



2010 Guard and Reserve Military Handbook

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Introduction

The U.S. military is the most powerful and sophisticated armed force in the world. A vital part of this power comes from the citizen warriors who make up our nation's military Reserve Component. This defensive power is provided by two great institutions: the U.S. National Guard and the Military Reserves. Let's look briefly at these twin pillars of American security.

National Guard

The National Guard is the oldest component of the Armed Forces of the United States and one of the nation's longest-enduring institutions. It traces its history back to the earliest English colonies in North America. Responsible for their own defense, the colonists drew on English military tradition and organized their able-bodied male citizens into militias.

The National Guard has a unique dual mission that consists of both Federal and State roles. The President of the United States can activate the National Guard for participation in federal missions. Examples of federal activations include Guard units deployed to Bosnia and Kosovo for stabilization operations and units deployed to the Middle East and other locations in the war on terrorism. When federalized, the Guard units are commanded by the Combatant Commander of the theater in which they are operating and, ultimately, to the President.

The National Guard consists of both Army National Guard and Air National Guard components. The National Guard is composed of full time and part time soldiers, as well as civilians, who together serve their country. Each state and territory has its own National Guard, as provided by the United States Constitution.

For state missions, the governor, through the state Adjutant General, commands Guard forces. The governor can call the National Guard into action during local or statewide emergencies, such as storms, fires, earthquakes, civil disturbances, or to support law enforcement. Even when not federalized, the Army National Guard has a federal obligation (or mission.) That mission is to maintain properly trained and equipped units, available for prompt mobilization for war, national emergency, or as otherwise needed.

The courageous service of the National Guard has been matched by that of its brothers in arms, the U.S. Military Reserves.

U.S. Military Reserves

Our nation's military reserve is not a monolithic force. Rather, each branch of the country's military, the U.S. Army, Navy, Air Force, Marines and Coast Guard, maintains separate Reserve components. They provide the specialized manpower, brainpower and skills the military needs — when our country needs it. With the strength to help one day and man a battle station the next, these civilian warriors continue their career or education while training close to home and standing ready to serve with valuable job skills. Whether at home or overseas, they serve America in a wide variety of ways.

For example, when active duty fighters deploy overseas, Reservists often fill their positions at home, serving as instructors and security personnel. In the event of national disasters such as hurricanes or flooding, reserve personnel are on the scene to support humanitarian and relief operations.

Reservists use their civilian and military training to safeguard the nation's data and develop secure communications technologies. They also maintain, process, and troubleshoot military information systems.

The Reserves respond to chemical and biological threats and provides biohazard training to federal agencies. They play a crucial role in the maintenance and supervision of nuclear, biological and chemical detection and decontamination equipment. They also operate the transportation and supply systems that keep the military in motion, supplying troops around the world with everything from rockets and tanks to mail from home.

During times of both war and peace, Reservists help countries establish or restore governmental institutions and functions. To support this effort, the military Reserves train and deploy cultural experts to coordinate with local populations.

Our military reserve staffs most of the military hospitals, triage centers, clinics and field medical care units. Reserve medical capabilities often exceed Active Duty's because Reserve soldiers bring their civilian experience to the table.

Clearly, the National Guard and the Reserves provide a broad range of invaluable service to our nation.

If you are leaving active duty military service, joining the Reserve Component provides a way for you to continue serving your country, retain some military benefits and work toward retirement. This handbook discusses some of the benefits that you'll receive by serving in the Reserve Component, such as: Drill Pay, Bonuses, Allowances, Retirement Pay, Veterans Benefits, Health Care and Education and Training.

Military Pay

Pay Overview

Military pay is a complex topic. Right now, there are over 70 different kinds of pay and allowances included in the military compensation system. Generally speaking, military pay is linked to the civilian wages. At this time, the current laws determining annual pay increases do not guarantee that military pay will automatically be more than average civilian average pay raises. At this time, all military pay raises are set as specified in the National Defense budget. Not only that, a number of factors affect military pay. Besides advancement and promotion, these include:

- The Annual Pay Raise.
- Longevity raises virtually every 2 years (based on the number of years in service).
- Basic Allowance for Housing Increases BAH (based on location).
- Basic Allowance for Subsistence BAS Increase.
- Cost of Living Allowance COLA Increase (based on location).
- And Special Pay based on occupations: Combat, Flight, Hazardous Duty, etc.

Fortunately, this handbook is designed to explain as simply as possible everything you need to know about pay, allowances, and bonuses - even retirement pay – to understand the compensation system for the National Guard and the military Reserves.

Drill Pay: 2010 Table

In addition to one weekend of drill per month, members of the Reserves must perform a minimum of 14 days of active duty training per year. Members of the National Guard are required to perform 15 days of training per year. When performing active duty other than weekend drills, Guard/Reserve members receive 1/30th of monthly active duty pay for each day served on active duty.

President Obama signed the 2010 National Defense Authorization Act which includes a 3.4 percent pay increase for all service members. This raise is .5 percent lower than the 2009 military pay increase.

The following tables reflect the Official 2010 3.4 percent pay raise, which went into effect Jan. 1, 2010. VERIFIED ON 1/22/2010.

2010 3.4 % Military Commissioned Officer Pay Chart									
	< 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
O10									
O-9									
O-8	\$9,399.00	\$9,706.80	\$9,911.10	\$9,968.40	\$10,223.40	\$10,649.10	\$10,748.40	\$11,152.80	\$11,268.60
O-7	\$7,809.90	\$8,172.90	\$8,340.60	\$8,474.10	\$8,715.60	\$8,954.40	\$9,230.40	\$9,505.50	\$9,781.80
O-6	\$5,788.50	\$6,359.40	\$6,776.70	\$6,776.70	\$6,802.50	\$7,094.10	\$7,132.50	\$7,132.50	\$7,537.80
O-5	\$4,825.50	\$5,436.00	\$5,812.50	\$5,883.30	\$6,117.90	\$6,258.60	\$6,567.60	\$6,794.10	\$7,086.90
O-4	\$4,163.70	\$4,819.80	\$5,141.40	\$5,213.10	\$5,511.60	\$5,831.70	\$6,230.10	\$6,540.60	\$6,756.60
O-3	\$3,660.60	\$4,149.90	\$4,479.30	\$4,883.40	\$5,117.10	\$5,373.90	\$5,540.10	\$5,813.40	\$5,955.60
O-2	\$3,162.90	\$3,602.40	\$4,149.00	\$4,289.10	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30
O-1	\$2,745.60	\$2,857.50	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20

	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 30	Over 34	Over 38
O10			\$15,188.10	\$15,262.20	\$15,579.60	\$16,132.50	\$16,939.20	\$17,785.80	\$18,675.30
O-9			\$13,283.70	\$13,475.10	\$13,751.40	\$14,233.80	\$14,946.00	\$15,693.30	\$16,477.80
O-8	\$11,617.20	\$12,121.20	\$12,586.20	\$12,896.70	\$12,896.70	\$12,896.70	\$13,219.20	\$13,549.80	\$13,549.80
O-7	\$10,649.10	\$11,381.40	\$11,381.40	\$11,381.40	\$11,381.40	\$11,439.30	\$11,668.20	\$11,668.20	\$11,668.20
O-6	\$8,254.80	\$8,675.40	\$9,095.70	\$9,334.80	\$9,577.20	\$10,047.00	\$10,247.70	\$10,247.70	\$10,247.70
O-5	\$7,535.10	\$7,748.10	\$7,959.00	\$8,198.40	\$8,198.40	\$8,198.40	\$8,198.40	\$8,198.40	\$8,198.40
O-4	\$6,880.20	\$6,951.90	\$6,951.90	\$6,951.90	\$6,951.90	\$6,951.90	\$6,951.90	\$6,951.90	\$6,951.90
O-3	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60	\$5,955.60
O-2	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30	\$4,377.30
O-1	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20	\$3,454.20

2010 3.4% Military Officers (with prior enlisted experience)									
	< 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
O3E				\$4,883.40	\$5,117.10	\$5,373.90	\$5,540.10	\$5,813.40	\$6,043.50
O2E				\$4,289.10	\$4,377.30	\$4,516.80	\$4,752.00	\$4,933.80	\$5,069.10
O1E				\$3,454.20	\$3,688.80	\$3,825.00	\$3,964.80	\$4,101.60	\$4,289.10
	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 30	Over 34	Over 38
O3E	\$6,175.80	\$6,355.80	\$6,355.80	\$6,355.80	\$6,355.80	\$6,355.80	\$6,355.80	\$6,355.80	\$6,355.80
O2E	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10	\$5,069.10
O1E	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10	\$4,289.10

	< 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
W-5									
W-4	\$3,783.00	\$4,069.50	\$4,186.50	\$4,301.10	\$4,499.10	\$4,695.00	\$4,893.00	\$5,191.80	\$5,453.40
W-3	\$3,454.50	\$3,598.50	\$3,746.10	\$3,794.70	\$3,949.50	\$4,254.00	\$4,571.10	\$4,720.20	\$4,892.70
W-2	\$3,057.00	\$3,346.20	\$3,435.30	\$3,496.50	\$3,694.80	\$4,002.90	\$4,155.30	\$4,305.90	\$4,489.50
W-1	\$2,683.50	\$2,971.80	\$3,049.80	\$3,213.90	\$3,408.30	\$3,694.20	\$3,827.70	\$4,014.30	\$4,197.90

	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 30	Over 34	Over 38
W-5			\$6,726.60	\$7,068.00	\$7,322.10	\$7,603.50	\$7,983.90	\$8,383.20	\$8,802.60
W-4	\$5,702.10	\$5,905.50	\$6,104.10	\$6,396.00	\$6,635.40	\$6,909.00	\$7,047.00	\$7,047.00	\$7,047.00
W-3	\$5,070.90	\$5,390.40	\$5,606.70	\$5,736.00	\$5,873.40	\$6,060.00	\$6,060.00	\$6,060.00	\$6,060.00
W-2	\$4,633.20	\$4,763.40	\$4,918.80	\$5,021.40	\$5,102.70	\$5,102.70	\$5,102.70	\$5,102.70	\$5,102.70
W-1	\$4,342.20	\$4,475.40	\$4,636.80	\$4,636.80	\$4,636.80	\$4,636.80	\$4,636.80	\$4,636.80	\$4,636.80

	< 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
E-9							\$4,570.80	\$4,674.30	\$4,804.80
E-8						\$3,741.60	\$3,907.20	\$4,009.50	\$4,132.50
E-7	\$2,601.00	\$2,838.90	\$2,947.50	\$3,091.80	\$3,204.00	\$3,396.90	\$3,505.50	\$3,699.00	\$3,859.50
E-6	\$2,249.70	\$2,475.30	\$2,584.50	\$2,690.70	\$2,801.40	\$3,051.00	\$3,148.20	\$3,336.00	\$3,393.60
E-5	\$2,061.30	\$2,199.30	\$2,305.50	\$2,414.40	\$2,583.90	\$2,761.80	\$2,906.70	\$2,924.70	\$2,924.70
E-4	\$1,889.70	\$1,986.30	\$2,094.00	\$2,199.90	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80
E-3	\$1,705.80	\$1,813.20	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00

