers on official business at Government expense may keep promotional material (including frequent traveler benefits such as points or miles, upgrades, or access to carrier clubs or facilities) for personal use.

The promotional material must be obtained under the same terms as those offered to the general public and must be at no additional Government cost.

Promotional items received for travel using funds other than those of a Government agency are not covered by this rule.

The rules on relinquishing a seat are as follows:

- **Voluntary.** A traveler may keep payments from a carrier for voluntarily vacating a transportation seat. However, no additional expenses (per diem or miscellaneous reimbursable) may be paid as a result of the traveler's delay.

NOTE: Government travelers may not voluntarily vacate a seat if doing so would adversely affect the mission or the performance of their duties.

- **Involuntary.** If a traveler is involuntarily denied boarding on a flight, compensation for the denied seat belongs to the Government. The traveler enters an "awaiting transportation" travel status for per diem and miscellaneous expense reimbursement.

A traveler may keep payments from a civilian carrier for accompanied baggage that has been lost or delayed. If the traveler intends to make a claim against the Government, the traveler should visit the staff judge advocate (SJA) office before accepting a carrier's compensation. By accepting the carrier's compensation, the traveler may be accepting that amount as payment in full.

NOTE: The traveler must exercise the same care and regard for incurring expenses as a person traveling at personal expense. Travelers should also keep receipts for all lodging costs and individual expenses of \$75 or more.

DISLOCATION ALLOWANCE (DLA)

The amount of DLA a soldier receives is based on grade and marital status. DLA is used for partial reimbursement of expenses incurred while relocating a household. This allowance is in addition to all other allowances and may be paid in advance. DLA cannot be paid twice within the same fiscal year.

Soldiers with family members (dependents) are authorized DLA when the family members and household goods (HHG) relocate in conjunction with a PCS move, either to a designated location or with concurrent travel to Europe.

Single soldiers and soldiers who do not relocate their family members are authorized single rate DLA when they PCS. This rule applies as long as they are not assigned Government quarters when they arrive at the new duty station. Temporary-quarters occupancy of less than 60 days does not constitute Government-quarters occupancy.

To be authorized DLA, unaccompanied and single soldiers in the grade of E5 and below must provide a statement of nonavailability from the housing office and submit it with their travel voucher.

PARTIAL DLA

A soldier who is ordered to occupy or vacate Government family-type quarters due to privatization, renovation, or any reason other than PCS will receive a partial DLA of \$544.96 (effective 1 January 2004).

NOTE: Partial DLA is not authorized for local moves from Government quarters on separation or retirement.



DLA rates are available at
<http://www.dtic.mil/perdiem/dla.html>.

ADVANCE PAY

An advance of base pay is an interest-free loan from the Army to help offset extraordinary PCS expenses. At their old duty station, soldiers may request a maximum of 1 month's basic pay less deductions. When justified, soldiers may request two more advance payments after leaving their old duty station. However, the total amount of all advance pay may not exceed 3 month's basic pay less deductions. This money must be paid back through monthly deductions within 12 to 24 months after receipt of payment, starting the month after it is first received. Soldiers in the grade of E4 and below must have their company commander's signature to request advance pay. To receive advance pay, soldiers must submit the following:

- DD Form 2560
- DA Form 2142
- PCS orders

A soldier may request advance pay within 30 days before departure from the old duty station or within 60 days after arrival at the new duty station. The soldier may request an exception to policy to extend this time to 60 days before departure from the old duty station and 180 days after arrival at the new station.

All soldiers are eligible for advance pay, but most soldiers without family members (dependents) do not qualify for an advance. Soldiers without family members must show they have extraordinary PCS-related expenses.

The finance office is the final approving authority for advance payments and must strictly adhere to the provisions of the applicable regulations. Advance pay will not exceed an amount that cannot be repaid before the soldier's expiration term of service (ETS) date.



CASUAL PAYMENT (CP)

A CP is for soldiers who demonstrate an immediate need for money to replace an entitlement not yet paid. Soldiers may request a CP when the entitlement is not paid on their mid-month or end-of-month leave and earnings statement (LES).

To request a CP, the soldier must submit DA Form 2142 signed by the soldier's company commander or first sergeant. The soldier must also explain why he or she is requesting a CP and submit all supporting documents. Once the soldier receives the CP in place of the entitlement, the CP amount will then be deducted from the soldier's next mid-month or end-of-month pay, depending on the date of the CP.

A CP is not a method for receiving emergency funds. Soldiers who require emergency funds should contact Army Emergency Relief or the American Red Cross.



OVERSEAS HOUSING ALLOWANCE (OHA)

OHA is an entitlement for soldiers who are authorized to live in privately leased or owned quarters. OHA helps defray excess housing costs in overseas locations where Government quarters are not assigned. To start the soldier's OHA, the housing office must have the following:

- DD Form 2367
- DA Form 4187 (signed by the soldier's commander)
- lease agreement
- statement of nonavailability
- receipt for realtor's fee (if authorized)

Locality OHA rental ceilings are based on actual rental-cost data for soldiers with command-sponsored family members (dependents) residing in private housing. The OHA is designed to cover actual rental costs for 80 percent of soldiers in a particular area who are assigned to private housing.

OHA is paid on a monthly basis but is listed on the LES as basic allowance for housing (BAH). It is effective on the date the soldier's lease begins and is stopped when the lease terminates. For soldiers stationed in Europe, OHA is calculated by taking the rent amount in local currency, as stated on the lease agreement, and converting the amount to dollars based on the current exchange rate.

OHA rates are available at
<http://www.dtic.mil/perdiem/ohaform.html>.



Soldiers entitled to OHA may apply at the housing office for an advance station housing allowance and an advance security deposit. The advance station housing allowance must be paid back over 12 months. The advance security deposit must be paid back to the finance office once the leased period is over or prorated over 12 months before the soldier PCSs. This payment must be repaid in local currency.

Additional OHA entitlements: Soldiers authorized to live off post may also be eligible for other allowances as follows:

- Move-in housing allowance (MIHA)/miscellaneous. This entitlement is for expenses incurred while moving into off-post housing and used to help furnish the residence. MIHA/miscellaneous is a dollar amount based on the soldier's location. The housing office is the approving authority.
- MIHA/rent. This entitlement covers reasonable rent-related expenses. These are fixed, one-time, nonrefundable charges levied on behalf of the landlord or a government that the soldier must pay before or on occupying a dwelling. Examples are real estate agent fees, redecorating fees paid up-front, or one-time lease taxes. The housing office is the authorizing official and will prepare the required documents.
- MIHA/security. This entitlement covers reasonable security-related expenses for soldiers assigned to areas where dwellings must be modified to minimize the terrorist or criminal threat (for example, Supreme Headquarters Allied Powers Europe (SHAPE), Belgium; Turkey).

BASIC ALLOWANCE FOR HOUSING (BAH)

Some soldiers overseas are entitled to BAH. There are four types of BAH:

- Partial BAH
- BAH I “with” and “without dependents”
- BAH II “with” and “without dependents”
- BAH-differential

Claims for entitlements or payment of BAH must be processed through the finance office by submitting DA Form 5960.

Partial BAH:

Soldiers without family members (dependents) are authorized partial BAH when assigned to single-type Government quarters. Partial BAH is effective at midnight on the day the soldier arrives at the new command and continues through the day before the soldier departs from the command. The entitlement continues during periods of field duty.

Partial BAH starts during the soldier’s finance inprocessing; no documents are required. Soldiers not receiving BAH need to submit DA Form 2142 to the finance office.

BAH “with dependents”:

For BAH I, the rate is based on the soldier’s grade and family members’ (dependents’) U.S. residence zone improvement plan (ZIP) code. For BAH II, the flat rate is based on the soldier’s grade. Soldiers with family members are authorized BAH II at the “with dependent” rate if their family members are not occupying family-type Government quarters.

• Unaccompanied tour:

If a soldier is serving on an unaccompanied tour, the soldier is eligible for BAH I at the “with dependent” rate based on the family members’ (dependents’) U.S. residence ZIP code, plus OHA at the “without dependent” rate. This is provided the soldier is not given Government housing and is authorized to live off post.

