OFFICE OF THE UNDER SECRETARY OF WAR
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER
(Program/Budget)

JUL 16 2026

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF WAR, HEALTH RESOURCES MANAGEMENT & POLICY (HEALTH AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY DIRECTOR, ADMINISTRATION AND MANAGEMENT
DEPUTY DIRECTOR FOR RESOURCE MANAGEMENT, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Fiscal Year 2027 Department of War Military Personnel Composite Standard Pay and Reimbursement Rates

The Fiscal Year 2027 Department of War (DoW) Military Composite Pay and Reimbursement Rates (Tabs K1-K6 attached) are now available on the reimbursable rates page of the Office of the Under Secretary of War (Comptroller) website at https://comptroller.war.gov/Financial-Management/Reports/. The DoW Composite Standard Pay Rates will be used when determining the military personnel appropriations cost for budget and management studies. These rates must not be interpreted as the fully burdened cost of military personnel for workforce mix or manpower decisions. The rates billable to DoW Entities, Other Federal Entities, and Foreign Military Sales Entities will be applied when obtaining reimbursement for the cost of services provided to these entities.

Questions regarding these rates should be directed to Ms. Alicia Litts, who can be reached at alicia.d.litts.civ@mail.mil or (703) 695-8251.

Anne J. McAndrew
DoW Deputy Comptroller
(Program/Budget)

Attachment:
As stated

DEPARTMENT OF WAR
MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
FISCAL YEAR 2027

1. Introduction

The Department of War (DoW) Military Composite Standard Pay and Reimbursement Rates are calculated in accordance with provisions of Volume 11A, Chapter 6, Appendix G of the "Department of Defense (DoD) Financial Management Regulation" (DoD 7000.14R). Composite standard pay and reimbursement rates include the following military personnel appropriation costs: average basic pay, retired pay accrual, basic allowance for subsistence, basic allowance for housing, incentive and special pay, permanent change of station expenses, and miscellaneous pays.

The **DoW Composite Standard Pay Rate** must be used when determining the military personnel appropriations cost for budget/management studies, but should **not** be considered as the fully-burdened cost of military personnel for workforce-mix decisions.

Rates for FY 2027 **include a per capita normal cost of $8,658** for Medicare-Eligible Retiree Health Care (MERHC) accruals. Beginning with FY 2006, the MERHC accruals are paid from the permanent, indefinite appropriations of the General Fund of the Treasury instead of the military personnel appropriations. Although MERHC accruals are now financed directly from the General Fund, they continue to be counted as part of the Military Departments' discretionary budget authority and must therefore be included when determining the military personnel costs for budget and management studies. Because MERHC accruals are no longer funded through the Services' personnel accounts, they are not included in reimbursements rates, except for Foreign Military Sales (FMS) as required by law.

Effective Date: The FY 2027 Military Composite Standard Pay and Reimbursement Rates for the Army, Navy, Marine Corps, Air Force, and Space Force are effective October 1, 2026.

2. Rate Billable to DoW Entities

The Rate Billable to DoW **Entities** must be used when obtaining reimbursement for services provided to entities inside the DoW.

These rates **exclude the per capita MERHC normal cost**. MERHC accruals are paid from the General Fund of the Treasury and cannot be reimbursed to the Services' personnel accounts during the year of execution.

Per the DoD FMR, Volume 11A, Chapter 1, Paragraph 2.4.6., **the cost of military labor must not be charged to another DoW entity except when:**

a. Defense Working Capital Fund (DWCF) activities must be reimbursed by their customers for the cost of military labor as prescribed in Volume 11B, Chapter 12; or

b. Public Law 118-47, division A, section 8049 authorizes the use of certain operation and maintenance appropriations to reimburse pay, allowances, and related expenses for National Guard and Reserve members providing intelligence or counterintelligence support to Combatant Commands, Defense Agencies, and Joint Intelligence Activities. These activities fall within the National Intelligence Program and the Military Intelligence Program. This authority is permanent unless modified by future appropriations acts.