E-2	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10
E-1	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20	\$1,447.20
*E-1 With less than 4 Months = \$1,338.60									
	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 30	Over 34	Over 38
E-9	\$4,958.40	\$5,112.90	\$5,361.60	\$5,571.30	\$5,792.40	\$6,129.90	\$6,436.20	\$6,758.40	\$7,096.50
E-8	\$4,265.40	\$4,505.40	\$4,626.90	\$4,833.90	\$4,948.50	\$5,231.40	\$5,336.40	\$5,336.40	\$5,336.40
E-7	\$3,969.00	\$4,085.70	\$4,131.30	\$4,282.80	\$4,364.40	\$4,674.60	\$4,674.60	\$4,674.60	\$4,674.60
E-6	\$3,435.60	\$3,484.50	\$3,484.50	\$3,484.50	\$3,484.50	\$3,484.50	\$3,484.50	\$3,484.50	\$3,484.50
E-5	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70	\$2,924.70
E-4	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80	\$2,293.80
E-3	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00	\$1,923.00
E-2	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10	\$1,622.10
E-1	\$1,447.20	\$1,447.20							

In addition to the chart above, Military.com has created a [National Guard Drill Pay Calculator](#) and a [Reserve Drill Pay Calculator](#). All you need to do is select your pay grade, minimum time served, and your number of drill periods to find out how much you should be paid.

Reserve Income Replacement Program (RIRP)

The Reserve Income Replacement Program pays eligible National Guard and reserve members mobilized for extended or frequent periods the difference between their monthly civilian pre-mobilization income and their current total monthly military compensation.

RIRP Eligibility

To qualify for RIRP, service members must:

- Be serving on active duty in an involuntary status and have completed 18 continuous months of involuntary active duty, or
- Have completed 24 cumulative months of involuntary active duty within the last 60 months, or
- Be serving on involuntary active duty for a period of 180 days or more that starts within six months of separation from a previous period on involuntary active duty for at least 180 days.

Program payments are not automatic. Guard and reserve members must apply for the RIRP payments through their service personnel offices.

Enlistment Bonuses by Branch

US Army

Bonuses are available to military personnel who have been separated from the military and who possess a critical military skill.

Regular Selective Re-enlistment Bonus

The Army has three types of re-enlistment bonuses for those who have been separated 90 days or less:

1. The "Regular" Army Selective Re-Enlistment Bonus Program targets soldiers who hold a shortage MOS and agree to re-enlist in that MOS.
2. The BEAR Program encourages soldiers in overmanned MOS's to re-train into shortage MOS's, then re-enlist within that new MOS for a monetary bonus. Bonuses range from \$3,000 to \$29,000 for service extension contracts of 12 months to six years.
3. The Deployed Re-Enlistment Bonus allows a soldier with almost any MOS to re-enlist while in a designated deployed location (usually a combat zone such as Afghanistan or Iraq) and receive a monetary bonus.

Prior Service Enlistment Bonus

If you've been separated for 91 days or more and have a "critical" MOS you could qualify for the Army's Prior Service Enlistment Bonus. The amount of bonus depends on the "Multiplier" assigned to the MOS, the individual's rank, the member's time in service, and the number of years the individual re-enlists for. In some cases, the bonus multiplier also depends on where the individual is stationed.

Prior Army Service and members separated from the other branches of the Armed Forces qualify for this program. Members selected from active duty from other branches of the Armed Forces must have military skills which convert directly to Army MOSs (without having to go through Army job training).

Use the following formula to calculate your bonus amount:

(BONUS MULTIPLIER) X (MONTHLY BASE PAY) X (NUMBER OF YEARS RE-ENLISTING FOR)

The Bonus "Zone" is simply the amount of time the person has been in the military:

- Zone A -- Soldiers who re-enlist with between 17 months and 6 years of service.
- Zone B -- Soldiers, who -- at the time of re-enlistment -- have between 6 years and 10 years of service.
- Zone C -- Soldiers who re-enlist with between 10 and 14 years of service.

For example, let's say the bonus chart shows the following information:

MOS	SPC	SGT	SSGT
123 WRENCH HOLDER	1.5A	1A/1.5B/0	2A/3B/4C

This means that a specialist/corporal (E-4) who re-trained into this MOS, with between 17 months and 6 years of service (Zone A) at the time of re-enlistment would have a "Bonus Multiplier" of "1.5." A Sergeant (E-5) who re-trained into this MOS with between 17 months and 6 years of service (Zone A) would have a "Bonus Multiplier" of "1." If the Sergeant had between 6 years and 10 years of service (Zone B), he/she would have a "Bonus Multiplier" of "1.5." There is no bonus authorized here for a Sergeant with between 10 and 14 years of service. A Staff Sergeant (E-6) with less than six years of service (Zone A) would have a "Bonus Multiplier" of

"2." The same Staff Sergeant would have a "Bonus Multiplier" of "3" if he/she had between 6 and 10 years of service (Zone B), and a bonus multiplier of "4" if he/she had between 10 and 14 years of service (Zone C).

Bonuses are subject to change. For the very latest in enlistment bonuses, check the Army [MILPER Messages](#).

Affiliation Bonus

Soldiers who have completed a service term within an active component of the military or in the Active Guard Reserve (AGR) and assigned to a Troop Program Unit (TPU) with the Army Reserve can earn up to \$50 extra per month.

US Navy

The Navy Reserve offers many incentives for joining; these include several types of cash signing bonuses, education bonuses, and additional incentives. If you qualify for more than one bonus the Navy Reserve may combine them to pay a combined bonus, which is not to exceed \$20,000. Here is a brief overview of the Navy Reserve's Cash Bonuses:

Non-Prior Service (NPS) Basic Bonus

The Navy EBSRP offers cash enlistment bonuses (up to \$20,000) if you choose to enlist in the Navy Reserve for six years, regardless of the Navy career specialty (Rating) you choose.

Prior Service Enlistment Bonus

This bonus is for former enlisted sailors who have satisfactorily completed their initial military service obligations. The maximum bonus amounts are \$20,000 for a six-year enlistment and \$10,000 for a three-year enlistment.

Recruiting Selective Conversion Reenlistment (RESCORE-R)

Prior service active duty sailors approved for enlistment via the rescore-r program in an eligible rating may apply for a prior service enlistment bonus (up to \$10,000) provided they meet all other basic bonus eligibility criteria.

US Marine Corps

The Marine Corps Reserve offers many incentives for re-enlisting these include cash and education bonuses.

Selected Marine Corps Reserve Bonus Program

The Corps is offering \$15,000 to stay Marine through the Selected Marine Corps Reserve Bonus program. The incentive will be offered to Reservists with less than a year left on their contracts and to those willing to serve another three years on top of their existing time commitments. The incentive is outlined in Marine administrative message 548/08. Marines interested in the bonus must continue to serve in the same military occupational specialty and unit throughout their contract after they re-enlist. And they must have avoided being bypassed for promotion.

Selected Marine Corps Reserve Officer Affiliation Bonus Program

The Corps is offering \$10,000 through the Selected Marine Corps Reserve Officer Affiliation Bonus program to company-grade officers who commit to a drilling unit for three years, according to MarAdmin 552/08. Officers who left active duty within the past four years are eligible. They must not be selected for promotion to major, and they can't be receiving retainer or retirement pay. However, they can retrain if their MOS doesn't match any openings.

Bonus Program for Civilians

The Corps is offering \$20,000 to those who sign a six-year Reserve commitment.

US Air Force

The Air Force offers many incentives for joining; these include cash signing bonuses, education bonuses, and other incentives like housing, health care, and 30 Days paid vacation each year.

Air Force Cash Bonuses

Qualified Enlisted members may be eligible for an Air Force signing bonus in the following fields:

- Airborne Linguist – up to \$10,000
- Combat Control – up to \$10,000
- Explosive Ordnance Disposal – up to \$10,000
- Linguist – up to \$10,000
- Pararescue – up to \$10,000
- Survival Evasion Rescue Evacuation – up to \$10,000
- Tactical Air Command & Control – up to \$6,000

US Coast Guard

Selected Reserve (SELRES) Enlisted Bonus Program

This program provides a bonus for eligible personnel who reenlist or extend in the SELRES in ratings, billets, or units designated most critical (Level I) and critical (Level II). The criticality of ratings, billets, or units are periodically revised by ALDIST to maintain currency.

The limits listed below for Level I bonuses represent the maximums allowable by law for this category of bonus. Bonuses will be paid in an initial payment of one-half of the total bonus amount and a subsequent payment of the remainder. Authorizing ALDISTs will specify implementation of the available bonuses and may authorize implementation of lesser dollar amounts depending on legislative authority, budgetary resources and program needs.

- A member who reenlists/extends for three years in a Level I rating, billet, or unit may receive a total bonus payment not to exceed \$2,500 if the member has not previously received any bonus in any reserve component, or \$2,000 in the case of a member who has previously received a three-year bonus from any reserve component. Initial payment will be up to \$1,250, not to exceed one-half the total bonus amount, with a single subsequent payment of the remaining amount one year from the date of reenlistment/extension.
- A member who reenlists/extends for three years in a Level II rating, billet, or unit may receive a total bonus payment of up to \$1,500. Initial payment will be up to \$750, not to exceed one-half the total bonus amount, with a single subsequent payment of the remaining amount one year from the date of reenlistment/ extension.
- A member who reenlists/extends for six years in a Level I rating, billet, or unit, may receive a total bonus payment not to exceed \$5,000. Initial payment will be up to \$2,500, not to exceed one-half the total bonus amount, with a single subsequent payment of the remaining amount one year from the date of reenlistment/extension.
- A member who reenlists/extends for six years in a Level II rating, billet, or unit, may receive a total bonus payment of up to \$3,000. Initial payment will be up to \$1,500, not to exceed one-half the total bonus amount with a single subsequent payment of the remaining amount one year from the date of

reenlistment/ extension.

Managing Your Pay: The myPay System

Thanks to technology, you now have much greater ability to manage your pay. The agency responsible for paying America's service members is the Defense Finance and Accounting Service (DFAS). On its Web site, this agency provides a secure site where you can establish an account that you can use to access your latest personal pay information and keep your pay account up to date. You can manage your pay information, leave and earning statements, W-2's and more.

The Web site where you can create an account is at <https://mypay.dfas.mil/mypay.aspx>.