- **Noncommand-sponsored family members at PDS:**

If a soldier has noncommand-sponsored family members (dependents) in the vicinity of the PDS, the soldier is eligible for BAH II “with dependents.” Soldiers with family members not authorized to live off post can get the housing office to authorize entitlement to BAH II “with dependents.”

BAH “without dependents”:

All single soldiers in the grade of E6 and below who desire to live off post even when quarters are available are entitled to BAH at the “without dependents” rate with housing office authorization.

BAH-differential:

BAH-differential is the housing allowance amount for a soldier who is assigned to single-type quarters and who is authorized a BAH because of the soldier’s payment of child support. A soldier is not entitled to BAH-differential if the monthly rate of that child support is less than that soldier’s BAH-differential rate.

EARLY RETURN OF DEPENDENTS (ERD) AND ADVANCE TRAVEL OF DEPENDENTS (ATD) ENTITLEMENTS

Definitions:

- **ATD**—The advance travel of family members (dependents), based on a PCS order, before the soldier travels.
- **BAH I**—Rate based on the soldier’s grade and family members’ (dependents’) location ZIP code.
- **BAH II**—Flat rate based on the soldier’s grade.

BAH rates are available at
<http://www.dtic.mil/perdiem/bah.html>.

- **ERD**—Authorized early return of family members (dependents) from a location outside the continental United States (OCONUS), requested by the soldier or directed by the soldier’s command, before a PCS order is issued. ERD orders should contain the exact address and ZIP code where the family members will reside. This will ensure the soldier receives the proper location allowances.

BAH entitlement:**• ATD—**

When a soldier has received PCS orders and a phone call from an assignments-branch official and elects to move family members (dependents) before the departure date, the travel is authorized using the PCS order. This allows the family members to travel to the new PDS before the soldier.

Title 37 U.S.C. 403 states that BAH is based on the location of the military member. Therefore, BAH II is authorized and accrues until the soldier arrives at the new PDS; then BAH I is authorized.

NOTE: The soldier must clear Government family quarters before the BAH II entitlement will start.

• ERD—

When an ERD approval order is processed, the command sponsorship of the family members has been revoked and they will be removed from the OCONUS station with authorized movement of HHG. Normally the family members are being removed because of specific issues and the command has determined that the requirements in the Joint Federal Travel Regulations (JFTR) are met. In these cases, the family members are moved to a designated location. Then when the soldier receives PCS orders, they will be moved from the designated location to the new PDS. BAH I is authorized based on the family members' (dependents') designated location and corresponding ZIP code.

NOTE: The soldier must clear Government family quarters before the BAH I entitlement will start.

TEMPORARY LODGING ALLOWANCE (TLA)

TLA is a method of reimbursing a soldier in OCONUS for expenses incurred during authorized use of a guest house and for meals during the stay. When a soldier arrives at a PDS pending assignment of Government quarters, if available, or pending arrangements for other permanent living accommodations, TLA is authorized for up to 10 days or longer if there are extenuating circumstances.

Normally soldiers staying in military lodging will have their TLA request sent automatically to the finance office for payment. Soldiers residing in off-post lodging are required to pay for the bill themselves, and then give their bill to the finance office along with the TLA authorization from the housing office. Soldiers staying at a guest house will have their hotel bill collected from their LES if they do not pay their bill. Soldiers staying in off-post lodging must pay their bills when they check out.

For more information on TLA, call the base support battalion (BSB) housing office.



BASIC ALLOWANCE FOR SUBSISTENCE (BAS)

Officers are entitled to BAS while receiving basic pay.

Soldiers in grades E7 through E9 will start receiving separate rations when they begin inprocessing or when they are promoted, regardless of marital status.

Soldiers in grades E1 through E6 with command-sponsored family members who traveled concurrently will start to receive separate rations when they begin inprocessing.

Soldiers with deferred family member travel must submit an approved DA Form 4187 through their unit personnel and administration center (PAC) to start separate rations after their meal card is surrendered or when their family members arrive.

Authority to approve separate rations for soldiers in the grades of E1 through E6 without family members or who are unaccompanied is delegated to the first field grade officer in the chain of command and may not be further delegated. In these cases, soldiers must submit an approved DA Form 4187 through their unit PAC.

Soldiers who are issued a meal card will receive partial BAS. The partial BAS amount paid is the difference of the full BAS amount, shown as “BAS” in the entitlements column on the LES, and the meals deduction amount, which is shown as “Meal Deduction” in the deduction column.

When soldiers are in field exercises, their units will receive the soldiers’ BAS for all meals, whether the meals are eaten or not.

COST OF LIVING ALLOWANCE (COLA)

COLA is paid to soldiers stationed in high-cost areas overseas. COLA helps soldiers to purchase the same goods overseas as in the United States. To determine individual COLA rates, the following information is needed:

- grade
- years of service
- number of family members (dependents)
- annual compensation
- average annual spendable income
- PDS and COLA index

The following are some frequently asked questions about COLA:

Q. Does the type of housing I occupy affect my COLA?

A. Yes. If you live in the barracks or aboard ship, you will receive less COLA.

Q. Does the amount of COLA I receive affect my OHA?

A. No. COLA and OHA are separate allowances.

Q. How does DOD know what my spendable income really is?

A. The spendable income used to calculate COLA is based on averages. The Per Diem Committee uses spendable income tables computed for different family sizes and income levels. These tables are based on consumer expenditure surveys from the Department of Labor’s Bureau of Labor Statistics that show how people typically spend their income.

Q. I just moved from Heidelberg to Schweinfurt, Germany. Why did my COLA go down?

A. The COLA index for both areas is different and is highly dependent on the proportion of shopping done in on-post facilities. In general, the higher the proportion of on-post shopping, the lower the COLA index.

Q. How often is COLA adjusted?

A. The committee can adjust COLA as often as every payday. It may take a while for the change in COLA to show up in your pay.

Q. When the value of the dollar drops, will my COLA go up an equal amount to compensate?

A. No. COLA is adjusted only for the portion of income that the typical member spends on the local economy (in foreign currency). If the living-pattern survey for your area shows that typical members spend 50 percent of their income on the local economy and the value of the dollar falls 4 percent against the local currency, your COLA would be increased 2 percent.

NOTE: Don't rely on the amount of COLA you receive; it changes each month.



COLA rates are available at
<http://www.dtic.mil/perdiem/allowcol.html>.

**CONSECUTIVE OVERSEAS TOUR (COT) TRAVEL OR IN-PLACE
CONSECUTIVE OVERSEAS TOUR (IPCOT)**

Soldiers who PCS from one overseas location to another overseas location (COT) or perform consecutive tours of duty at the same location (IPCOT) may receive entitlements equivalent to a free round-trip plane ticket home. If the soldier accepts the free plane tickets, actual leave days are chargeable. The cost of the transportation for soldiers and their family members (dependents) cannot exceed that to their home of record.

When PCSing from one overseas location to another overseas location, soldiers and their command-sponsored family members are authorized reimbursement of travel expenses, including per diem, from the old duty station to their home of record and, finally, to the gaining station.

When extending in Europe for another full tour after completion of a previous tour, individuals and their command-sponsored family members are eligible for reimbursement of travel expenses equal to the distance from their old duty station to their home of record and return to Europe. Travel time to and from their home of record is not chargeable as leave, but soldiers have only 1 year to complete the travel.

Soldiers and their family members must have orders authorizing COT or IPCOT leave. Leave starts when the plane lands in the continental United States (CONUS), unless their orders state otherwise. Individuals traveling to a place other than their home of record are reimbursed up to the rate for traveling to their home of record. Individuals can travel on civilian airlines if they are authorized to do so on their COT leave orders.

For questions about eligibility, visit the personnel support battalion.

LOW-COST OR NO-COST MOVES AND EFFECTS ON OHA AND COLA

When a soldier is directed to make a low-cost or no-cost move between PDSs in the same area (linked community), the soldier will continue to draw OHA at the “old” PDS rate and COLA will change to the “new” rate on the day the soldier reports to the new PDS.