See additional information on ***Computing Monthly Pay for DoW and other Federal Entities*** in Section 4 below.

3. Rate Billable to Other Federal Entities

Overview

The **Rate Billable to Other Federal Entities** must be used when obtaining reimbursement for services provided to entities outside the DoW.

- Rates **include a medical acceleration factor of** $14,677, consisting of **$8,519 for Direct Care (97*0130) and $6,158 for Private Sector Care (97*0146)**. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts.

- Rates **exclude the per capita normal cost of $8,658.**

See additional information on ***Computing Monthly Pay for DoW and other Federal Entities*** in Section 4 below.

Leave Adjustments

Non-Annual Assignments of 30 Days or More

If a member's assignment is **not annual** and the member is contracted for **30 days or more**, a leave adjustment factor must be applied to the reimbursable rate for Other Federal Entities.

Per DoD FMR Volume 7A, Chapter 35, Paragraph 2.2.2: "Leave accrues to a Service member serving on active duty for 30 days or more. It accrues at the rate of 2½ days for each month of active service. For partial months, it accrues at the rate of ½ day for any period of 6 days or less."

This adjustment ensures that reimbursements from other Federal agencies reflect the full cost of compensation earned during periods of accrued leave. The leave adjustment represents a **leave factor of 9 percent** and compensates for the full cost of both pay/allowances and medical coverage during periods of leave earned on non-annual assignments of 30 days or more.

- Do not use this factor if the assignment is annual.

- This factor assumes the member will be contracted for no less than 30 days, resulting in accrued leave.

Non-Annual Assignments of Less Than 30 Days

If a member is contracted for **less than 30 days**, use the standard **daily rate (1/360** of the annual rate), consistent with DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, which computes the daily rate as 1/30 of the monthly rate (and the monthly rate as 1/12 of the annual rate).

4. Computing Monthly Pay for DoW and other Federal Entities

Service of 30 Days or More. Monthly rates are calculated as if each month had **30 days**, which results in **360 days** a year instead of 365 days. Per DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, "compute monthly compensation as if each month had 30 days"; the daily rate is "1/30 of the monthly rate."

When service begins on an intermediate day of the month (i.e., not the 1st of the month), pay for the actual number of days served during that calendar month, but only through the 30th day of that month. If active military service begins on the 31st day of any month, compensation does not accrue for that day. Any person who enters active service during February and serves until the end of the month is entitled to pay for one month (30 days), less the prorated amount for the number of days expired before entry on duty. If the service ends before the last day of February, pay the member only for the actual number of days served.

Examples:

- August 16 through September 30 → reimbursement for **45 days** (15 days + one 30-day month) even though the member worked 46 days.
- February 16 through March 31 → reimbursement for **45 days** (15 days + one 30-day month) even though the member worked 44 days (non-leap year).

Service of Less Than 30 Days. Services members are entitled to compensation for continuous periods of less than one month. They are entitled to pay and allowances for each day of the period at the rate of **1/30 of the monthly amount** of such pay and allowances. Include the 31st day of a calendar month in the computation. Members who are obligated to serve on active duty for 30 days or more but who were released before performing such active duty for at least 30 days are entitled to receive pay and allowances on a day-to-day basis.

Examples:

- May 18 through June 2 → reimbursement for **16 days**.
- February 18 through March 2 → reimbursement for **13 days** (non-leap year).

5. Rates Billable to Foreign Military Sales Entities

Overview

The **Rate Billable to Foreign Military Sales (FMS) Entities** must be used when obtaining reimbursement for services provided to FMS Entities. Title 22, United States Code, Section 2761(a)(1)(C) of the Arms Export Control Act requires foreign countries or international organizations, in the case of the sale of a defense service, to pay "the full cost to the United States Government of furnishing such service." FMS reimbursement procedures are further described in DoD FMR Volume 15, Chapter 7, Paragraph 2.2.