You can use the Internet or touch-tone telephone to access myPay. On the Internet, you can reach the myPay Web site at:

1. <https://mypay.dfas.mil> or
2. <http://www.dfas.mil> (click on myPay).

NOTE: Web TV users should access myPay through the <http://www.dfas.mil> site, or go directly to the myPay home page at <https://mypay.dfas.mil/mypay.aspx>. Enter your SSN or Alternate ID and PIN and click on the GO button, your SSN or Alternate ID and PIN will disappear, please scroll down the page for the Main Menu Selections. You will be able to click on any of the items listed on the menu.

Using a touch-tone telephone, contact myPay at:

1. If you are calling from the continental U.S., call toll-free at 1-877-363-3677
2. If you are calling from outside of the continental U.S., call commercial at (478) 757-3119.

For security reasons, DO NOT use a cellular phone when calling myPay. You cannot reach a customer service representative at the myPay telephone number.

For additional information or assistance, contact the DFAS Centralized Customer Support Unit toll free at 1-888-DFAS411 or 1-888-332-7411, or call commercial at (216) 522-5096, or use the Defense Switching Network (DSN) at 580-5096. The Customer Support Unit is available Monday through Friday, from 7 A.M. till 6:30 P.M. Eastern Standard time. You may also contact your customer service representative (see FAQ #19).

myPay FAQs:

1) What is myPay?

myPay is an innovative, automated system that puts you in control of processing certain discretionary pay data items without using paper forms. You can also get your pay and tax statements, and travel advice of payment using myPay.

2) Why should I use myPay?

- myPay saves time. myPay eliminates the need to write letters or fill out forms by letting you make your own changes immediately with user-friendly technology.
- myPay is convenient. You can access myPay nearly 24 hours a day, 7 days a week to change or review your current information, or to check your most recent pay statement.
- myPay is reliable. myPay has the same procedural checks for accuracy as the paper forms.

3) When is myPay available?

myPay is available nearly 24 hours a day, 7 days a week. Refer to FAQ #20 for the exceptions to this availability.

4) Which pay changes can I make using myPay?

You can change a variety of discretionary payroll items. You can get a current list of the items you can change from myPay, your servicing payroll office, or your customer service representative.

5) When will my changes be effective?

Upon completion and acceptance of a change, myPay will display a "NO LATER THAN" date. Your change will be effective on or before the date myPay displays.

- Annuitants, Military (all services & components), Civilians and Retirees: You can verify the change to your account by accessing myPay three to seven business days after you make the change, or by contacting your customer service representative (see FAQ #19).

6) How will I know that my change was made?

In keeping with government streamlining efforts and to reduce the use of paper, myPay takes advantage of existing technology and is paperless, so **you will not receive any written confirmation.** However, myPay displays a "NO LATER THAN" date **before and after** your change is accepted. Any change you make to your account should be posted no later than this date. You must receive this notification message to ensure that your action has been accepted. If your change does not appear on your account by then, contact your customer service representative (see FAQ #16).

- Military (Active and Reserve), and Civilians: You may check your Leave and Earnings Statement (LES) to verify that your change was processed.
- Annuitants: You will receive a pay statement in the mail each time you make a change to your account.
- Retirees: If you make a change to your allotments or federal tax withholding amount, you will receive a Retiree Account Statement (RAS) in the mail reflecting the change in your net pay unless you have elected to receive your RAS electronically.

7) When I change my home address, will it affect the address of bonds that should be sent to my home?

- Civilians: If the address on a bond is identical to your home address, it may automatically change when the home address is changed.
- All other myPay users: Changing your home address will not affect the address of your bonds.

8) I am in a tax exempt status. How does this affect changes I wish to make to my federal taxes?

- Civilians: If you filed a W-4 to be in a tax-exempt status, you are not allowed to make federal tax changes.
- All Military Members except for Cadets/Midshipmen and Retirees: With the exception of special statuses, you are allowed to make federal tax exemption changes using myPay.

9) I entered an amount in the federal tax additional withholding amount block. How much money will actually be deducted from myPay each payday?

- Civilians: The amount that will be deducted each pay period will be the additional amount entered in addition to the tax withholding based on your current filing status (marital status and exemptions).
- All Other Employees/Members except for Former Spouse and Cadets/Midshipmen: The amount you enter will be deducted each month, (one-half each payday if you have two paydays per month) in addition to the tax withholding based on your current filing status (marital status and exemptions).

10) What should I do if I find out the change I made on myPay was incorrect or was not the change that I wanted to make?

Any changes you make using myPay can be corrected using myPay at any time. Please submit your change only once. The change will post according to your pay system's update schedule.

11) What information do I need to be able to use myPay?

In order to use myPay, you need your Social Security Number (SSN)/Alternate ID and myPay Personal Identification Number (PIN). Depending on what you want to do in myPay, you might need additional information.

When a military member retires or transfers to the Reserves, the retiree or reserve member may continue to use the same PIN that they used while on active duty to access their myPay retired or reserve pay account information.

12) What happens if I do not know or have suspended my PIN?

If you do not know or have suspended your Customized PIN or temporary PIN, you must request a new temporary PIN. Click on the New PIN button on the myPay home page.

After you have entered your Social Security Number and selected the 'YES' button, this process will attempt to determine if myPay can mail a new random temporary PIN to your address of record in your pay system OR if they can email to a pre-registered address. Security Restrictions allow PINs to be emailed that have been pre-registered from the appropriate administrator or to a pre-defined Secure Personal Email you provided previously in myPay. If myPay cannot mail/email a new random temporary PIN to you, the screen will display procedures for obtaining a new PIN. Please check with your local finance/pay office, they may be able to assist you in obtaining a PIN.

Note: If you are offered the PIN by email or PIN by mail option and your email or home address of record has not been updated, you can fax or mail your request for a PIN reset. Please check with your local finance/pay office before you fax or mail in your request. You can also scan your ID card and attach it to your email. Please include the following information:

1. Name
2. SSN
3. Copy of your government photo ID (If you do not have a government photo ID, you can send a copy of your driver's license or other photo ID.)
4. Daytime phone number
5. Signature

You can also fax (216-522-5800) or mail the information above to:

DFAS-Cleveland/PMCAA
Attention myPay
1240 East 9th Street
Cleveland, Ohio 44199

If you fax, mail or email your request, your new Temporary PIN will be set to the last five numbers of your SSN. Please wait at least two business days before attempting to use your new temporary PIN (allow additional time if you mailed your request). You will not receive any notification that your temporary PIN has been reset.

If this process does not work for you, or you need additional assistance with obtaining a PIN, please contact the Customer Support Unit Toll Free at 1-888-DFAS411 or 1-888-332-7411, Commercial 216-522-5096 or Defense Switching Network (DSN) at 580-5096.

13) How do I get a Personal Identification Number (PIN)?

If you have lost, do not remember or have not received a PIN, click on the New PIN button on the myPay home page. After you have entered your Social Security Number and selected the 'YES' button, this process will attempt to determine if myPay can mail a new random temporary PIN to your address of record in your pay system OR if they can email to a pre-registered address. PIN letters will be mailed within two business days. Delivery time will vary based upon your location and postal service volume. If you do not receive your PIN letter within ten business days, please verify your mailing address with your pay system.

Security Restrictions allow PINs to be emailed that have been pre-registered from the appropriate administrator or to a pre-defined Secure Personal Email you provided previously in myPay. If myPay cannot mail/email a new random temporary PIN to you, the screen will display procedures for obtaining a new PIN. Please check with your local finance/pay office, they may be able to assist you in obtaining a PIN.

Note: If you are offered the PIN by email or PIN by mail option and your email or home address of record has not been updated, you can fax or mail your request for a PIN reset. Please check with your local finance/pay office before you fax or mail in your request. You can also scan your ID card and attach it to your email. Please include the following information:

1. Name
2. SSN
3. Copy of your government photo ID (If you do not have a government photo ID, you can send a copy of your driver's license or other photo ID.)
4. Daytime phone number
5. Signature

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additional time if you mailed your request). You will not receive any notification that your temporary PIN has been reset.

If you need additional assistance with obtaining a PIN, please contact the Customer Support Unit Toll Free at 1-888-DFAS411 or 1-888-332-7411, Commercial 216-522-5096 or Defense Switching Network (DSN) at 580-5096.

14) Can I change my PIN?

Yes. You can change your PIN at any time by clicking on the "Change PIN" option on the Personal Settings page. You must enter your new PIN twice.

15) What kind of help does the DFAS Centralized Customer Support Unit provide?

The Centralized Customer Support Unit can provide assistance on how to use the options available to you in myPay. The Centralized Customer Support Unit will also provide support for establishing and changing your PIN.

For ALL other payroll information please contact your servicing pay office or your customer service representatives as shown in the FAQ below.

16) Who can help me with my pay account?

Questions concerning SPECIFIC PAY ACCOUNT INFORMATION should be directed to the servicing payroll office or to your normal customer service representative as follows:

Civilian Employees	Your local Customer Service Representative
Military Retirees	1-800-321-1080
Annuitants	1-800-321-1080 (US) or (216) 522-5955 (Outside US)
Military Former Spouses	1-888-DFAS411 or 1-888-332-7411
Military Members:	
U.S. Air Force Active	Your Local Finance Office
U.S. Air Force Reserves	Your Local Reserve Center Finance Office
U.S. Army Active	Your servicing Defense Military Pay Office or Finance Battalion
U.S. Army Reserves	1-888-DFAS411 or 1-888-332-7411 or your administrative unit
U.S. National Guard	1-888-DFAS411 or 1-888-332-7411 or your administrative unit
U.S. Army Separates	1-888-DFAS411 or 1-888-332-7411
U.S. Marine Corps Active	Your Local Admin Office
U.S. Marine Corps Reserves	Your Local Admin Office

U.S. Navy Active	1-888-DFAS411 or 1-888-332-7411 or your Local Personnel Support Detachment
U.S. Navy Reserves	1-888-DFAS411 or 1-888-332-7411 or your Local Reserve Personnel Support Detachment
NAF Employee	Your local administrative office.

17) May I view and print my Leave and Earnings Statement (LES) or Pay Statement online?