Section II Personal Readiness

GENERAL

Once your deployment order is issued or your unit’s mobilization begins, the time to put your personal and legal affairs in order may be relatively short. Problems may arise when you are suddenly separated from your family and, for reserve component (RC) soldiers, your business and civilian job. Planning will help avoid many legal problems and will give you and your family peace of mind.

Begin by anticipating what would happen if you were required to be apart from your family at a distant location for an indefinite period of time, unable to remain in continuous contact with your family and friends. There might be substantial legal or other changes in your life and in the lives of those you leave behind. Put your personal, property and financial affairs in good order now so there will be no confusion or uncertainty during your absence.

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI)

Military members may purchase an SGLI policy available through military pay deduction. SGLI is currently limited to \$250,000 (since 1 April 2001).

If you have a SGLI policy, review your beneficiary designations. Be sure you have properly named who you want to receive your insurance policy proceeds. For details on beneficiary designation, see AR 600-8-1, paragraph 11-29.

You may find more general information about SGLI at the personnel support battalion or online at <http://www.insurance.va.gov/sgliSite/default.htm>.



FAMILY SERVICEMEMBERS' GROUP LIFE INSURANCE (FSGLI)

The FSGLI program is similar to regular SGLI, but soldiers are not eligible for this program if they are not enrolled in the regular SGLI program.

Spouse coverage cannot exceed the soldier's regular coverage. The maximum spouse coverage is \$100,000. The cost is based on the spouse's age.

Soldiers who are enrolled in SGLI cannot decline to have their minor children covered. Each child is covered for \$10,000 automatically and free of charge.

All married soldiers who have a valid SGLI option will automatically be enrolled for the maximum coverage unless an SGLV Form 8286A is completed and the Defense Enrollment Eligibility Reporting System (DEERS) is updated.

Soldiers who decline or request a lesser amount of coverage during the initial eligibility period and who later decide they want coverage or want to increase coverage will be required to complete an SGLV Form 8285A.

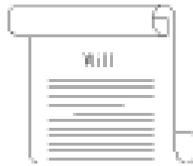
See the finance office for instructions on how to get erroneous deductions refunded.

WILLS

A will is a legal document used to distribute your property after you die. Your will may also name people to do important jobs, such as serving as the executor of your estate or the guardian of your children.

To be valid, a will must comply with specific legal requirements, which vary State by State. If you die without a will, the law of the State of your domicile will determine how your property will be distributed, with the exception of land located outside the State of your domicile. In this case, the law of the State where the land is located will control how the property will be distributed. Your domicile is the State where you are a legal resident; it is not necessarily the State where you resided or lived immediately before your death.

If you die without a valid will, your estate will be divided according to State law. This generally means that your spouse and children will inherit your property or estate. If you die without a surviving spouse or children, other blood relatives will receive your estate. This division can become complicated. Legal assistance attorneys at the SJA office are available to help you prepare a will.



POWER OF ATTORNEY (POA)

A POA is a document that allows you (the “principal”) to authorize your agent (your “attorney-in-fact”) to conduct certain business on your behalf. It is one of the strongest legal documents that you can give to another person. There are two types of POA:

- **General:** Gives your agent broad powers to act on your behalf.
- **Special or Limited:** Your agent can act only on certain matters.



Every act performed by your agent within the authority of the POA is legally binding upon you. Since a POA is such a powerful document, give it only to a trustworthy person and only when absolutely necessary. You may hear that you need a “general power of attorney” so that someone else can take care of all your affairs if you are absent. This is probably not true. In fact, it is highly unlikely that you will ever need a general power of attorney. The legal assistance office can advise you and prepare the appropriate type of POA you need.

Here are some examples of authorized financial transactions granted under each POA:

- **General—**
 - Receive LES
 - File travel claim
 - Cash all checks
- **Special or limited—**
 - Pick up a Treasury check
 - Start, stop, and change allotments

NOTE: A special POA must specifically state the individual powers granted to the POA holder.

Section III Deployment Readiness

GENERAL

The pay entitlements described below are approved for active component (AC) and RC soldiers deployed in support of Stabilization Force (SFOR)/Operation Joint Forge (OJF) and Kosovo Force (KFOR)/Task Force Falcon (TFF).

SFOR and KFOR are contingency operations and soldiers in these areas will not be deployed under field conditions or essential unit messing. Soldiers are deployed under temporary change of station (TCS) or unit movement orders (UMO) and are entitled to per diem, unless their permanent residence is within 50 miles or 1.5 hours drive during normal traffic. Soldiers not on TCS or UMO must report to their servicing PAC or personnel service detachment to obtain orders.

ACTIVE COMPONENT (AC) SOLDIERS: BAH AND OHA

BAH and OHA “with” or “without dependents” will continue during deployment for soldiers who are not assigned Government quarters and are authorized to reside off-post.



RESERVE COMPONENT (RC) SOLDIERS: BAH AND OHA

The entitlement of BAH “with” or “without dependents” is payable to soldiers called or ordered to active duty on or after 5 December 1991 in support of a contingency operation, if soldiers are unable to occupy their primary residence. Single soldiers will continue to receive BAH “without dependents” if they provide a lease or mortgage upon mobilization and do not terminate the lease or mortgage while mobilized. Soldiers will continue to receive BAH regardless if single-type Government quarters are occupied at their temporary duty (TDY) location.

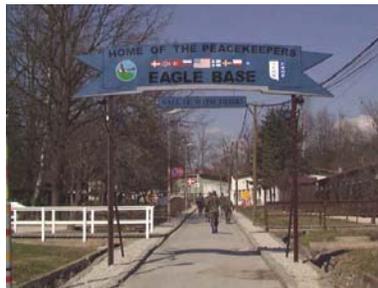
RC soldiers residing OCONUS when called or ordered to active duty should continue to receive BAH and OHA. The amount paid is based on grade, number of family members (dependents), utility expenses, and principal place of residence when called to active duty. For example, if an RC soldier living in England is ordered to active duty in Heidelberg, Germany, the soldier will receive the BAH rate for England. OJF is a contingency operation, which entitles RC soldiers to BAH for the entire period of active duty starting on the day travel begins, if so authorized.

HOSTILE FIRE PAY (HFP)

HFP is payable for any soldier serving in the total land area or airspace of Bosnia-Herzegovina, Croatia, Macedonia, Serbia, and the remaining land and airspace within the former Yugoslavia. Anyone serving in the coastal waters of the former Yugoslavia, Slovenia, and Hungary are excluded from receiving HFP. It takes only 1 day in a designated HFP area to be entitled to HFP for that entire month. The amount payable is \$225.00 per month.

FAMILY SEPARATION ALLOWANCE (FSA)

Family separation allowance-temporary (FSA-T) is payable to soldiers who have family members (dependents) and are deployed for more than 30 days. A soldier married to another soldier is entitled to the FSA-II rate, provided the couple was married and residing together immediately before being separated by military orders. Both soldiers will not be simultaneously entitled or paid. If both soldiers receive orders requiring departure on the same day, payment will go to the senior member. The amount payable is \$250 per month.



COLA AND DEPLOYMENTS

When a soldier deploys, COLA remains in effect. However, if a family returns to CONUS and stays away longer than 30 days, COLA is changed to the “without dependents” rate effective the 31st day. The commander or the soldier must submit DA Form 4187 to the finance office to change COLA entitlement when family members are away longer than 30 days and again when the family returns to USAREUR. The soldier’s signature is not required. Families departing for 30 days or less do not have their COLA entitlement interrupted. Families will not be reimbursed for traveling to and from CONUS without orders.

RC soldiers called or ordered to active duty in support of SFOR or KFOR are entitled to OCONUS COLA if called to active duty from an area where OCONUS COLA is payable. The payable rate depends on the location of the soldier’s principal place of residence when called or ordered to active duty. RC soldiers are entitled to CONUS COLA if called or ordered to active duty from an area where CONUS COLA is payable.

The payable rate depends on the location of the soldier’s principal place of residence when called or ordered to active duty. For example, if an RC soldier living in England is ordered to active duty in Heidelberg, Germany, the soldier will receive the COLA rate for England.