Therefore:

- FMS Rates **include a medical acceleration factor of** $14,677, consisting of **$8,519 for Direct Care (97*0130) and $6,158 for Private Sector Care (97*0146)**. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts.

- FMS Rates **include the per capita normal cost of $8,658** for MERHC accruals. Reimbursement of the per capita normal cost for MERHC accrual must be deposited into the Miscellaneous Receipts Account 3041.

Leave and Holiday Adjustment (Time-Worked Billing Only)

When reimbursement is based on **time actually worked**, rates include a **leave and holiday factor of 18 percent** to account for compensation paid during periods of paid leave and federal holidays. In accordance with OMB Circular A-11, section 32.1(c), the statutory 2,087-hour annual work divisor remains unchanged regardless of the number of Federal holidays.

- The 18 percent factor is applied to all annual per-capita cost elements—including pay, allowances, the medical acceleration factor, and MERHCF—to ensure reimbursement reflects the full cost of both work performed and leave/holiday periods earned during time-worked billing.
- This adjustment is required to ensure that FMS customers pay the full cost of providing the service, consistent with the Arms Export Control Act requirement to recover the total cost to the U.S. Government.
- This factor must **not** be used for annual assignments.

For examples of military personnel services price computation, see DoD FMR Volume 15, Chapter 7, Exhibit 7-12.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE ARMY
UNITED STATES OF AMERICA
FOR FISCAL YEAR 2027

MILITARY PAY GRADE	AVERAGE BASIC PAY	DOW COMPOSITE STANDARD PAY RATE [1]	RATE BILLABLE TO DOW ENTITIES [2,5]	RATE BILLABLE TO OTHER FEDERAL ENTITIES [3,6,8]	RATE BILLABLE TO FMS ENTITIES [4,7,9]
O-10	$228,000 [10]	$359,843	$351,185	$365,862	$374,520
O-9	228,000	361,159	352,501	367,178	375,836
O-8	228,000	356,468	347,810	362,487	371,145
O-7	214,665	335,096	326,438	341,115	349,773
O-6	184,900	314,668	306,010	320,687	329,345
O-5	150,409	267,107	258,449	273,126	281,784
O-4	126,809	232,015	223,357	238,034	246,692
O-3	102,385	194,207	185,549	200,226	208,884
O-2	76,004	154,515	145,857	160,534	169,192
O-1	55,047	121,560	112,902	127,579	136,237
WO-5	$148,126	$268,187	$259,529	$274,206	$282,864
WO-4	127,729	239,618	230,960	245,637	254,295
WO-3	105,695	202,327	193,669	208,346	217,004
WO-2	85,515	172,248	163,590	178,267	186,925
WO-1	73,145	154,225	145,567	160,244	168,902
E-9	$114,044	$211,698	$203,040	$217,717	$226,375
E-8	88,827	174,963	166,305	180,982	189,640
E-7	77,285	158,935	150,277	164,954	173,612
E-6	59,823	131,834	123,176	137,853	146,511
E-5	51,488	110,711	102,053	116,730	125,388
E-4	42,110	91,408	82,750	97,427	106,085
E-3	36,927	78,481	69,823	84,500	93,158
E-2	34,074	74,564	65,906	80,583	89,241
E-1	30,403	71,910	63,252	77,929	86,587
CADETS	$18,215	$27,407	Not applicable	Not applicable	Not applicable

Notes:

[1] **Composite Standard Pay Rate** is used for budget and management studies. Includes the **$8,658** MERHC accrual (Tab K-1). Not a fully burdened cost for workforce-mix decisions.

[2] **Rate Billable to DoW Entities** is used to obtain reimbursement from organizations within DoD (FMR Vol. 11A, Ch. 1, para. 2.3). Excludes the $8,658 MERHC accrual.

[3] **Rate Billable to Other Federal Entities** is used when billing non-DoW federal agencies. Excludes the $8,658 MERHC accrual. Includes the $14,677 acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416).