- All Active/Reserve Military and Civilians: You can view and print your Leave and Earnings Statement (LES) online. You may access your LES from the "Main Menu" by clicking on the Leave and Earnings Statement (LES) option. If you have trouble reading the graphic version of your LES, you can click on the "Text Version" link. The text version of your LES lists all your LES pay data items in a single column. Your LESs will remain available for a temporary period of time after your separation.
- For Non Appropriated Fund employees: Your last 26 LESs will remain available until they have cycled off through normal monthly updates.
- For Army, Navy and Air Force (Active): Your last 12 LESs will remain available until they have cycled off through normal monthly updates.
- For Army, Navy, and Air Force (Reserve): Your LESs for the last three months will remain available until they have cycled off through normal monthly updates.
- For Marines (Active and Reserve): Your last 12 LESs will remain available until they have cycled off through normal monthly updates.
- For Civilians: A new section has been added to your Leave and Earnings Statement titled Benefits Paid By The Government For You. If you have any questions related to the information contained in this section, please contact your Agency or Customer Service Representative. Your last 26 LESs will remain available until they have cycled off through normal pay period updates.
- Annuitants and Retired Military: You can view and print your account statements online. If you have trouble reading the graphic version of your account statement, you can click on the "Text Version" link. The text version of your account statement lists all of your pay data items information in a single column.
- Former Spouses: You can view and print your Pay Statements online. You may access your Pay Statement from the Main Menu by clicking on the Payment Information option. If you have trouble reading the graphic version of your Pay Statement, you can click on the Text Version link. The text version of your Pay Statement lists all of your pay data items information in a single column.

Thrift Savings Plan (TSP)

1) What TSP transactions can be made via myPay?

TSP via myPay is available only to Active/Reserve Military Members, Health and Human Services (HHS) Employees and Environmental Protection Agency (EPA) employees.

The following transactions can be made:

- Start enrollment of TSP at anytime unless you make a financial hardship withdrawal, you may

not make contributions for six months following the withdrawal.

- Military Members can start or change percentage of basic pay/incentive pay/special pay at any time if they are contributing to basic pay.
- Cancel contributions at any time throughout the year.

2) When can I sign up for the TSP?

If you are eligible, you can sign up to contribute to the TSP at any time.

3) Where can I get a TSP form?

Changes to your TSP can be made through myPay and do not require a form. However, if you prefer to submit a paper form (available on the TSP Web site, at www.tsp.gov) or if you are interested in a loan, you must contact your servicing personnel-payroll office.

4) What is the percentage of contribution that I can elect?

- Military Members: The Thrift Savings Program provides an opportunity to invest in your future. You have the opportunity to elect 100% of resulting pay which is gross basic pay less mandatory deductions and TSP loan payments. Military members can also contribute from 1% to 100% of any incentive pay; special pay or bonus pay if they elect to contribute to basic pay. Choose your TSP election percentage wisely and remember to consider your other monthly obligations. You should carefully calculate the percentage of basic pay allocated to TSP per month keeping in mind the total TSP contribution amount for 2008 is \$15,500 deferred and up to \$46,000 total of exempt and deferred if you have been deployed to zone. Also consider all current deductions such as; Social Security and Medicare tax (i.e., 7.65% of basic pay); garnishments; alimony; child support; and all allotments. Determine your ability to maximize your TSP contribution while maintaining enough funds to support your lifestyle. In cases where your percentage election exceeds resulting pay (i.e., pay after deductions) DFAS will work with you and your supporting finance office to provide the TSP percentage that is closest to the percentage you elected.
- Marines contributing to TSP: When you reach the IRS maximum amount for the year, the TSP contribution will be automatically suspended. No action is necessary. January of the following year, your TSP contributions will be unsuspended and contributions will automatically begin again. No action is necessary.

Internal Revenue Code section 402(g) and section 415(c) may limit your annual contributions. See the Summary of the Thrift Savings Plan for the Uniformed Services for more information about these statutory limitations.

5) How can I make fund allocation changes?

myPay does not allow you to change the investment of your contributions. To change the investment of your contributions, you may visit the TSP web site at <http://www.tsp.gov> or submit form TSP-50 available from your servicing personnel or payroll office.

State Taxes

What type of state tax changes may I make in myPay?

If you have a state tax option, and your state taxing authority has an agreement with the Department of Defense, you will be able to use myPay to change your state tax withholding.

- For Civilians, you now have the option to change your state taxing authority. You must designate an Official U.S. Postal code for the state you are selecting.
- Military (Active and Reserve), you will not be permitted to add or change a state tax authority. To change your state tax authority you must see your customer service representative or local finance office.

Tax Statements

May I view and print my tax statement online?

This option is not available for Former Spouses, Civilian Permanent Change of Station W-2s or Military DITY (Do it Yourself) W-2s.

- For Active/Reserve Military: You may view, print and save your W-2 Wage and Tax Statement online. You may access your W-2 from the Main Menu by clicking on the Tax Statement (W-2) option. If you have trouble reading the graphic version of your W-2, you can click on the Text Version link. The text version of your W-2 lists all your W-2 data items in a single column.
- Army Active, Army Reserve and Army Guard soldiers are able to view, print and save their Student Loan Repayment Program (SLRP) tax statements on myPay.
- Annuitants: You can view, print and save your tax statement. The tax statement displayed on myPay is the end of year tax statement. Additionally, if the tax statement displayed is incorrect, please contact your customer service representative.
- For Civilians: You can view, print and save your tax statement. The tax statement displayed on myPay is the end of year tax statement. Additionally, if the tax statement displayed is incorrect, please see your customer service representative.
- Non Appropriated Fund employees: You can view, print and save your tax statement. You may access your W-2 from the Main Menu by clicking on the Tax Statement (W-2) option. Any corrected tax statements issued will not be reflected in myPay. Additionally, if the tax statement displayed is incorrect, please see your installation representative
- Retirees: You can view, print and save your tax statements. The tax statement displayed on myPay is the end of year tax statement. Additionally, if the tax statement displayed is incorrect, please contact your customer service representative.
- All: We recommend you use the Printer Friendly version of your tax statement. For Printer Friendly information, please see FAQ # 68.

Before filing your tax return, carefully separate the copies printed on a single page. When filing your tax return, you are not required to include/send the instructions on the back of the tax statement. **You will be able to access myPay and view your W-2 for one (1) year after you are no longer in a pay status or separated.**

Direct Deposit

What are the different types of Direct Deposit categories?

- NET PAY EFT: Your Current Direct Deposit Information for your Paycheck.
- TRAVEL EFT: Your Current Direct Deposit information for your Travel Pay (Army Active and Reserve only).
- MISCELLANEOUS EFT: Your Current Direct Deposit information for your Miscellaneous

Reimbursements (Army Active and Reserve only).

All EFT options provide the capability to View/Change the Financial Institution, account type and account number.

If you are starting or changing a Direct Deposit and your new routing transit number (RTN) does not work, please verify the number with your financial institution. . If the number is valid, please notify the DFAS Centralized Customer Support Unit toll free at 1-888-DFAS411 or 1-888-332-7411, or commercial at (216) 522-5096, or Defense Switching Network (DSN) at 580-5096 of the discrepancy.

Bankruptcy Assistance

National Guard and Reservists Debt Relief Act of 2008

President Bush signed into law the National Guard and Reservists Debt Relief Act of 2008. The new law aids Guard and Reserve members who are enduring financial hardships to receive bankruptcy assistance. The Bankruptcy Abuse Prevention Act of 2005 required that filers go through a rigorous means test in order to prevent individual debt to be discharged into bankruptcy. The National Guard and Reservists Debt Relief Act exempts you from the means test, allowing for more time to get your finances back in order and to file for bankruptcy protection. This new law applies to those Guard and Reservists who have been on active duty since September 11, 2001. The protection is effective while the service member is on active duty for more than 90 days and for 540 days following activation.

Allowances

In addition to Unit Training Pay, many ways exist to earn additional money in the military reserve. This extra money is paid when Reservists choose specific jobs, complete special training, take on extra responsibilities or if they have previous military service. In addition to salary and bonuses, the military pays a cost of living allowance for housing, meals and uniforms for Reservists while on Active Duty.

2010 Basic Allowance for Subsistence (BAS)

BAS is meant to offset costs for a member's meals. This allowance is based in the historic origins of the military in which the military provided room and board (or rations) as part of a member's pay. This allowance is not intended to offset the costs of meals for family members.

Because BAS is intended to provide meals for the service member, its level is linked to the price of food. Therefore, each year it is adjusted based upon the increase of the price of food as measured by the USDA food cost index. This is why the increase to BAS will not necessarily be the same percentage as that applied to the increase in the pay table, as annual pay raises are linked to the increase of private sector wages.

2010 BAS Rates: **VERIFIED ON 1/21/2010**

Because service members are assigned to a variety of situations, some of which either mandate or prevent obtaining meals from a government facility. Due to falling food prices in 2009, BAS has not changed for 2010.

Officers: \$223.04 per month
Enlisted Members: \$323.87 per month

Basic Allowance for Housing (BAH)

BAH is an allowance to offset the cost of housing when you do not receive government-provided housing. Your BAH depends upon your location, pay grade and whether you have dependents. BAH rates are set by surveying the cost of rental properties in each geographic location. The rates are established such that members in each pay grade, independent of location, pay approximately the same out-of-pocket costs. Therefore, BAH rates in high-cost areas will be much greater than those in low-cost areas. BAH rates are published on the Per Diem Committee web page (<https://secureapp2.hqda.pentagon.mil/perdiem/bah.html>).

Additionally, there are different types of BAH to compensate for special situations.

BAH Levels and Increases

The Secretary of Defense announced a major FY2001 Budget initiative to eliminate out-of-pocket costs for off-base housing in the United States. This action reduced service members' out-of-pocket costs for housing from an average of 18.8 percent of monthly housing costs in 2000 to 15 percent in 2001, with continued reductions each year thereafter. Average out-of-pocket costs were entirely eliminated in 2005.

Average rental costs in particular locations fluctuate, both up and down. Until 2005 when the transition from the old Basic Allowance for Quarters and Variable Housing Allowance (BAQ/VHA) to BAH is complete, BAH rates did not

decrease at any location. Beginning in 2006, BAH rates for an area may follow both the increases and decreases of average rental costs, but no individual's rate will decrease.

Different Types of BAH

There are several types of BAH to satisfy various housing situations that occur among military members. In general, the amount of BAH you receive depends on your location, pay grade, and whether you have dependents. Under most circumstances, you receive BAH for the location where you are assigned, not where you live. Additionally, you may be entitled to some BAH amounts if you are residing separately from your dependents. This occurs in situations involving unaccompanied overseas tours or having a dependent child that resides with a former spouse. The rules regarding these situations can become quite complex. Consult your Finance Office if you are in one of these situations. Each type of BAH is described below.

BAH With Dependents and BAH Without Dependents

A member with permanent duty within the 50 United States, who is not furnished government housing, is eligible for Basic Allowance for Housing (BAH), based on the member's dependency status at the permanent duty ZIP Code. A member stationed overseas, including U.S. protectorates, who is not furnished government housing, is eligible for Overseas Housing Allowance (OHA) based on the member's dependency status. If a member is serving an UNACCOMPANIED overseas tour, the member is eligible for BAH at the "with dependents" rate, based on the dependent's US residence ZIP Code, plus OHA at the "without dependents" rate, if the member is not furnished government housing overseas.