SPECIAL LEAVE ACCRUAL (SLA)

If soldiers are not allowed to take leave when on lengthy deployments or during periods of hostility, SLA authorizes them to carry forward up to 90 days of leave (60 normal accrual days plus 30 additional days) at the end of a fiscal year. Soldiers may request SLA any time after 1 November each year for the previous fiscal year. The SLA request must include the soldier’s October LES.

SLA is automatic for soldiers who served for at least 120 continuous days in an area authorized HFP or imminent danger pay (IDP).

Commanders must request SLA for soldiers who served for less than 120 days in an area authorized HFP or IDP but did not receive those payments. The first colonel in the soldier’s chain of command will endorse the commander’s request and forward it to 1st Personnel Command (1st PERSCOM) for approval. Once approved, 1st PERSCOM will forward it through the 266th Finance Command (266th FINCOM) to the Defense Finance and Accounting Service-Indianapolis Center (DFAS-IN) for input.

Commanders must request SLA for soldiers who are not deployed from their PDS but are supporting an area (for example, SFOR, KFOR, Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF)) and were unable to take their excess leave due to mission support. The first colonel in the soldier's chain of command will endorse the commander's request and forward it to 1st PERSCOM for approval. Once approved, 1st PERSCOM will forward it through 266th FINCOM to DFAS-IN for input.

COMBAT ZONE TAX EXCLUSION (CZTE)

Military pay for enlisted soldiers and warrant officers who serve during any part of the month in a combat zone (CZ) (designated by the President in an Executive Order) or a qualified hazardous duty area (QHDA) (designated by Congress through legislation) is not subject to withholding of Federal or State income tax.

For commissioned officers, the pay not subject to withholding is capped at the highest rate of pay payable to any enlisted member, plus the amount of HFP or IDP for any month during which the officer qualifies for CZTE or QHDA. For example the maximum excludable amount for an officer who serves in a CZ or QHDA for 2004 is \$6,315.90 (\$6090.90 basic pay for the Sergeant Major of the Army plus \$225 HFP or IDP).



COMBAT ZONE TAX EXCLUSION LEAVE (CZTEL)

All soldiers earn 2.5 days of CZTEL during every month they are in a CZTE area, regardless of the number of days actually spent in the area of responsibility (AOR) each month. Soldiers who redeploy and take or sell leave in the same month they earned CZTEL will not receive any tax benefit from the 2.5 days earned that month, because they are already receiving the CZTE benefit in their pay. If the CZTEL is taken or sold in a month other than a month that the soldier is in the CZTE AOR, taxable wages will be adjusted accordingly and will reflect the tax benefit.

PAYMENT OF UNUSED LEAVE (RC ONLY)

RC soldiers performing duties on a contingency operation for more than 30 days accrue leave at the rate of 1/2 day for every 6 days of duty, or 2.5 days of leave per month. Many soldiers are authorized to take leave while on their tour of active duty, and any remaining days of accrued leave may be cashed in when outprocessing at the demobilization site. The 60-day limitation for payment of accrued leave does not apply to RC soldiers serving on active duty in support of a contingency operation.

NOTE: Soldiers should bring copies of all leave forms to the demobilization site to ensure their leave balance is correct.

HARDSHIP DUTY PAY-LOCATION (HDP-L)

HDP-L is payable to soldiers deployed in certain areas of support. This entitlement begins the day the soldier arrives at one of these locations and stops the day the soldier departs. Entitlement to HDP-L is established when a soldier is in the designated area for 30 continuous days and follows the same rules as FSA.

NOTE: For the latest HDP-L authorized locations, contact the finance detachment.

FOREIGN LANGUAGE PROFICIENCY PAY (FLPP) CERTIFICATION AND DEPLOYMENTS

If they are qualified, soldiers may receive special FLPP. For deployed soldiers who are within the FLPP testing period but have no available testing facility, their FLPP continues until they redeploy and can retest. Soldiers must retest within 180 days after they return to their PDS.

PER DIEM

Deployed soldiers earn per diem of \$3.50 per day during their tour of duty. This entitlement accrues during their deployment and is paid when they return. In order to receive their per diem, soldiers must submit DD Form 1351-2 to the finance office.

SAVINGS DEPOSIT PROGRAM (SDP)

The DOD SDP allows soldiers to deposit up to \$10,000.00 and earn interest at 10 percent per year, compounded quarterly.

Soldiers may participate in the SDP if they served at least 30 consecutive days in an area designated as a CZ or in direct support of a CZ. These areas are outlined in DOD 7000.14-R, volume 7A, chapter 51, table 51-1 (<http://www.defenselink.mil/comptroller/fmr/07a/07A51.pdf>).

Participants may deposit their unallotted pay and allowances each month, not to exceed a total balance of \$10,000.00. Although accrued interest may cause the overall balance to exceed \$10,000.00, interest is earned only on amounts up to \$10,000.00.

Deposits may be made using either of the following methods:

- **Allotment.** This is the preferred method. Regular Army personnel must submit DD Form 2558 to participate. Check “other” and specify “SDP” in block 10 of the form. Specify the monthly amount of the allotment (must be in increments of \$5.00) and submit the form to the PAC for the finance office. A spouse who has a special POA that specifically authorizes allotments may establish an allotment for the SDP.
- **Cash or Check.** AC and RC soldiers may deposit money into the SDP by cash or check at the disbursing section or cashier cage of the finance office. Spouses with the authorization to make deposits on behalf of the soldier may deposit money into the SDP by cash or check. Soldiers should always keep the deposit receipts when using this method to avoid any possible account disparities in the future.

Eligibility to make deposits stops the day the soldier permanently departs the AOR. However, interest may continue to accrue up to 90 days after the soldier departs. If the 90th day falls on any day other than the last day of a month, interest will accrue through the last day of the preceding month.

Regular Army participants must submit an SDP withdrawal request form (on the next page) to the Defense Finance and Accounting Service-Cleveland Center (DFAS-CL) (Code FMAA), 1240 East 9th Street, Cleveland, OH 44199-2055 or fax DSN (312) 580-6924 or civilian (216) 522-6924.

SDP WITHDRAWAL REQUEST FORM

Request my SDP money be sent to me based on the following information:

1. Name (Last, First MI)	
2. SSN	
3. Branch of Service	
4. Payment Information (If a and b are filled out, leave c blank.)	
a. Bank Routing #	
b. Account #	
c. Check Address (Only if a and b are blank.)	
5. Separation Date	
6. Departure Date from Deployed Area	
7. E-Mail Address	
NOTE: If you contributed funds using cash collection vouchers (CCVs), attach copies of all your CCVs to this request.	

SIGNATURE OF REQUESTER

DATE

PAY ENTITLEMENTS DURING REST AND RECUPERATION (R&R) LEAVE

Per diem stops while the soldier is on leave. Chargeable leave (such as R&R leave) begins the day after the soldier arrives at the air port of debarkation and ends the day before the soldier arrives at the air port of embarkation. Soldiers must annotate chargeable leave on their final travel voucher.

Soldiers on R&R leave in an overseas area may cash checks at any military finance unit, but they must have an approved DA Form 31 to do so. The amount limit for cashing checks is based on the servicing finance unit's policy.

CPs will be granted on a case-by-case basis. The soldier must legitimately need the CP and the soldier's rear detachment commander must support the need in writing. The CP amount, determined by the finance unit, will be based on the soldier's available unallotted pay and allowances.

HDP-L is paid to both officer and enlisted members assigned to duty in designated areas such as those in support of OEF or OIF. HDP-L will continue through the day the soldier takes leave from the designated area and restarts the day the soldier returns to the HDP-L area.

FSA-T is payable to soldiers who have family members (dependents) and are deployed for 30 days or more. A 30-day absence from the TDY or TCS location will not affect this entitlement.

Soldiers continue to receive HFP, IDP, and CZTE while on R&R leave. HFP, IDP, and CZTE are payable for any time during the month the soldier spends in an HFP or IDP area.



SERVICEMEMBER DEPLOYMENT CHECKLIST

Soldiers can find the Servicemember Deployment Checklist at <http://www.defenselink.mil/ra/family/toolkit/pdf/B-1.pdf>. The checklist was created for RC soldiers, but AC soldiers can also use the checklist.