[4] **Rates Billable to FMS Entities** follows FMR Vol. 15, Ch. 8, para. 2.2. Rate includes both the $8,658 MERHC accrual and the $14,677 medical acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416). MERHC reimbursements must be deposited into Miscellaneous Receipts (3041); acceleration factor reimbursements must be deposited into the appropriate Military Health System accounts.

[5] To compute a Monthly Rate, apply a factor of .08333 (1/12). To calculate a Daily Rate, apply a factor of .00278 (1/360). Per DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, "compute monthly compensation as if each month had 30 days"; the daily rate is "1/30 of the monthly rate."

[6] Monthly and Daily Rates (**Other Federal Entities — Leave Adjustment**).
Monthly rate = Annual rate × 0.09083 (1.09/12).
Daily rate = Annual rate × 0.00303 (1.09/360).
The 9 percent factor reflects compensation paid during accrued leave. Do not apply this factor for annual assignments. If the member serves **fewer than 30 days**, use the Daily Rate factor in **Footnote 5**. Per DoD FMR Volume 7A, Chapter 35, Paragraph 2.2.2, "Leave accrues to a Service member serving on active duty for 30 days or more. It accrues at the rate of 2½ days for each month of active service. For partial months, it accrues at the rate of ½ day for any period of 6 days or less."

[7] Daily and Hourly Rates (**FMS — Time-Worked Billing Only**).
Daily rate = Annual rate × 0.00452 (1.18/260.875).
Hourly rate = Annual rate × 0.00057 (1.18/2087).
This represents a **leave/holiday factor of 18%**. This factor is applied to all annual per-capita cost elements—including pay, allowances, the medical acceleration factor, and MERHCF—to ensure reimbursement reflects the full cost of both work performed and leave/holiday periods under time-worked billing. Do not use this factor if the assignment is annual.

[8] **Acceleration Factor Deposits (Other Federal Entities)**. To compute the Monthly or Daily portion of the $14,677 medical acceleration factor—consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Monthly (0.09083) or Daily (0.00303) factor. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[9] **MERHC and Acceleration Factor Deposits (FMS Entities)**. For MERHC: apply the Daily (0.00452) or Hourly (0.00057) factor to $8,658; deposit to Miscellaneous Receipts (3041). For the medical acceleration factor—$14,677, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Daily (0.00452) or Hourly (0.00057) factor; deposit to the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[10] **Basic pay cap** for O-7 through O-10 is limited to Level II of the Executive Schedule, projected at **$228,000 for FY 2027**.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
UNITED STATES OF AMERICA
FOR FISCAL YEAR 2027

MILITARY PAY GRADE	AVERAGE BASIC PAY	DOW COMPOSITE STANDARD PAY RATE [1]	RATE BILLABLE TO DOW ENTITIES [2,5]	RATE BILLABLE TO OTHER FEDERAL ENTITIES [3,6,8]	RATE BILLABLE TO FMS ENTITIES [4,7,9]
O-10	$228,000 [10]	$388,606	$379,948	$394,625	$403,283
O-9	228,000	377,593	368,935	383,612	392,270
O-8	228,000	381,546	372,888	387,565	396,223
O-7	193,107	326,083	317,425	332,102	340,760
O-6	184,900	323,611	314,953	329,630	338,288
O-5	146,807	273,503	264,845	279,522	288,180
O-4	123,694	240,408	231,750	246,427	255,085
O-3	99,972	204,864	196,206	210,883	219,541
O-2	77,426	170,820	162,162	176,839	185,497
O-1	58,698	142,633	133,975	148,652	157,310
WO-5	$152,017	$276,881	$268,223	$282,900	$291,558
WO-4	130,896	247,690	239,032	253,709	262,367
WO-3	108,729	218,519	209,861	224,538	233,196
WO-2	89,912	192,199	183,541	198,218	206,876
WO-1	71,612	157,247	148,589	163,266	171,924
E-9	$111,730	$217,947	$209,289	$223,966	$232,624
E-8	88,101	183,201	174,543	189,220	197,878
E-7	74,874	164,056	155,398	170,075	178,733
E-6	60,370	142,409	133,751	148,428	157,086
E-5	50,183	122,917	114,259	128,936	137,594
E-4	43,040	100,850	92,192	106,869	115,527
E-3	36,165	82,491	73,833	88,510	97,168
E-2	34,074	76,307	67,649	82,326	90,984
E-1	29,751	67,121	58,463	73,140	81,798
CADETS	$18,215	$155,851	Not applicable	Not applicable	Not applicable