Partial BAH

A member without dependents who is living in government quarters is entitled to a Partial BAH.

BAH II (Reserve Component/Transit)

BAH-II (RC/T) is the housing allowance for members in particular circumstances, for example, Reservists on active duty less than 30 days. It also applies when a member is in transit from selected areas where no prior BAH rate existed. It does not vary by geographic location. BAH-II (RC/T) was set based on the old Basic Allowance for Quarters (BAQ), which was based on the national average for housing. BAH-II is published annually and is determined by increasing the previous year's table by the percentage growth of housing costs.

Current BAH-II Rates:

Rank	Without Dependent	With Dependent	Partial
E-9	\$704.40	\$928.50	\$18.60
E-8	\$646.80	\$856.50	\$15.30
E-7	\$552.30	\$795.00	\$12.00
E-6	\$499.80	\$734.40	\$9.90
E-5	\$461.10	\$660.90	\$8.70
E-4	\$400.80	\$574.20	\$8.10
E-3	\$393.30	\$534.30	\$7.80
E-2	\$319.50	\$509.40	\$7.20

E-1	\$285.30	\$509.40	\$6.90
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BAH-Diff

BAH-DIFF is the housing allowance amount for a member who is assigned to single-type quarters and who is authorized a basic allowance for housing solely by reason of the member's payment of child support. A member is not entitled to BAH-DIFF if the monthly rate of that child support is less than the BAH-DIFF. BAH-DIFF is determined by the SECDEF and was equal to the *difference* between BAH-II with dependents and BAH-II without dependents in 1997 for the member's grade. BAH-Diff is published annually and is determined by increasing the previous year's table by the percentage growth of the military pay raise. For more information contact your finance office or consult Section 260416, Chapter 26 FMR.

Frequently Asked Questions

Who is eligible for BAH?

A member assigned to permanent duty within the 50 United States, who is not furnished government housing, is eligible for a Basic Allowance for Housing (BAH), based on the member's dependency status at the permanent duty station ZIP Code. A member stationed overseas (except in Hawai'i and Alaska), including U.S. protectorates, who is not furnished government housing, is eligible for an Overseas Housing Allowance (OHA) based on the member's dependency status. If a member is serving an UNACCOMPANIED overseas tour, the member is eligible for BAH at the 'with dependents' rate, based on the dependent's U.S. residence ZIP Code, plus FSH at the OCONUS PDS, if the member is not furnished government housing overseas.

Where can I look up my rates and learn more about Basic Allowance for Housing?

Go to <https://secureapp2.hqda.pentagon.mil/perdiem/bah.html>.

I looked up the current year BAH amount for my grade and ZIP Code, and it's less than I was getting last year. Am I going to lose money?

No. BAH rate protection keeps an individual from having a reduction in BAH as long as the individual maintains "uninterrupted eligibility" [see below] for BAH. This means an individual is authorized the 1 January rate for the individual's grade and location or the housing allowance being paid on 31 December of the previous year, whichever is larger.

Can I ever lose rate protection?

Three separate circumstances may lead to a change in your status that "interrupts your eligibility" for the allowance, and then, only if the published allowance for your grade and location is less than what you are getting now.

First, and most common, a decrease will occur when you PCS to a location where the cost of housing is less than your current duty station. At the new duty station you will get a lower housing allowance, but you should be no worse off, because the allowance is driven by the housing costs there.

Second, if you are demoted, your housing allowance reverts to the then-current published table of allowances for your lower grade. Promotions will not lower your housing allowance.

Third, if your dependency status changes (from with-dependents to without-dependents, or vice versa), your housing allowance is determined by your new dependency status, and the then-current published table of allowances for your grade.

If, in a given year, I lose rate protection, am I protected from further decreases in the following year(s)?

Yes. An individual is authorized the larger of:

1. the January 1 published BAH for grade and location;
or
2. the housing allowance being paid on December 31.

Does rate protection keep me from getting rate increases?

No. An individual is authorized the larger of:

1. the January 1 published BAH for grade and location;
or
2. the housing allowance being paid on December 31.

If I get promoted, do I get the "protected" BAH amount for my new pay grade?

No. If you are promoted, your BAH rate is the then-current published BAH for your new (higher) grade, with the following exception. If you get promoted, and are in a location where the current published BAH for your new grade is lower than the BAH amount you were receiving before, you continue to receive the higher BAH amount.

Do I see big changes in housing allowances on January 1?

Typically changes in housing allowances are modest. Allowances reflect the costs associated with household rental. Generally, rental prices change between 2%-5% from year to year, with "hot" markets changing 5%-10%. Housing allowances typically change accordingly.

I still have some out-of-pocket expenses.

Yes, that will be true for one half of the members at a location, but the other half will have out-of-pocket expenses that are less! This is what is meant by median. For a given individual, actual out-of-pocket expense is higher or lower based on the actual housing choice. For example, if a member lives in a 3-bedroom townhouse with lease and utilities that cost \$1,200, and the median cost for that dwelling in the area is \$1,100 that member has out-of-pocket expenses that are \$100 more than the typical out-of-pocket expense for that grade. The opposite is true for an individual who chooses to occupy a less expensive residence. Only for the member whose housing costs are exactly at the median will out-of-pocket expenses be the same for a given pay grade and dependency status in any location in the United States.

The BAH for my grade doesn't begin to cover my mortgage payment.

BAH is based on rental data. Homeowners' monthly mortgage payments are not used in the computation because the monthly cash outlays of homeowners are not a good indicator of the economic costs of home ownership. The variables needed to compute this include such difficult to measure factors as the expected appreciation in the value of the residence, the amount of down payment, the opportunity costs of interest from down payments, settlement costs, and the tax savings due to the interest payments deduction. Therefore, BAH reflects the current rental market conditions not the historical circumstances surrounding various mortgage loans.

What is the source of BAH Rental data?

Current data is obtained from multiple sources, employing a "checks and balances" approach to ensure reliability and accuracy of data. Current residential vacancies, identified in local newspapers and real estate rental listings, are an important, but not the only source of data. Vacancies are selected at random, and subjected to a multi-tiered screening process to ensure accuracy and reliability. Telephone interviews establish the availability and exact location of each residential unit sampled. The sample is designed to obtain a statistical confidence level of 95% or higher. Yellow page listings of apartments and real estate management companies are also used to identify units for rental pricing. It is not uncommon for real estate professionals in a certain locality to be consulted to obtain important confirmation and additional sources of data. Where available, fort/post/base housing referral offices are also contacted to tap local military expertise and gain insights into the local concerns of our members. Finally, DOD and the Services conduct on-site evaluations at various locations to confirm and ensure reliability and accuracy of the cost data. Future enhancements include examining potential uses of the Internet as well as housing data available from other government agencies.

How do you know the new method of measuring housing cost will be more accurate?

The BAH employs a civilian-based method of measuring comparable housing costs that is superior to the old VHA housing survey that measured members' spending on housing. First, members don't have to put up with the hassle of the annual VHA surveys. More importantly, BAH eliminates the so-called, "Death Spiral." Under VHA/BAQ, members who scrimped on housing, and then reported low housing expenditures, only reinforced, or drove down, already low allowances. This mainly occurred among the most junior members, whose limited disposable (after-tax) income may have forced them to accept inadequate housing and then report low costs on the member survey. The Services also recognized that the VHA/BAQ created a similar, but opposite, bias for some senior officer/enlisted grades. Under the old system, if a member opted to use a greater share of disposable income for bigger or more expensive housing, relative to the local market, and reported this expenditure on the VHA survey, it tended to "inflate" reported costs and thus allowances. BAH eliminates both these low-end and high-end biases.

What steps are taken to ensure reliability and accuracy of the data?

In selecting specific units to measure, a multi-tiered screening process is employed to ensure that the units and neighborhoods selected are appropriate. The first screen considers reasonable commuting criteria, generally defined as 20 miles or 1 hour during rush hour, eliminating units that fall outside these limits. Next, it is verified that the selected unit is in a neighborhood in which service members would choose to reside. Using the Defense Enrollment Eligibility Reporting System (DEERS) data, as a key to where members live, the focus is on those neighborhoods in which the majority of members live. The idea is to avoid sampling high-crime or undesirable neighborhoods that members have already avoided. Finally, an income screening process is used to identify appropriate neighborhoods. For example, in pricing 3- and 4-bedroom single-family units, (senior enlisted/officers) the member income in these grades is between \$60 and \$100 thousand, so 3- and 4-bedroom single family units in neighborhoods where the typical civilian income is in this range are selected. When 1-bedroom apartments (junior single enlisted) are priced, the focus is on neighborhoods where the typical civilian income is consistent with the \$20 to \$30 thousand income level that is typical for these grades. For comparison purposes, civilian salary equals the sum of military basic pay, average BAH, BAS, plus the tax advantage of the untaxed allowances.

What is included in median housing costs?

Current market rent, average utilities and renters insurance.

How often is housing data collected?

Data is collected annually, in the spring and summer when housing markets are most active.

What types of residences are included in the data collection?

Data include apartments, town homes/duplexes, as well as single-family rental units of various bedroom sizes.

Does family size make a difference?

No. Although BAH distinguishes between with-dependents and without-dependents, the with-dependents compensation is based on comparable civilians using average family size.

In determining the income of comparable civilians is military family income considered, which includes the income of the working spouse (if any)?

No. Military members should not be put in a situation where spouses are required to work, so in considering the military, Regular Military Compensation that equals the sum of military basic pay, BAH, BAS, plus the tax advantage of the untaxed allowances is used.

Does BAH guarantee that my residence matches what I could get if I lived in government quarters?

No. BAH is based on civilian standards, considering the housing choices made by civilians of comparable income.

Exactly what are the civilian housing standards used?

These are income-based, minimum housing standards used to establish the link between housing cost and pay grade. Of course, members are not limited to the standard, and are free to choose where and how they will live. Actual member choices, however, will no longer influence the calculation of rates.

Why is BAH based on my duty location? Why not use my residence location?

The policy decision to use duty location as a basis for BAH is based on the desire to compensate members for the typical housing cost within a "reasonable commuting distance" from the member's duty location. Once the duty station is known, the BAH compensation is fixed, regardless of where the member lives. If the member's residence location was used as a basis for the allowance, there is the concern that this would cause members to choose their residence location based on BAH. In some cases, this may lead to some members choosing to live further from their duty station, simply to receive higher BAH. In other cases, when members commute to lower cost areas, members would find their BAH to be lower, even though their commuting expenses are higher. The Services decided to base the allowance on the duty location with the full knowledge that members would still be free to live where they choose, but that this decision would not affect the BAH amount.