- **Married soldiers:**

If you play a major role in paying bills, managing the family income, handling home repairs, and servicing the car, your absence may shift these responsibilities to your spouse and overwhelm your family. By planning ahead and using the Servicemember Deployment Checklist, you can keep your personal and legal affairs in order, protect yourself and your family, and ensure a successful deployment.

- **Single soldiers:**

Single soldiers face different challenges when preparing for deployment. If you are a single parent, you are responsible for determining who will care for your children while you are away. You must also make provisions for your pets, HHG, vehicle, and your bills. The Servicemember Deployment Checklist includes a separate list of concerns for single soldiers.



**RC DEPLOYMENT BENEFITS AND ENTITLEMENTS FOR
CONTINGENCY OPERATIONS**

Pay and Allowances		Special and Incentive Pays	
Pay	Basic pay same as AC.	Hazardous duty incentive pay	Yes. Same as AC.
BAH adjusted for the area the member resides.	Yes.	Aviation career incentive pay	Yes. Same as AC.
BAH II at a flat rate regardless of where the member resides.	No. Member is entitled to BAH.	Flight pay (crew and noncrew member)	Yes. Same as AC.
CONUS COLA	Yes. Based on ZIP code and only in certain areas of CONUS. CONUS COLA is taxable.	FLPP	Yes. Same as AC.
OCONUS COLA	Yes. Only if mobilized from OCONUS location.	Demolition pay	Yes. Same as AC.
OHA	Yes. Only if mobilized from OCONUS location.	Diving duty special pay	Yes. Same as AC.
BAS	Yes. Same as AC.	Parachute duty pay	Yes. Same as AC.
FSA	Yes. Same as AC for a PCS when family cannot accompany member or a TDY (unaccompanied) for more than 30 days.	Special duty assignment pay	Yes. However, the Secretary of the military department concerned may choose to authorize payment only to those reservists on active duty in excess of 180 days.
		Certain places pay	Yes. Same as AC if assigned to designated areas outside the U.S.
		HFP and IDP	Yes. Same as AC.
		Special pay for health professionals	Yes. Same as AC, if on active duty for more than 30 days.
		Reserve officer medical and dental officer special pay	Yes.

Section IV Military Pay and Miscellaneous Information

2004 PAY RATES*

PAY GRADE	YEARS OF SERVICE															
	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26	
COMMISSIONED OFFICERS																
O-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12524.70	12586.20	12847.80	13303.80
O-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10954.50	11112.30	11340.30	11738.40
O-8	7751.10	8004.90	8173.20	8220.60	8430.30	8781.90	8863.50	9197.10	9292.80	9579.90	9995.70	10379.10	10635.30	10635.30	10635.30	10635.30
O-7	6440.70	6739.80	6878.40	6988.50	7187.40	7384.20	7611.90	7839.00	8066.70	8781.90	9386.10	9386.10	9386.10	9386.10	9386.10	9386.10
O-6	4773.60	5244.30	5588.40	5588.40	5609.70	5850.00	5882.10	5882.10	6216.30	6807.30	7154.10	7500.90	7698.30	7897.80	8285.40	8285.40
O-5	3979.50	4482.90	4793.40	4851.60	5044.80	5161.20	5415.90	5602.80	5844.00	6213.60	6389.70	6563.40	6760.80	6760.80	6760.80	6760.80
O-4	3433.50	3974.70	4239.90	4299.00	4545.30	4809.30	5137.80	5394.00	5571.60	5673.60	5733.00	5733.00	5733.00	5733.00	5733.00	5733.00
O-3	3018.90	3422.40	3693.90	4027.20	4220.10	4431.60	4568.70	4794.30	4911.30	4911.30	4911.30	4911.30	4911.30	4911.30	4911.30	4911.30
O-2	2608.20	2970.60	3421.50	3537.00	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90	3609.90
O-1	2264.40	2356.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50	2848.50
COMMISSIONED OFFICERS WITH OVER 4 YEARS ACTIVE SERVICE AS ENLISTED MEMBERS																
O-3E	0.00	0.00	0.00	4027.20	4220.10	4431.60	4568.70	4794.30	4984.20	5092.80	5241.30	5241.30	5241.30	5241.30	5241.30	5241.30
O-2E	0.00	0.00	0.00	3537.00	3609.90	3724.80	3918.60	4068.60	4180.20	4180.20	4180.20	4180.20	4180.20	4180.20	4180.20	4180.20
O-1E	0.00	0.00	0.00	2848.50	3042.30	3154.50	3268.40	3382.20	3537.00	3537.00	3537.00	3537.00	3537.00	3537.00	3537.00	3537.00
WARRANT OFFICERS																
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5360.70	5544.30	5728.80	5914.20	5914.20
W-4	3119.40	3355.80	3452.40	3547.20	3710.40	3871.50	4035.00	4194.30	4359.00	4617.30	4782.60	4944.30	5112.00	5277.00	5445.90	5445.90
W-3	2848.80	2967.90	3089.40	3129.30	3257.10	3403.20	3595.80	3786.30	3988.80	4140.60	4291.80	4356.90	4424.10	4570.20	4716.30	4716.30
W-2	2505.90	2649.00	2774.10	2865.30	2943.30	3157.80	3321.60	3443.40	3562.20	3643.80	3712.50	3843.00	3972.60	4103.70	4103.70	4103.70
W-1	2212.80	2394.00	2515.20	2593.50	2802.30	2928.30	3039.90	3164.70	3247.20	3321.90	3443.70	3535.80	3535.80	3535.80	3535.80	3535.80
ENLISTED MEMBERS																
E-9	0.00	0.00	0.00	0.00	0.00	0.00	3769.20	3854.70	3962.40	4089.30	4216.50	4421.10	4594.20	4776.60	5054.70	5054.70
E-8	0.00	0.00	0.00	0.00	0.00	0.00	3085.50	3222.00	3306.30	3407.70	3517.50	3715.50	3815.70	3986.40	4081.20	4314.30
E-7	2145.00	2341.20	2430.60	2549.70	2642.10	2801.40	2891.10	2980.20	3139.80	3219.60	3295.50	3341.70	3498.00	3599.10	3855.00	3855.00
E-6	1855.50	2041.20	2131.20	2218.80	2310.00	2516.10	2596.20	2685.30	2763.30	2790.90	2809.80	2809.80	2809.80	2809.80	2809.80	2809.80
E-5	1700.10	1813.50	1901.10	1991.10	2130.60	2250.90	2339.70	2367.00	2367.90	2367.90	2367.90	2367.90	2367.90	2367.90	2367.90	2367.90
E-4	1558.20	1638.30	1726.80	1814.10	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50	1891.50
E-3	1407.00	1495.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50	1585.50
E-2	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70	1337.70
E-1 >4	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40	1193.40
E-1 <4	1104.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/S	14634.20		M/S	6090.90												

FY2004 Proposed Military Pay Raise

NOTE-BASIC PAY FOR O7-O10 IS LIMITED TO \$12,133.20

LEVEL III OF THE EXECUTIVE SCHEDULE

NOTE-BASIC PAY FOR O6 AND BELOW IS LIMITED TO \$10,683.30

LEVEL V OF THE EXECUTIVE SCHEDULE

Public Law No. 108-136, FY2004 Defense Auth Act, signed into law on November 24, 2003.
FY2004 - 2.2% Increase for Level III and Level V.

OFFICIAL

* House Bill Footnotes:

Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officer in pay grade O-7 through O-10 may not exceed the rate of

*The most current pay rates are available at
<http://www.dfas.mil/money/milpay/pay/>.