Notes:

[1] **Composite Standard Pay Rate** is used for budget and management studies. Includes the **$8,658** MERHC accrual (Tab K-1). Not a fully burdened cost for workforce-mix decisions.

[2] **Rate Billable to DoW Entities** is used to obtain reimbursement from organizations within DoD (FMR Vol. 11A, Ch. 1, para. 2.3). Excludes the $8,658 MERHC accrual.

[3] **Rate Billable to Other Federal Entities** is used when billing non-DoW federal agencies. Excludes the $8,658 MERHC accrual. Includes the $14,677 acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416).

[4] **Rates Billable to FMS Entities** follows FMR Vol. 15, Ch. 8, para. 2.2. Rate includes both the $8,658 MERHC accrual and the $14,677 medical acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416). MERHC reimbursements must be deposited into Miscellaneous Receipts (3041); acceleration factor reimbursements must be deposited into the appropriate Military Health System accounts.

[5] To compute a Monthly Rate, apply a factor of .08333 (1/12). To calculate a Daily Rate, apply a factor of .00278 (1/360). Per DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, "compute monthly compensation as if each month had 30 days"; the daily rate is "1/30 of the monthly rate."

[6] Monthly and Daily Rates (**Other Federal Entities — Leave Adjustment**).
Monthly rate = Annual rate × 0.09083 (1.09/12).
Daily rate = Annual rate × 0.00303 (1.09/360).
The 9 percent factor reflects compensation paid during accrued leave. Do not apply this factor for annual assignments. If the member serves **fewer than 30 days**, use the Daily Rate factor in **Footnote 5**. Per DoD FMR Volume 7A, Chapter 35, Paragraph 2.2.2, "Leave accrues to a Service member serving on active duty for 30 days or more. It accrues at the rate of 2½ days for each month of active service. For partial months, it accrues at the rate of ½ day for any period of 6 days or less."

[7] Daily and Hourly Rates (**FMS — Time-Worked Billing Only**).
Daily rate = Annual rate × 0.00452 (1.18/260.875).
Hourly rate = Annual rate × 0.00057 (1.18/2087).
This represents a **leave/holiday factor of 18%**. This factor is applied to all annual per-capita cost elements—including pay, allowances, the medical acceleration factor, and MERHCF—to ensure reimbursement reflects the full cost of both work performed and leave/holiday periods under time-worked billing. Do not use this factor if the assignment is annual.

[8] **Acceleration Factor Deposits (Other Federal Entities)**. To compute the Monthly or Daily portion of the $14,677 medical acceleration factor—consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Monthly (0.09083) or Daily (0.00303) factor. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[9] **MERHC and Acceleration Factor Deposits (FMS Entities)**. For MERHC: apply the Daily (0.00452) or Hourly (0.00057) factor to $8,658; deposit to Miscellaneous Receipts (3041). For the medical acceleration factor—$14,677, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Daily (0.00452) or Hourly (0.00057) factor; deposit to the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[10] **Basic pay cap** for O-7 through O-10 is limited to Level II of the Executive Schedule, projected at **$228,000 for FY 2027**.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE NAVY
UNITED STATES MARINE CORPS
FOR FISCAL YEAR 2027