Geographically separated families (geographic bachelors) are normally eligible for BAH based on the member's duty station. Each Service budgets for support of a certain number of members and families at each location. If a growing number of people decide to leave their families in Washington, or Tampa while the member PCS's to Mt Home or Ft. Hood that could skew the budget and service support planning for these locations. Also, a fundamental philosophy of military service is that members, with their families, create a better work environment and esprit de corps when they can be active participants in the local base and community. In certain circumstances, with specific approval of the Secretary of the Service concerned, a member may be granted an exception to receive BAH based on the dependent's location. For example if a member has a sick child that requires medical attention only available in a certain location (say Walter Reed Army Medical Center in Washington DC), and the member receives PCS orders, the member might leave the family in Washington and request BAH eligibility for that location. Such exceptions do not ordinarily apply to spousal employment or other personal choices.

If people choose to live further away to reduce their housing expense, does that lower BAH for everyone else?

No. Members' expenses are no longer used to calculate BAH.

Why does someone living in another city get more BAH than I do, when it seems to me that housing is more expensive here?

Accurately determining if one location has more expensive rental markets than another is a scientific and statistical exercise. Sometimes, individuals rely on limited personal experience or newspaper and magazine articles to make that judgment. The Services have concurred that we will rely on Runzheimer International to collect statistically valid housing cost data that we will use to compute BAH. Founded in 1933, Runzheimer is a recognized leader in the field of collecting cost of living data in the United States and around the world. Currently Runzheimer serves over 2,000 businesses and governments worldwide and is renowned for its accurate and reliable research.

The cost of living here is high; I have no commissary, exchange, or hospital--I need more BAH.

BAH is designed to address the cost of housing in each area. The CONUS COLA program addresses non-housing costs of living. The fundamental goal of CONUS COLA is to compensate for high cost of living and is payable to Uniformed Service members based on duty stations in the Continental U.S (i.e., the 48 contiguous states and DC). CONUS COLA is based on grade and dependency status (with or without), and specifically considers the availability of commissary, exchange, and hospital facilities, because members without this infrastructure tend to have a higher cost of living. It should be noted, however, that lack of such infrastructure does not, by itself, qualify an area for CONUS COLA

How do you geographically define a locality?

For the purpose of defining the term, "locality," used as the basis for calculating local housing costs, the Uniformed Services have concurred in aggregating individual ZIP Codes into groups called Military Housing Areas (MHAs). An MHA includes rental markets, generally within twenty miles or one hour's drive in rush hour traffic, surrounding a duty station or a metropolitan area. The principal goal of defining an MHA based on reasonable commuting distance is that members ought to receive a BAH sufficient to permit the typical member to live a reasonable distance from his or her duty station. Of course, each member is free to choose a neighborhood that suits individual needs, e.g., amenities, schools, and public transportation. Operationally, a MHA is defined as a collection of ZIP Codes. There are about 350 geographic MHAs in the United States, named for the installation or the nearest city (e.g., Fort Hood, Castle AFB, Washington, D.C., and Denver).

What method do you use to calculate BAH in places without Runzheimer cost data?

BAH is defined for every location in the United States, even though some locations may have no military population. This is because BAH rates must be prepared should a member or dependent ever establish eligibility in that location. It is not cost effective to collect Runzheimer data for all such locations. To handle this situation, these areas are combined with other areas of similar cost for which Runzheimer cost data exists. Pooling the data in this manner gives sufficient data necessary to attain statistically reliable housing costs and BAH rates. Comparable housing costs are determined by using Fair Market Rents (FMRs) published annually for all counties by the Department of Housing and Urban Development. After grouping or pooling the data, the result is a set of counties with comparable housing costs and BAH rates called a County Cost Group (CCG). There are approximately 30 separate CCGs, each with similar housing cost. Each group includes a statistically sufficient quantity of Runzheimer cost data to calculate average housing costs by size and type of dwelling for that group of counties. Although half the U.S. counties (about 1,500) are in County Cost Groups, these counties contain less than two percent of the Uniformed Services' population eligible to receive BAH.

Who actually collects the housing data?

Runzheimer International is employed to collect the nation-wide housing cost data that are used to compute BAH. Founded in 1933, Runzheimer is a recognized leader in the field of collecting cost of living data in the United States and around the world. Currently Runzheimer serves over 2,000 businesses and governments worldwide and is renowned for its accurate and reliable research. Runzheimer's private sector clients include over 60 percent of the Fortune 500 companies. Runzheimer's government clients include the Department of Defense (DOD); the General Services Administrations (GSA); the Department of State; the Office of Personnel Management (OPM); the Internal Revenue Service (IRS) and the Federal Deposit Insurance Corporation (FDIC).

Please note: Runzheimer International does not determine BAH policy, nor are they authorized to release any data or answer written, email, or phone questions. All inquiries should be directed, via your chain of command, to the Compensation Director of your Service.

My wife and I are both service members, and we have two children. Why is it that only one of us can collect full rate BAH and the other single BAH? Why couldn't we each claim one child and collect full with-dependent BAH?

The rules governing allocation of dependents for BAH are specified in the JFTR, Chapter 10. The rules reflect both the law and policy of the Services.

I've noticed that the BAH rates have only dollars and no cents. What happened to the cents?

Beginning in 2000, BAH rates are rounded to the nearest dollar.

Clothing Allowance

The services replace enlisted National Guard and reserve members' worn-out uniforms with new clothing items rather than paying an allowance. Guard and Reserve officers receive an initial \$400 allowance and can get an additional allowance if called to active duty for at least 90 days.

Tax Advantages

A substantial, but often unseen and overlooked, aspect of military pay is certain built-in tax advantages. Most allowances are tax-exempt. Additionally, certain hardship circumstances will change normally taxable pay into tax-exempt.

Tax-Exempt Allowances

While all pays are taxable, most allowances are tax-exempt. The primary allowances for most individuals are BAS and BAH, which are tax-exempt. CONUS COLA is one allowance that is taxable. A law change mandated that every allowance created after 1986 would be taxable. CONUS COLA was authorized in 1995 and, thus became, the first taxable allowance. Tax savings can be significant as BAS and BAH averages over 30% of a member's total regular cash pay. In addition to being tax-exempt from Federal and State taxes, these allowances are also excluded from Social Security taxes.

Explanatory Example

(Note: using hypothetical pay, allowance and tax rates)

Consider a member who is married and has 1 child (family size is 3). Her annual cash pay is:

Basic Pay \$29,008.80

BAH	\$11,196.00
BAS +	\$ 2,899.20
Total	\$43,104.00

The Federal Income Tax for this person is estimated as \$1,223.82 given a family with 3 persons taking the standard deduction for married taxpayers filing a joint return.

The net take-home pay after tax is:

Total Cash Pay	\$43,104.00
Federal Taxes -	\$1,223.82
Net Take-home Pay	\$41,880.18

This person is in the 15% tax bracket and so if taxed on the allowances would pay another \$2,114.28 in taxes. But, in order to take home \$41,880.18 after tax, we have to add the extra taxes that would be paid on that amount and so on until we added a total of \$2,487.36.

Therefore, the salary equivalent or RMC for this person is:

Total Cash Pay	\$43,104.00
Tax Advantage +	\$2,487.36
RMC	\$45,591.36

If all the pay were taxed, the member could pay \$3,711.18 federal income tax:

RMC	\$45,591.36
Federal Income Tax -	\$3,711.18
Net Take-home Pay	\$41,880.18

and still have the same after tax take home pay.

In personalizing the tax advantage, you have to consider other factors, such as state and local taxes, spousal income, and other income. Suppose this family has an additional \$24,000 in taxable income (spouse earnings plus interest earnings in a savings account.) so their total income is \$67,104.00. Add on living in Virginia with a tax bracket of 6% and federal bracket of 15% or 21% total.

Their tax advantage is \$5,054.40.

The Regular Military Compensation calculator (<http://www.dod.mil/militarypay/pay/calc/index.html>) can be personalized with your situation to estimate your tax advantage.

Combat Zone Exclusions

Being assigned to or working in a combat zone triggers another tax advantage. Earnings received while in the combat zone are excluded from taxable income. This exclusion is unlimited for enlisted members and warrant officers and is limited to limited to the maximum enlisted pay amount for officers. If you spend a single qualifying day in the combat zone, your pay for the entire month is excluded from taxable income.

Bonuses and special pays are also excluded from taxable income if within the previously stated limitations and earned in the same month in which you served in a combat zone. For example, an enlisted reenlistment bonus is excluded from taxes if the member reenlists in the same month in which the member served in a combat zone. Since there is no limitation on amounts excluded for enlisted members, the entire reenlistment bonus would be excluded. As another example, an officer's flight pay would also be excluded from taxable income, but only up to the point which basic pay and the flight pay do not exceed the maximum enlisted pay amount. The Career Status Bonus received by members who may choose between High-3 and CSB/REDUX retirement plans and who elect the CSB/REDUX retirement plan also falls in this category. To be considered "earned" in the combat zone, the CSB/REDUX election must be accepted by the Service and considered final in the month in which the member was in the combat zone.

Re-Employment Rights

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

The Department of Labor, through the Veterans' Employment and Training Service (VETS), provides assistance to all persons having claims under USERRA. The Uniformed Services Employment and Reemployment Rights Act (USERRA) clarifies and strengthens the Veterans' Reemployment Rights (VRR) Statute.

USERRA protects civilian job rights and benefits for veterans and members of Reserve components. USERRA also makes major improvements in protecting service member rights and benefits by clarifying the law, improving enforcement mechanisms, and adding Federal Government employees to those employees already eligible to receive Department of Labor assistance in processing claims.

USERRA establishes the cumulative length of time that an individual may be absent from work for military duty and retain reemployment rights to five years (the previous law provided four years of active duty, plus an additional year if it was for the convenience of the Government). There are important exceptions to the five-year limit, including initial enlistments lasting more than five years, periodic National Guard and Reserve training duty, and involuntary active duty extensions and recalls, especially during a time of national emergency. USERRA clearly establishes that reemployment protection does not depend on the timing, frequency, duration, or nature of an individual's service as long as the basic eligibility criteria are met.

USERRA provides protection for disabled veterans, requiring employers to make reasonable efforts to accommodate the disability. Service members convalescing from injuries received during service or training may have up to two years from the date of completion of service to return to their jobs or apply for reemployment.

USERRA provides that returning service-members are reemployed in the job that they would have attained had they not been absent for military service (the long-standing "escalator" principle), with the same seniority, status and pay, as well as other rights and benefits determined by seniority. USERRA also requires that reasonable efforts (such as training or retraining) be made to enable returning service members to refresh or upgrade their skills to help them qualify for reemployment. The law clearly provides for alternative reemployment positions if the service member cannot qualify for the "escalator" position. USERRA also provides that while an individual is performing military service, he or she is deemed to be on a furlough or leave of absence and is entitled to the non-seniority rights accorded other individuals on non-military leaves of absence.