UNDERSTANDING YOUR LEAVE AND EARNINGS STATEMENT (LES)

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																	
ID	Name (Last, First, MI)			Soc. Sec. No.	Grade	Pay Date	Yrs. Svc.	ETS	Branch	ADEN/DSSN	Period Cov.						
Entitlements												Summary					
Type			Amount			Deductions			Allotments			Amount			Summary		
A													+Amt Fwd				
B													+Tot Ent				
C													-Tot Ded				
D													-Tot Almt				
E													=Net Amt				
F													-Cr Fwd				
G	10			11			12						=Eom Pay				
H													Diems				
I													Ret Plan				
J													23				
K													24				
L													25				
M													26				
N													27				
O													28				
Total	20			21			22						23				
LEAVE	Bf Bal	Ernd	Usd	Cr Bal	Ets Bal	Lv Lost	Lv Paid	Use/Lse	FED TAXES	Wage Period	Wage Ytd	M/S	Ex	Add'l	Tax	Tax Ytd	
FICA	Wage	Period	Soc	Wage Ytd	Soc	Tax Ytd	Med	Wage Ytd	Med	Tax Ytd	STATE TAXES	St	Wage	Period	Wage	Ytd	
TAXES	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	
PAY	Baq	Type	Baq	Depn	VHA	Zip	Rent	Am	Share	Stat	Jftr	Depns	2d	Jftr	Bas	Type	
DATA	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
THRIFT	Base	P Rate	Base	P Curr	Spec	P Rate	Spec	P Curr	Inc	Pay Rate	Inc	P Curr	Bonus	P Rate	Bonus	P Curr	
SAVINGS	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	
PLAN (TSP)	71			72			73			74			75				
REMARKS:	76			77			78										

Fields 1 through 78 are explained on the following pages.

Field 1, NAME: The soldier's name (last, first, middle initial).

Field 2, SOC. SEC. NO: The soldier's social security number.

Field 3, GRADE: The soldier's pay grade.

Field 4, PAY DATE: The date the soldier entered active duty for pay purposes in YYMMDD format. This is the same as the pay entry base date (PEBD).

Field 5, YRS SVC: The years of creditable service.

Field 6, ETS: The ETS in YYMMDD format. This is the same as the expiration of active obligated service (EAOS).

Field 7, BRANCH: The soldier's branch of service.

Field 8, ADSN/DSSN: The disbursing station symbol number used to identify each disbursing or finance office.

Field 9, PERIOD COV: The period covered by the LES, normally 1 calendar month. If this is a separation LES, the separation date will appear in this field.

Fields 10-24 provide the soldier's entitlements, deductions, allotments, their respective totals, a mathematical summary portion, the date the soldier first entered military service, and retirement plan.

Field 10, ENTITLEMENTS: The paid entitlements and allowances listed in columns. If there are more than 15 entitlements and allowances, the overflow will be printed in the remarks block. Any retroactive entitlements and allowances will be added to like entitlements and allowances.

Field 11, DEDUCTIONS: The description of deductions listed in columns. This includes items such as taxes, SGLI, mid-month pay, and the Dependent Dental Plan. If there are more than 15 deductions, the overflow will be printed in the remarks block. Any retroactive deductions will be added to like deductions.

Field 12, ALLOTMENTS: The type of allotments deducted listed in columns. This includes discretionary and nondiscretionary allotments for savings and checking accounts, insurance, and bonds. Space is allocated for six allotments. This column will show only the dollar amount of each allotment.

Field 13, + AMT FWD: The amount of all unpaid pay and allowances due from the previous LES.

Field 14, +TOT ENT: The figure from field 20 that is the total of all entitlements and allowances listed.

Field 15, -TOT DED: The figure from field 21 that is the total of all deductions.

Field 16, -TOT ALMT: The figure from field 22 that is the total of all allotments.

Field 17, =NET AMT: The dollar value of all unpaid pay and allowances, plus total entitlements and allowances, minus deductions and allotments due on the current LES.

Field 18, -CR FWD: The dollar value of all unpaid pay and allowances due on the next LES in field 13.

Field 19, =EOM PAY: The amount to be paid to the soldier on the end-of-month payday.

Fields 20-22, TOTAL: The total amounts for the entitlements and allowances, deductions, and allotments.

Field 23, DIEMS: The date initially entered military service. This date is used solely to show the soldier's retirement plan. Soldiers with a DIEMS before 8 September 1980 are under the FINAL PAY retirement plan. Soldiers with a DIEMS of 8 September 1980 through 31 July 1986 are under the HIGH-3 retirement plan. Soldiers with a DIEMS of 1 August 1986 or later were initially under the REDUX retirement plan; this was changed by law in October 2000 when they were placed under the HIGH-3 plan with the option to return to the REDUX plan. In consideration of making this election, they become entitled to a \$30,000 career-service bonus. The data in this block comes from DA Human Resources Command; DFAS is not responsible for the accuracy of this data. If the DIEMS is incorrect, the soldier should request the servicing personnel office to take corrective action. The personnel office can also explain the soldier's retirement benefits.

Field 24, RET PLAN: Type of retirement plan (for example, FINAL PAY, HIGH 3, REDUX, CHOICE). CHOICE refers to soldiers who have less than 15 years of service and have not elected REDUX or who have chosen to maintain their current retirement plan.

Fields 25-32 provide leave information.

Field 25, BF BAL: The brought-forward leave balance that may show at the beginning of the fiscal year, or on the date when active duty began, or the day after the soldier was paid lump sum leave (LSL).

Field 26, ERND: The cumulative amount of leave earned in the current fiscal year or current term of enlistment if the soldier reenlisted or extended since the beginning of the fiscal year. This balance normally increases by 2.5 days each month.

Field 27, USD: The cumulative amount of leave used in the current fiscal year or current term of enlistment if the soldier reenlisted or extended since the beginning of the fiscal year.

Field 28, CR BAL: The current leave balance as of the end of the period covered by the LES.

Field 29, ETS BAL: The projected leave balance at the time of the soldier's ETS date.

Field 30, LV LOST: The number of days of leave that have been lost.

Field 31, LV PAID: The number of days of leave paid to date.

Field 32, USE/LSE: The projected number of days of leave that will be lost if not taken in the current fiscal year on a monthly basis. The number of days of leave in this block will decrease when any leave is used.

Fields 33-38 provide Federal tax-withholding information.

Field 33, WAGE PRIOD: The amount of money earned this LES period that is subject to Federal income tax withholding (FITW).

Field 34, WAGE YTD: The money earned year-to-date that is subject to FITW.

Field 35, M/S: The marital status used to compute the FITW.

Field 36, EX: The exemptions used to compute the FITW.

Field 37, ADD'L TAX: The dollar amount the soldier specified to be withheld in addition to the amount computed by the marital status and exemptions.

Field 38, TAX YTD: The cumulative total of FITW withheld throughout the calendar year.

Fields 39-43 provide Federal Insurance Contributions Act (FICA) information.

Field 39, WAGE PERIOD: The amount of money earned this LES period that is subject to FICA.

Field 40, SOC WAGE YTD: The wages earned year-to-date that are subject to FICA.

Field 41, SOC TAX YTD: The cumulative total of FICA withheld throughout the calendar year.

Field 42, MED WAGE YTD: The wages earned year-to-date that are subject to Medicare.

Field 43, MED TAX YTD: The cumulative total of Medicare taxes paid year-to-date.

Fields 44-49 provide State tax information.

Field 44, ST: The two-digit postal abbreviation for the State the soldier elected.

Field 45, WAGE PERIOD: The amount of money earned this LES period that is subject to State income tax withholding (SITW).

Field 46, WAGE YTD: The money earned year-to-date that is subject to SITW.

Field 47, M/S: The marital status used to compute the SITW.

Field 48, EX: The number of exemptions used to compute the SITW.

Field 49, TAX YTD: The cumulative total of SITW withheld throughout the calendar year.

Fields 50-62 provide additional pay data.

Field 50, BAQ TYPE: The type of basic allowance for quarters being paid.

Field 51, BAQ DEPN: A code that indicates the type of family members (dependents) the soldier has. Codes are defined as follows:

A—Spouse

C—Child

D—Parent

I—Member married to another member

K—Ward of the court

L—Parents-in-law

R—Own right (soldier is entitled to BAQ based on grade or position).

S—Student (age 21 to 22)

T—Handicapped child over age 21

W—Soldier married to another soldier with a child under 21

Field 52, VHA ZIP: The ZIP code used to compute variable housing allowance, if entitlement exists.

Field 53, RENT AMT: The amount of rent paid for housing, if applicable.

Field 54, SHARE: The number of people with whom the soldier shares housing costs.