MILITARY PAY GRADE	AVERAGE BASIC PAY	DOW COMPOSITE STANDARD PAY RATE [1]	RATE BILLABLE TO DOW ENTITIES [2,5]	RATE BILLABLE TO OTHER FEDERAL ENTITIES [3,6,8]	RATE BILLABLE TO FMS ENTITIES [4,7,9]
O-10	$228,000 [10]	$368,583	$359,925	$374,602	$383,260
O-9	228,000	368,573	359,915	374,592	383,250
O-8	227,999	364,400	355,742	370,419	379,077
O-7	214,069	351,599	342,941	357,618	366,276
O-6	180,867	308,483	299,825	314,502	323,160
O-5	147,866	263,932	255,274	269,951	278,609
O-4	125,109	230,310	221,652	236,329	244,987
O-3	101,192	196,207	187,549	202,226	210,884
O-2	79,095	161,043	152,385	167,062	175,720
O-1	57,713	121,864	113,206	127,883	136,541
WO-5	$143,078	$259,633	$250,975	$265,652	$274,310
WO-4	120,463	224,612	215,954	230,631	239,289
WO-3	101,757	197,691	189,033	203,710	212,368
WO-2	86,143	175,113	166,455	181,132	189,790
WO-1	76,473	161,916	153,258	167,935	176,593
E-9	$108,473	$203,901	$195,243	$209,920	$218,578
E-8	84,937	170,471	161,813	176,490	185,148
E-7	71,837	152,733	144,075	158,752	167,410
E-6	58,563	132,434	123,776	138,453	147,111
E-5	50,907	109,992	101,334	116,011	124,669
E-4	44,272	91,829	83,171	97,848	106,506
E-3	37,801	79,130	70,472	85,149	93,807
E-2	34,074	70,110	61,452	76,129	84,787
E-1	29,081	63,572	54,914	69,591	78,249
CADETS	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

[1] **Composite Standard Pay Rate** is used for budget and management studies. Includes the **$8,658** MERHC accrual (Tab K-1). Not a fully burdened cost for workforce-mix decisions.

[2] **Rate Billable to DoW Entities** is used to obtain reimbursement from organizations within DoD (FMR Vol. 11A, Ch. 1, para. 2.3). Excludes the $8,658 MERHC accrual.

[3] **Rate Billable to Other Federal Entities** is used when billing non-DoW federal agencies. Excludes the $8,658 MERHC accrual. Includes the $14,677 acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416).

[4] **Rates Billable to FMS Entities** follows FMR Vol. 15, Ch. 8, para. 2.2. Rate includes both the $8,658 MERHC accrual and the $14,677 medical acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416). MERHC reimbursements must be deposited into Miscellaneous Receipts (3041); acceleration factor reimbursements must be deposited into the appropriate Military Health System accounts.

[5] To compute a Monthly Rate, apply a factor of .08333 (1/12). To calculate a Daily Rate, apply a factor of .00278 (1/360). Per DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, "compute monthly compensation as if each month had 30 days"; the daily rate is "1/30 of the monthly rate."

[6] Monthly and Daily Rates (**Other Federal Entities — Leave Adjustment**).
Monthly rate = Annual rate × 0.09083 (1.09/12).
Daily rate = Annual rate × 0.00303 (1.09/360).
The 9 percent factor reflects compensation paid during accrued leave. Do not apply this factor for annual assignments. If the member serves **fewer than 30 days**, use the Daily Rate factor in **Footnote 5**. Per DoD FMR Volume 7A, Chapter 35, Paragraph 2.2.2, "Leave accrues to a Service member serving on active duty for 30 days or more. It accrues at the rate of 2½ days for each month of active service. For partial months, it accrues at the rate of ½ day for any period of 6 days or less."

[7] Daily and Hourly Rates (**FMS — Time-Worked Billing Only**).
Daily rate = Annual rate × 0.00452 (1.18/260.875).
Hourly rate = Annual rate × 0.00057 (1.18/2087).
This represents a **leave/holiday factor of 18%**. This factor is applied to all annual per-capita cost elements—including pay, allowances, the medical acceleration factor, and MERHCF—to ensure reimbursement reflects the full cost of both work performed and leave/holiday periods under time-worked billing. Do not use this factor if the assignment is annual.