Health and pension plan coverage for service members is provided for by USERRA. Individuals performing military duty of more than 30 days may elect to continue employer sponsored health care for up to 24 months; however, they may be required to pay *up to* 102 percent of the full premium. For military service of less than 31 days, health care

coverage is provided as if the service member had remained employed. USERRA clarifies pension plan coverage by making explicit that all pension plans are protected.

The period an individual has to make application for reemployment or report back to work after military service is based on time spent on military duty. For service of less than 31 days, the service member must return at the beginning of the next regularly scheduled work period on the first full day after release from service, taking into account safe travel home plus an eight-hour rest period. For service of more than 30 days but less than 181 days, the service member must submit an application for reemployment within 14 days of release from service. For service of more than 180 days, an application for reemployment must be submitted within 90 days of release from service.

USERRA also requires that service members provide advance written or verbal notice to their employers for all military duty unless giving notice is impossible, unreasonable, or precluded by military necessity. An employee should provide notice as far in advance as is reasonable under the circumstances. Additionally, service members are able (but are not required) to use accrued vacation or annual leave while performing military duty.

The Department of Labor, through the Veterans' Employment and Training Service (VETS) provides assistance to all persons having claims under USERRA, including Federal and Postal Service employees.

If resolution is unsuccessful following an investigation, the service member may have his or her claim referred to the Department of Justice for consideration of representation in the appropriate District Court, at no cost to the claimant. Federal and Postal Service employees may have their claims referred to the Office of Special Counsel for consideration of representation before the Merit Systems Protection Board (MSPB). If violations under USERRA are shown to be willful, the court may award liquidated damages. Individuals who pursue their own claims in court or before the MSPB may be awarded reasonable attorney and expert witness fees if they prevail.

Service member employees of intelligence agencies are provided similar assistance through the agency's Inspector General.

Education and Training

Several programs administered by the Department of Veterans Affairs (VA) provide financial assistance to members of the National Guard and Reserve for education programs. This includes enrollment in degree programs, technical and vocational programs, correspondence courses, flight training courses, and on-the-job training and apprenticeship programs. Programs must be approved, usually by a State-approving agency, for VA purposes, before VA education program benefits are paid.

Montgomery GI Bill – Selected Reserve

Members of reserve elements of the Army, Navy, Air Force, Marine Corps and Coast Guard Reserves, and members of the Army National Guard and the Air National Guard, may be entitled to up to 36 months of educational benefits under the Montgomery GI Bill (MGIB) – Selected Reserve (MGIB SR).

The MGIB SR benefit is worth over \$11,000. This amount is based on the 2008-2009 monthly full-time student payment rate of \$329 multiplied by the 36-month limit. This “payment rate” automatically increases on October 1 each year. You receive the increase no matter when you became eligible or start using it.

To be eligible, the participant must:

1. Have a six-year obligation in the Selected Reserve or National Guard signed after June 30, 1985, or, if an officer, agree to serve six years in addition to the original obligation.
2. Complete initial active duty for training.
3. Have a high school diploma or equivalency certificate before applying for benefits.
4. Remain in good standing in a Selected Reserve or National Guard unit.

Reserve Components determine eligibility for benefits. VA does not make decisions about eligibility and cannot make payments until the Reserve Component has determined eligibility and notified VA.

Period of Eligibility: Generally, benefits end on the day a reservist or National Guard member separates from military service. However, if you leave the Selected Reserve, you may still be eligible for a full 10 years from the date you became eligible, if you became eligible before Oct. 1, 1992, or a full 14 years from the date you became eligible on or after Oct. 1, 1992. You may be eligible if you were separated because you had a disability that was not caused by misconduct, your unit was inactivated, or you were otherwise involuntarily separated during the period from Oct. 1, 1991, through Dec. 31, 2001.

If you stayed in the Selected Reserve, VA can generally extend your eligibility period if you were called up to active duty. In this case, VA will extend your eligibility by the period of your active duty service plus four months.

Payments: The rate for full-time training effective Oct. 1, 2008, is \$329 a month for 36 months. Part-time benefits are reduced proportionately. See the charts below for payment rates related to Institutional Training and Apprentice/On-Job Training:

Institutional Training

Training Time	Monthly Rate
Full Time	\$329.00
$\frac{3}{4}$ Time	\$246.00
$\frac{1}{2}$ Time	\$163.00
Less than $\frac{1}{2}$ Time	\$82.25

Apprenticeship and On-Job Training

Training Period	Monthly Rate
First 6 months of training	\$246.75
Second 6 months of training	\$180.95
Remaining pursuit of training	\$115.15

Training: Participants may take undergraduate or technical training at colleges and universities. Those who have a six-year commitment beginning after Sept. 30, 1990, may also take the following training: graduate courses; State licensure and certification; courses for a certificate or diploma from business, technical or vocational schools; cooperative training; apprenticeship or on-the-job training; correspondence courses; independent study programs; flight training; entrepreneurship training; or remedial, deficiency or refresher courses needed to complete a program of study.

Work-Study: Participants may be eligible for a work-study program in which they work for VA and receive hourly wages. Veterans must train at the three-quarter or full-time rate. The work allowed includes:

- Outreach services for VA
- VA paperwork
- Work at national or state veterans’ cemeteries
- Work at VA medical centers or state veterans homes
- Other VA approved activities

Counseling: VA counseling is available to help determine educational or vocational strengths and weaknesses and plan education or employment goals. Those ineligible for MGIB may still receive VA counseling beginning 180 days prior to separation from active duty through the first full year following honorable discharge.

Post 911 GI Bill *(Coming on August 1, 2009)*

Benefits provided through the new Post 911 GI Bill will be available for education or training after August 1, 2009. National Guard and Reserve members who have at least 30 days of continuous active duty service since September 11, 2001 and who have been discharged for a service-connected disability, or have a total of 90 days of active duty service and are honorably discharged for reasons like hardship may be eligible. Service members will receive up to 36 months of benefits. If you qualify for the current Montgomery GI Bill, Montgomery GI Bill – Selected Reserve or the Reserve Educational Assistance Program, you can elect to receive benefits from the Post 911 GI Bill.

Under this bill, you are entitled to a percentage of the following, based on your time in the service:

- Tuition and fees, not exceeding the most expensive in-state public college
- Monthly living stipend equal to the basic allowance for housing payable to an E-5 with dependents in the same zip code as the school (not available for active duty service members, those training at half time, or those taking distance learning courses)
- Annual stipend for books and supplies, not to exceed \$1,000 per year (not available for active duty service members)
- One-time payment of \$500 if you are relocating from certain highly rural areas

Full benefits will be available to those who have served at least 36 months of active duty or those who served at least 30 consecutive days of active duty before being discharged due to a service-connected disability. If your active duty service is less than the amount described above, you will receive a lesser percentage of the full benefits rate, down to a minimum of 40% for those with at least 90 days but less than 6 months of active duty.

Members are eligible for these benefits for 15 years from their last period of active duty of at least 90 consecutive days.

Reserve Educational Assistance Program

This program provides educational assistance to members of National Guard and Reserve Components – Selected Reserve and Individual Ready Reserve (IRR) – who are called or ordered to active duty service in response to a war or national emergency as declared by the President or Congress. Visit www.gibill.va.gov/ for more information.

Eligibility: Eligibility is determined by DOD or the Department of Homeland Security. Generally, a service member who serves on active duty on or after Sept. 11, 2001, for at least 90 consecutive days is eligible.

Payments: The educational payment rate is based on the number of continuous days of active duty service performed by the Reservist or National Guard service member. Full-time students receive payments on a monthly basis.

2008 Reserve Educational Assistance Program Educational Payment Rates *(As of August '08)*

Institutional Training

Training Time	Consecutive service of 90 days but less than one year	Consecutive service of 1 year +	Consecutive service of 2 years +
Full Time	\$528.40	\$792.60	\$1,056.80
¾ Time	\$396.30	\$594.45	\$792.60
½ Time	\$264.20	\$396.30	\$528.40
Less than ½ time More than ¼ time	\$264.20**	\$396.30**	\$528.40**

¼ Time or Less	\$132.10**	\$198.15**	\$264.20**
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** Tuition and Fees ONLY. Payment cannot exceed the listed amount.

Correspondence Training

40% level	22% of the approved cost of course
60% level	33% of the approved cost of course
80% level	44% of the approved cost of course

Entitlement is charged based on the rate of one month for a benefit amount equal to the full-time institutional rate.

Flight Training

40% level	24% of the approved cost of course
60% level	36% of the approved cost of course
80% level	48% of the approved cost of course

Entitlement is charged based on the rate of one month for a benefit amount equal to the full-time institutional rate.

Cooperative Training

Training Time	Consecutive service of 90 days but less than one year	Consecutive service of 1 year +	Consecutive service of 2 years +
Monthly Rates	\$528.40	\$792.60	\$1056.80

Apprenticeship and On-Job Training

Training Time	Consecutive service of 90 days but less than one year	Consecutive service of 1 year +	Consecutive service of 2 years +
First 6 months of training	\$396.30	\$594.45	\$792.60
Second 6 months of training	\$290.62	\$435.93	\$581.24
Remaining pursuit of training	\$184.94	\$277.41	\$369.88

Rates are proportionally reduced if less than 120 hours is worked.

Advance Payments: As of October 1, 2008, REAP offers advance payments of earned benefits to pay for high-cost or high-tech training leading to employment. The VA maintains a list of eligible programs. Accelerated payments are only available if the up-front cost of a course exceeds 4 months of GI Bill benefits.

Training: Approved training includes graduate and undergraduate degrees, vocational/technical training, on-the-job or apprenticeship training, correspondence training, and flight training. Licensing and certification test reimbursement became effective on Jan. 6, 2006.

Period of Eligibility: Members of the Selected Reserve called to active duty are eligible as long as they continue to serve in the Selected Reserve. They lose eligibility if they go into the IRR. Members of the IRR called to active duty are eligible as long as they stay in the IRR or the Selected Reserve.

Members who are separated from the IRR or the Selected Reserve for a disability, which was not the result of willful misconduct, are entitled to benefits for 10 years after the date of eligibility.

\$600 Buy-up Program - REAP

Some Reservists may contribute up to an additional \$600 to the GI Bill to receive increased monthly benefits. For an additional \$600 contribution, you may receive up to \$5400 in additional GI Bill benefits. You must be a member of a Ready Reserve component (Selected Reserve, Individual Ready Reserve, or Inactive National Guard) to pay into the “buy-up” program. For more information contact your personnel or payroll office

REAP FAQs

How much entitlement will I get under REAP?