Field 55, STAT: The VHA status (for example, accompanied, unaccompanied).

Field 56, JFTR: The Joint Federal Travel Regulations code based on the location of the soldier for COLA purposes.

Field 57, DEPNS: The number of family members (dependents) the soldier has for VHA purposes.

Field 58, 2D JFTR: The JFTR code based on the location of the soldier's family members (dependents) for COLA purposes.

Field 59, BAS TYPE: A code that indicates the type of BAS the soldier is receiving, if applicable. This field will be blank for officers. Codes are defined as follows:

B—Separate rations

C—TDY/PCS/proceed time

H—Rations-in-kind not available

K—Rations under emergency conditions

Field 60, CHARITY YTD: The cumulative amount of charitable contributions for the calendar year.

Field 61, TPC: This field is not used by the AC of any branch of service.

Field 62, PACIDN: The activity unit identification code (UIC).

Fields 63-75 provide Thrift Savings Plan (TSP) information and data.

Field 63, BASE P RATE: The percentage of base pay elected for TSP contributions.

Field 64, BASE P CURR: Reserved for future use.

Field 65, SPEC P RATE: The percentage of specialty pay elected for TSP contribution.

Field 66, SPEC P CURR: Reserved for future use.

Field 67, INC PAY RATE: Percentage of incentive pay elected for TSP contribution.

Field 68, INC P CURR: Reserved for future use.

Field 69, BONUS P RATE: The percentage of bonus pay elected for TSP contribution.

Field 70, BONUS P CURR: Reserved for future use.

Field 71 is reserved for future use.

Field 72, TSP YTD DEDUCTIONS: The dollar amount of TSP contributions deducted for the year-to-date.

Field 73, DEFERRED: The total dollar amount of TSP contributions that are deferred for tax purposes.

Field 74, EXEMPT: The dollar amount of TSP contributions that are reported as tax exempt to the Internal Revenue Service (IRS).

Field 75 is reserved for future use.

Field 76, REMARKS: This area is used for general notices from varying command levels, as well as the explanation of starts, stops, and changes to pay items in the ENTITLEMENTS, DEDUCTIONS, and ALLOTMENTS fields.

Field 77, YTD ENTITLE: The cumulative total of all entitlements for the calendar year.

Field 78, YTD DEDUCT: The cumulative total of all deductions for the calendar year.

THRIFT SAVINGS PLAN (TSP)

The TSP is a retirement savings and investment plan that has been available to civilian employees of the Federal Government since 1987 and to soldiers since 2000. It offers some of the same types of savings and tax benefits that many private corporations offer their employees under 401(k) plans.

Participation in the TSP is optional and not automatic; soldiers must sign up to participate. Soldiers may contribute to the TSP from their pay, before taxes. The amount contributed and any earnings generated belong to the soldier.

The TSP is designed to allow active duty, Individual Ready Reserve, and National Guard soldiers to save part of their military pay for retirement in a plan that offers pre-tax savings, tax-deferred investment earnings, and low administrative and investment expenses.

Only pay can be contributed to the TSP (for example, basic pay, incentive pay, special pay, bonuses). Once a TSP account is established, the soldier will receive an introductory letter and a personal identification number (PIN). With the PIN, the participant will be able to make a contribution allocation to any of the investment funds.

Soldiers who do not enroll during the initial period will have two open seasons per year to enroll. Soldiers can elect to start or change their elections during open seasons held each year from 15 April through 30 June or 15 October through 31 December.

A soldier's TSP contribution is subject to a limit. Soldiers may not contribute an amount exceeding 9 percent of their basic pay (or compensation received under 37 U.S.C. 206) for any pay period in 2004, but may increase their contribution in accordance with the following table:

Pay period		Contribution limit
2004		9 percent or \$13K
2005		10 percent or \$14K
2006 and after		unlimited

Matching contributions. The law provides for matching funds in limited instances at the discretion of the service Secretary. There are also provisions for special retention incentives in the form of matching funds. At this time, the Secretary of the Army has not identified any critical specialties to receive matching funds.

Find out more about the TSP at
<http://www.tsp.gov>.

- | |
|---|
| <p style="text-align: center;">REASONS FOR JOINING THE TSP</p> <ul style="list-style-type: none"> ● Retirement savings for use at age 59.5 years and after ● Complements traditional military retirement pay ● Pre-tax contributions of 9 percent of basic pay or \$13,000 ● Five investment options ● Tax deferred |
|---|

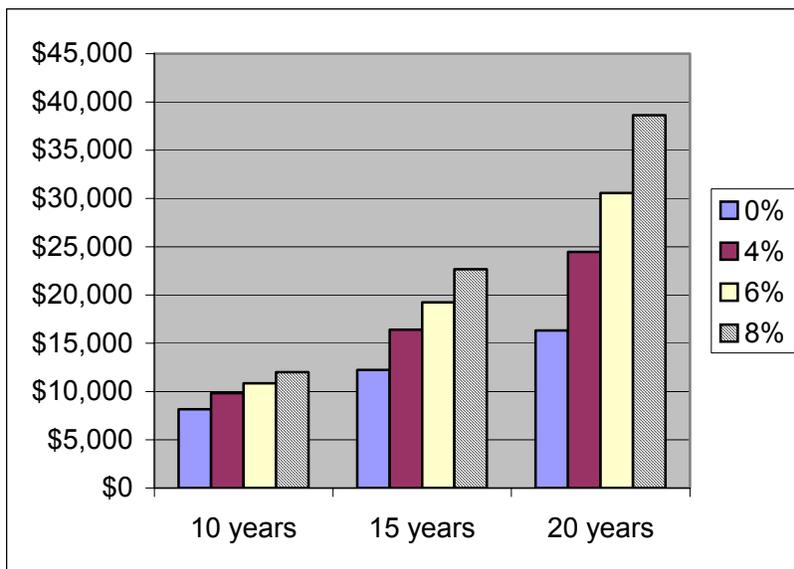
For example, if a soldier in the grade of E4 earning \$1,700 per month invests 4 percent of base pay, this equals about \$68 per month or \$816.00 annually. The \$816.00 would be taxable if the soldier was not enrolled in the TSP. By enrolling in TSP, this money will not be taxed until withdrawal and equals \$120.00 a year less in taxes at the 15 percent tax bracket.*

*According to the IRS, married people earning less than \$4,033 per month and singles earning less than \$2,321 fall into the 15 percent tax bracket.

If the soldier continues to save \$68 a month without ever raising the amount after promotions or annual pay raises, the following returns are guaranteed:

Rate of Return	0 percent	4 percent	6 percent	8 percent
10 years	\$8,160	\$9,831	\$10,841	\$11,991
15 years	\$12,240	\$16,430	\$19,238	\$22,680
20 years	\$16,320	\$24,487	\$30,564	\$38,606

The TSP is a great investment program for all soldiers. Even minimum contributions can maximize your quality of life during retirement.



If you think you cannot afford TSP, you make more money than you realize, as the following table shows:

Grade	Basic Pay	BAS	OHA	COLA	Tax Benefits (approx.)	Medical/Dental Benefits	Civilian Equivalent Salary (2001)
O3	46,508	1,996	12,730	2,552	5,850	2,400	\$71,227
E6	25,409	2,900	11,035	1,904	5,350	2,400	\$48,790
E4	20,164	2,900	9,907	1,728	4,800	2,400	\$41,712

Assumptions and factors used in this chart:

- All three soldiers are married with two children.
- Using 2002 pay entitlements, the O3 and E6 soldiers have 6 years of service, and the E4 soldier has 4 years of service.
- Housing and COLA rates are for Heidelberg, Germany.
- The housing rate uses the maximum entitlement (ceiling rate). Soldiers living in Government quarters are considered to be receiving the value of this benefit.
- The tax benefits come from the fact that BAS, OHA, and COLA are nontaxable. A nonmilitary salary would require an additional amount equal to the tax benefits to provide the same after-tax income.
- The medical/dental benefits are a conservative estimate of premiums for similar medical/dental coverage for a family of four.

**Consider your future!
It pays to invest and stay Army!**

MYPAY

MyPay is sponsored by DFAS to provide better service to our payroll customers. MyPay offers more additional features than the interactive voice response system (IVRS), which only allows you to check your account information.