[8] **Acceleration Factor Deposits (Other Federal Entities)**. To compute the Monthly or Daily portion of the $14,677 medical acceleration factor—consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Monthly (0.09083) or Daily (0.00303) factor. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[9] **MERHC and Acceleration Factor Deposits (FMS Entities)**. For MERHC: apply the Daily (0.00452) or Hourly (0.00057) factor to $8,658; deposit to Miscellaneous Receipts (3041). For the medical acceleration factor—$14,677, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Daily (0.00452) or Hourly (0.00057) factor; deposit to the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

[10] **Basic pay cap** for O-7 through O-10 is limited to Level II of the Executive Schedule, projected at **$228,000 for FY 2027**.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
UNITED STATES OF AMERICA
FOR FISCAL YEAR 2027

MILITARY PAY GRADE	AVERAGE BASIC PAY	DOW COMPOSITE STANDARD PAY RATE [1]	RATE BILLABLE TO DOW ENTITIES [2,5]	RATE BILLABLE TO OTHER FEDERAL ENTITIES [3,6,8]	RATE BILLABLE TO FMS ENTITIES [4,7,9]
O-10	$228,000 [10]	$394,860	$386,202	$400,879	$409,537
O-9	228,000	376,470	367,812	382,489	391,147
O-8	228,000	378,617	369,959	384,636	393,294
O-7	210,836	349,631	340,973	355,650	364,308
O-6	183,928	317,184	308,526	323,203	331,861
O-5	147,844	267,924	259,266	273,943	282,601
O-4	124,362	234,011	225,353	240,030	248,688
O-3	101,112	199,393	190,735	205,412	214,070
O-2	78,401	165,221	156,563	171,240	179,898
O-1	58,437	135,920	127,262	141,939	150,597
WO-5	$144,129	$263,723	$255,065	$269,742	$278,400
WO-4	122,916	198,570	189,912	189,912	198,570
WO-3	106,371	211,591	202,933	217,610	226,268
WO-2	90,041	184,609	175,951	175,951	184,609
WO-1	76,482	164,410	155,752	170,429	179,087
E-9	$109,923	$199,648	$190,990	$205,667	$214,325
E-8	87,751	166,509	157,851	172,528	181,186
E-7	75,823	150,255	141,597	156,274	164,932
E-6	63,014	132,099	123,441	138,118	146,776
E-5	52,719	116,226	107,568	122,245	130,903
E-4	43,461	100,327	91,669	106,346	115,004
E-3	37,101	82,167	73,509	88,186	96,844
E-2	34,074	73,592	64,934	79,611	88,269
E-1	29,272	66,014	57,356	72,033	80,691
CADETS	$18,215	$138,406	Not applicable	Not applicable	Not applicable

Notes:

[1] **Composite Standard Pay Rate** is used for budget and management studies. Includes the **$8,658** MERHC accrual (Tab K-1). Not a fully burdened cost for workforce-mix decisions.

[2] **Rate Billable to DoW Entities** is used to obtain reimbursement from organizations within DoD (FMR Vol. 11A, Ch. 1, para. 2.3). Excludes the $8,658 MERHC accrual.

[3] **Rate Billable to Other Federal Entities** is used when billing non-DoW federal agencies. Excludes the $8,658 MERHC accrual. Includes the $14,677 acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416).

[4] **Rates Billable to FMS Entities** follows FMR Vol. 15, Ch. 8, para. 2.2. Rate includes both the $8,658 MERHC accrual and the $14,677 medical acceleration factor, consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0416). MERHC reimbursements must be deposited into Miscellaneous Receipts (3041); acceleration factor reimbursements must be deposited into the appropriate Military Health System accounts.

[5] To compute a Monthly Rate, apply a factor of .08333 (1/12). To calculate a Daily Rate, apply a factor of .00278 (1/360). Per DoD FMR Volume 7A, Chapter 1, Paragraph 3.2.1, "compute monthly compensation as if each month had 30 days"; the daily rate is "1/30 of the monthly rate."