MyPay gives you the ability to process transactions through a combination of Internet and IVRS technology. MyPay allows you to—

- Change your FITW information.
- Update your account number or change your electronic funds transfer (EFT) address.
- Elect and change TSP contributions (military).
- View, print, and save your LES and W-2.
- Check travel payments.

Access myPay at
<http://www.dfas.mil/mypay/>.

New and future myPay options include:

- Receive a pop-up option to stop the hard-copy LES.
- Receive a change of effective-date notice before the action is saved.
- Access myPay through your Army Knowledge Online (AKO) account.
- Make EFT allotments.
- Buy savings bonds.
- Allow certain individuals “view only” access to your account information with myPay informational PINs.

INTERACTIVE VOICE RESPONSE SYSTEM (IVRS)

With the IVRS, soldiers can now access pay information from the master military pay account 24 hours a day, 7 days a week. Soldiers can use the IVRS by calling 1-888-729-2769; this is a long-distance call from overseas.

The system goes through a series of questions that enable the caller to establish a secure, confidential PIN. The PIN is then required to access pay data each time the soldier calls.

Once the PIN is validated, the soldier can access pay information regarding current paychecks, current allotments, bonds, W2s and tax information, leave balance, and the most recent transactions affecting the soldier’s leave balance.

While the IVRS is a convenient, easy way to obtain pay information, soldiers should first contact their finance office to resolve pay issues and obtain information.

GOVERNMENT TRAVEL CHARGE CARD (GTCC)

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates the use of the GTCC for soldiers and civilians on official Government business.

The GTCC may only be used for reimbursable expenses associated with official TDY travel. DA military or civilian personnel are prohibited from using the GTCC while in a TCS or PCS status. Card misuse reported to commanders is subject to disciplinary action.

The use of split disbursement to settle travel charges avoids the risk of an account becoming delinquent. While on long-term TDY, file your accrual vouchers every 30 days and indicate payment to the bank through split disbursement in block 1 of DD Form 1351-2. Fax these to your servicing finance office for processing.

Send full remittance to the Bank of America as soon as you receive the bill. If you misplace your bill, send your payment to Bank of America, P.O. Box 53139, Phoenix, AZ 85072-3139.

For 24-hour assistance, contact Bank of America customer service at 1-800-472-1424 (dial 99-0-800-225-5288 to get an AT&T operator).

Contact your agency program coordinator to establish a user password to access the Bank of America Web site for information regarding your personal account.

FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP)

The FLTCIP is a congressionally mandated program established to provide long-term care (LTC) insurance for Federal employees, including military members and their families.

The first premium deduction from pay was available 1 October 2002 for military members. LTC insurance is not Government insurance, it is private LTC insurance offered to DOD civilians and military members and their family members (dependents) by the Office of Personnel Management (OPM) and the LTC Partners (John Hancock Life Insurance Company and Metropolitan Life Insurance Company). Procedures for enrollment, eligibility, and premium billing options are available from LTC Partners.

LTC insurance does not cover medical expenses or medicines, but it helps people with chronic health conditions pay for caregivers and services that help them do such things as get out of bed, wash, dress, eat, and other activities that the ill and frail find difficult. LTC may be provided at home, in a nursing home, or in an assisted living facility.

For questions or to enroll, call LTC Partners at 1-800-582-3337 or go to their Web site at <http://www.ltcfeds.com>.

USEFUL WEB LINKS

- 266th Finance Command homepage: <https://www.266fc.hqusareur.army.mil>
or <http://266fincom1.hqusareur.army.mil>
- DOD Financial Management Regulation: <http://www.dod.mil/comptroller/fmr/>
- FLTCIP information: <http://www.ltcfed.com>
- GTCC information: <http://www.dfas.mil/money/travelcardindex.htm>
- Military pay rates: <http://www.dfas.mil/money/milpay/pay/>
- MyPay information: <http://www.dfas.mil/mypay/>
- Rates and allowances: <http://www.dtic.mil/perdiem/rateinfo.html>
- Servicemember Deployment Checklist:
<http://www.defenselink.mil/ra/family/toolkit/pdf/B-1.pdf>
- SGLI information: <http://www.insurance.va.gov>
- TSP information: <http://www.tsp.gov>
- USAREUR homepage: <http://www.hqusareur.army.mil>

For more information, contact the Finance Policy Directorate, 266th FINCOM, at DSN 379-7587 or e-mail AEUFC-FAPD@266fc.heidelberg.army.mil.

**APPENDIX A
REFERENCES**

**Section I
Publications**

DOD 7000.14-R, Department of Defense Financial Management Regulation
AR 600-8-1, Army Casualty Operations/Assistance/Insurance

**Section II
Forms**

DD Form 1351-2, Travel Voucher or Subvoucher
DD Form 2367, Individual Overseas Housing Allowance (OHA) Report
DD Form 2558, Authorization to Start, Stop or Change an Allotment
DD Form 2560, Advance Pay Certification/Authorization
DA Form 31, Request and Authority for Leave
DA Form 2028, Recommended Changes to Publications and Blank Forms
DA Form 2142, Pay Inquiry
DA Form 4187, Personnel Action
DA Form 5960, Authorization to Start, Stop, or Change Basic Allowance for
Quarters (BAQ), and/or Variable Housing Allowance (VHA)
SGLV Form 8285A, Request for Family Coverage for Spouse (SGLI)
SGLV Form 8286A, Family Coverage Election (SGLI)

GLOSSARY

1st PERSCOM	1st Personnel Command
266th FINCOM	266th Finance Command
AC	active component
AE	Army in Europe
AOR	area of responsibility
AR	Army regulation
ATD	advance travel of dependents
BAH	basic allowance for housing
BAQ	basic allowance for quarters
BAS	basic allowance for subsistence
CCV	cash collection vouchers
COLA	cost of living allowance
CONUS	continental United States
COT	consecutive overseas tour
CP	casual payment
CZ	combat zone
CZTE	combat zone tax exclusion
CZTEL	combat zone tax exclusion leave
DA	Department of the Army
DD	Defense Department
DFAS	Defense Finance and Accounting Service
DFAS-IN	Defense Finance and Accounting Service-Indianapolis Center
DIEMS	date initially entered military service
DLA	dislocation allowance
DOD	Department of Defense
EFT	electronic funds transfer
ERD	early return of dependents
ETS	expiration term of service
FICA	Federal Insurance Contributions Act
FITW	Federal income tax withholding
FLPP	Foreign Language Proficiency Pay
FLTCIP	Federal Long Term Care Insurance Program
FSA	family separation allowance
FSA-T	family separation allowance-temporary
FSGLI	Family Servicemembers' Group Life Insurance
GTCC	Government travel charge card
HDP-L	hardship duty pay-location
HFP	hostile fire pay
HHG	household goods
IDP	imminent danger pay

IPCOT	in-place consecutive overseas tour
IRS	Internal Revenue Service
IVRS	interactive voice response system
JFTR	Joint Federal Travel Regulations
KFOR	Kosovo Force
LES	leave and earnings statement
LTC	long-term care
MI	middle initial
MIHA	move-in housing allowance
OCONUS	outside the continental United States
OEF	Operation Enduring Freedom
OHA	overseas housing allowance
OIF	Operation Iraqi Freedom
OJF	Operation Joint Forge
PAC	personnel and administration center
PCS	permanent change of station
PDS	permanent duty station
PIN	personal identification number
POA	power of attorney
QHDA	qualified hazardous duty area
R&R	rest and recuperation
RC	reserve component
SDP	Savings Deposit Program
SFOR	Stabilization Force
SGLI	Servicemembers' Group Life Insurance
SITW	State income tax withholding
SJA	staff judge advocate
SLA	special leave accrual
SSN	social security number
TCS	temporary change of station
TDY	temporary duty
TLA	temporary lodging allowance
TSP	Thrift Savings Plan
UMO	unit movement orders
U.S.	United States
U.S.C.	United States Code
USAREUR	United States Army, Europe
VHA	variable housing allowance
YTD	year-to-date
ZIP	Zone Improvement Plan