[6] Monthly and Daily Rates (**Other Federal Entities — Leave Adjustment**).
Monthly rate = Annual rate × 0.09083 (1.09/12).
Daily rate = Annual rate × 0.00303 (1.09/360).
The 9 percent factor reflects compensation paid during accrued leave. Do not apply this factor for annual assignments. If the member serves **fewer than 30 days**, use the Daily Rate factor in **Footnote 5**. Per DoD FMR Volume 7A, Chapter 35, Paragraph 2.2.2, "Leave accrues to a Service member serving on active duty for 30 days or more. It accrues at the rate of 2½ days for each month of active service. For partial months, it accrues at the rate of ½ day for any period of 6 days or less."

[7] Daily and Hourly Rates (**FMS — Time-Worked Billing Only**).
Daily rate = Annual rate × 0.00452 (1.18/260.875).
Hourly rate = Annual rate × 0.00057 (1.18/2087).
This represents a **leave/holiday factor of 18%**. This factor is applied to all annual per-capita cost elements—including pay, allowances, the medical acceleration factor, and MERHCF—to ensure reimbursement reflects the full cost of both work performed and leave/holiday periods under time-worked billing. Do not use this factor if the assignment is annual.

[8] **Acceleration Factor Deposits (Other Federal Entities)**. To compute the Monthly or Daily portion of the $14,677 medical acceleration factor—consisting of $8,519 for Direct Care (deposited to 97*0130) and $6,158 for Private Sector Care (deposited to 97*0146)—apply the Monthly (0.09083) or Daily (0.00303) factor. These amounts represent the medical health care costs of active duty personnel and their dependents and must be deposited into the appropriate Military Health System accounts. Do not apply these factors for annual assignments.

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MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES
DEPARTMENT OF THE AIR FORCE
UNTIED STATES SPACE FORCE
FOR FISCAL YEAR 2027

MILITARY PAY GRADE	AVERAGE BASIC PAY	DOW COMPOSITE STANDARD PAY RATE [1]	RATE BILLABLE TO DOW ENTITIES [2,5]	RATE BILLABLE TO OTHER FEDERAL ENTITIES [3,6,8]	RATE BILLABLE TO FMS ENTITIES [4,7,9]
O-10	$228,000 [10]	$381,403	$372,745	$387,422	$396,080
O-9	228,000	377,654	368,996	383,673	392,331
O-8	228,000	374,754	366,096	380,773	389,431
O-7	210,837	350,907	342,249	356,926	365,584
O-6	179,786	306,905	298,247	312,924	321,582
O-5	144,616	259,379	250,721	265,398	274,056
O-4	121,622	224,524	215,866	230,543	239,201
O-3	98,873	188,975	180,317	194,994	203,652
O-2	76,665	154,348	145,690	160,367	169,025
O-1	57,135	126,588	117,930	132,607	141,265
WO-5	----	----	----	----	----
WO-4	----	----	----	----	----
WO-3	----	----	----	----	----
WO-2	----	----	----	----	----
WO-1	----	----	----	----	----
E-9	$109,257	$217,301	$208,643	$223,320	$231,978
E-8	87,226	176,830	168,172	182,849	191,507
E-7	75,231	160,235	151,577	166,254	174,912
E-6	62,557	141,082	132,424	147,101	155,759
E-5	52,436	124,055	115,397	130,074	138,732
E-4	43,180	107,670	99,012	113,689	122,347
E-3	37,101	87,683	79,025	93,702	102,360
E-2	34,074	83,928	75,270	89,947	98,605
E-1	29,166	74,534	65,876	80,553	89,211
CADETS	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

[1] **Composite Standard Pay Rate** is used for budget and management studies. Includes the **$8,658** MERHC accrual (Tab K-1). Not a fully burdened cost for workforce-mix decisions.

[2] **Rate Billable to DoW Entities** is used to obtain reimbursement from organizations within DoD (FMR Vol. 11A, Ch. 1, para. 2.3). Excludes the $8,658 MERHC accrual.

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