You will receive 36 months of full time entitlement at your given rate. A REAP participant may not use more than 48 months of entitlement under any combination of VA Educational programs.

For example, if you have already used 20 months of MGIB-SR, you will only receive 28 months of REAP.

How long do I have to use benefits under REAP?

REAP participants who separated from the Selected Reserve after completing their service contract under other than dishonorable conditions are now eligible for REAP benefits for 10 years after they are separated from the Selected Reserve.

Details of the New Provision.

- Members who were called up from the Selected Reserve, completed their REAP qualifying period of active duty service, and then returned to the Selected Reserve for the remainder of their service contract are now eligible for REAP benefits for 10 years upon separation. In addition, members who were called up from the Individual Ready Reserve (IRR) or the Inactive National Guard (ING), completed their REAP qualifying period of active duty service, and then entered the Selected Reserve to complete their service contract are now eligible for REAP benefits for 10 years upon separation.

Example 1: Member A has an 8-year service contract. His contract requires him to serve 4 years on active duty and 4 years in the Selected Reserve. He is called up to active duty from the Selected Reserve and, when released from active duty, returns to the Selected Reserve. He completes his service contract and is separated from the Selected Reserve. Member A will be eligible for REAP benefits for 10 years upon separation from the Selected Reserve.

Example 2: Member B has an 8-year service contract. His contract requires him to serve 4 years on active duty, 2 years in the Selected Reserve, and 2 years in the IRR. Member B is called up to active duty from the Selected Reserve and, when released from active duty, returns to the Selected Reserve. Member B subsequently decides to complete his service contract in the Selected Reserve instead of transferring to the IRR. Member B will be eligible for REAP benefits for 10 years upon separation from the Selected Reserve.

- Members who were called up from the Individual Ready Reserve (IRR) or the Inactive National Guard (ING), completed their REAP qualifying period of active duty service, and then returned to the IRR/ING **are not** eligible for the 10-year post service eligibility period.

Example: Member A has an 8-year service contract. His contract requires him to serve 4 years in the Selected Reserve and 4 years in the IRR. He is called up from the IRR and, when released from active duty, returns to the IRR. Member A **is not** eligible for the 10-year post service eligibility period because he did not separate from the Selected Reserve.

- Members who were called up from the Selected Reserve, completed their REAP qualifying period of active duty service, returned to the Selected Reserve, and later transferred to the IRR/ING **are not** eligible for the 10-year post service eligibility period.

Example: Member A has an 8-year service contract. His contract requires him to serve 6 years in the Selected Reserve and 2 years in the IRR. He is called up from the Selected Reserve, serves on active duty, and when released from active duty returns to the Selected Reserve. He then completes his 6-year Selected Reserve obligation and transfers to the IRR/ING to fulfill his commitment. Member A **is not** eligible for the 10-year post service eligibility period because he transferred to the IRR and did not separate from the Selected Reserve.

What about members released for disability?

Members released early for disability incurred or aggravated in the line of duty receive REAP benefits at the rate they were qualified for when they were released. For example, if a claimant served on active duty for one year and 6 months prior to being released, he or she would be entitled to receive benefits at the 60% rate for as long as they're entitled to REAP benefits. Members released prior to completing 90 days of active duty service would be entitled to benefits at the 40% rate. If you are released for disability, you are entitled to REAP benefits for 10 years from your date of eligibility.

Can I receive REAP benefits concurrently with another MGIB benefit?

No, you cannot receive assistance under more than one VA Education program at one time. If you are eligible for MGIB-Active Duty (chapter 30) because you served on duty for a minimum of 24 consecutive months you must make an irrevocable election as to which program you will apply your time on active duty. If you are eligible for a Chapter 1606 kicker, you can still be paid that kicker while receiving REAP.

What Education programs are approved under REAP?

All education programs, with the exception of:

- National Examination / Testing Reimbursement are payable under REAP.

Can I apply for REAP now?

Yes. If you have never applied for benefits before, complete VA Form 1990 and write “*REAP*” in section one. If you are already eligible for VA Education benefits under another program, submit VA Form 1995 and notate that you now wish to use REAP. Submit copies of all DD 214s and copies of all orders for the period(s) you will use to claim eligibility.

Which benefit should I use or election date should I choose?

Veterans eligible for REAP will most likely also be eligible for Chapter 1606. The REAP program pays more than Chapter 1606. You must weigh the benefits of retroactively electing REAP with the benefits of using it for future training.

Example A. Bob is eligible for Chapter 1606 and REAP. He used 4 months of entitlement under Chapter 1606 in the Spring of 2002. Bob could request retroactive payment under REAP for that period based on his active duty period in 2001. The full time rate under REAP for that period would be \$320.00/ month. For Chapter 1606, the full time rate was \$272.00. Bob already received \$1088.00 in Chapter 1606 benefits. Under REAP he would receive \$1280.00. If Bob retroactively chooses REAP, he will receive an additional \$192.00 for the difference between the two programs. Is it more advantageous for Bob to take the extra \$192.00 for REAP, or to elect REAP from the current date forward? If Bob takes the retroactive benefit amount, he now has 32 months of REAP to use for any future school enrollment. If Bob doesn't request retroactive benefits, he now has 36 months of benefits at 40% of the current MGIB three-year rate (\$401.60 for fiscal year 2005). Bob must determine what he has used in the past, how much schooling he needs to complete in the future, and determine which option will be most advantageous to him in the long run. In Bob's situation, it might be more advantageous for him not to retroactively elect REAP benefits.

Example B. Susie is eligible for Chapter 1606 and would be eligible for REAP based on active duty served in 2001-2002. She has been in school full time continuously since she returned from active duty. To date, she has used 31 months of Chapter 1606 benefits. For someone in Susie's situation, she might benefit more from retroactively selecting REAP benefits. She would receive the difference between the two programs, and would still have 17 months of full time REAP benefits remaining.

Reserve Education Benefits

Army Reserve

As a Soldier in the Army Reserve, you'll have the time and freedom to put your educational benefits to good use. If you want to go to college without interruption, many Army Reserve units now offer you that option. The Army Reserve will also help you pay for college. If you've already attended college, the Army Reserve will help pay off your loans. The following programs are available:

Tuition Assistance

Tuition Assistance is available for approved courses, tuition assistance covers 100% of course costs up to \$250 per credit hour, not to exceed \$4,500 per fiscal year.

Army Reserve Education Career Stabilization (ECS) Program

Many Army Reserve units now offer the ECS program, which lets you finish college without interruption. ECS allows deferment from mobilization and deployment — giving you an uninterrupted path to your college degree. For more information, visit: <http://www.goarmy.com/reserve/nps/ecs.jsp>.

Army Reserve MGIB “Kicker”

You can add up to \$350 per month to your MGIB for up to 36 months with the “Kicker”. “Kicker” amounts vary with job and rank, and certain rules apply for eligibility. This could add up to \$12,600 on top of your MGIB for college.

Reserve Officers’ Training Corps (ROTC) Scholarships

Through the Reserve Officers’ Training Corps Scholarships, Army ROTC Cadets gain practical experience in management and problem solving while training to become Army Officers. This program pays for your full tuition.

College Loan Repayment Program

Pay off your student loans more easily with the Army's College Loan Repayment Program. To take advantage of this program you must enlist in the Army Reserve for six years. You could receive up to \$20,000 for selected specialties to repay college loans.

Navy Reserve

Tuition Assistance

Selected Reservists on Active Duty for 120 continuous days can be reimbursed up to 100 percent of tuition costs.

Marine Corps Reserve

Tuition Assistance

Selected Marine Corps Reservists on continuous active duty may be eligible for tuition assistance, which covers 100% of course costs up to \$250 per credit hour, not to exceed \$4,500 per fiscal year.

Montgomery GI Bill “Kicker”

Marine Reservists who agree to a six-year enlistment in a high-priority unit or critical career field may be eligible for the Kicker. The Marine Corps Reserve Kicker adds up to \$350 per month to GI Bill payments.

Air Force Reserve

Tuition Assistance

Air Force Reserve Tuition Assistance is available for participating Air Force Reserve and IMA students for both distance learning and on-campus courses. To be eligible, you must meet the following criteria:

- Students must be actively participating (for pay and points) and be in good standing (does not have a UIF, not placed on a control roster, not pending or issued an Article 15, and/or not pending court martial) from the time the Airman applies for and completes the course(s).
- Enlisted students retainability must extend beyond the course end date of the last course approved for TA, or the individual must extend or re-enlist.
- Commissioned officers must have a mandatory separation date of not less than 24 months of service commitment starting at the end of the last course completed. In addition, officers incur a two-year Reserve Service Commitment (see AFRCI 36-2102). Each time an officer applies for TA, he or she must sign a Contract for Air Force Selected Reserve Service Commitment.
- Students must provide a degree plan to their ARPC/DPSD no later than 12 semester hours. They will no longer be eligible for tuition assistance until the plan is on file with DPSD. Note: All courses submitted for TA approval must be on the degree plan.
- Student must have a high school diploma or equivalent.

Tuition Assistance is available for approved courses, tuition assistance covers 100% of course costs up to \$250 per credit hour, not to exceed \$4,500 per fiscal year.

Montgomery GI Bill “Kicker”

The Air Force Reserve’s Kicker program will provide up to \$350 per month to qualifying full-time students. The Kicker program is offered to enlisted reserve units who meet the following criteria:

- Enlist for 6 years in a critical skill
- Actively drawing Montgomery GI Bill benefits
- Actively participating in the unit program
- Completed basic training
- Have a high school diploma

Coast Guard Reserve

Tuition Assistance

The U.S. Coast Guard Reserve can take advantage of the same tuition assistance benefits that the Active Duty Coast Guard are entitled to. As U.S. Coast Guard SELRES you must maintain at least "minimum drill attendance" (maintain satisfactory participation) in order to be eligible to receive the tuition assistance. Tuition Assistance is available for

approved courses, tuition assistance covers 100% of course costs up to \$250 per credit hour, not to exceed \$4,500 per fiscal year.

National Guard Education Benefits

State Education Benefits

Besides Federal Education Benefits, Guard soldiers are eligible for education assistance from most states and U.S. territories. These benefits are allotted, funded and managed by each state. These benefits are subject to change because of state laws and available funding. Your State Education Services Office will have the most current information concerning your State Education Benefits.

Benefits by State/US Territory

Alabama: \$500 per semester for tuition, books, supplies and fees, up to \$1,000 per year for in-state schools	Kentucky: Up to the in-state full-time tuition rate at any KY state university, community college, or technical school. Priority to those pursuing 1st undergrad program.	Ohio: Up to 100% tuition and fees at state schools. Pays up to 100% of average state school tuition at private or out-of-state schools.
Alaska: 100% tuition at state-sponsored schools. Reimbursement not to exceed \$1,000 per year at other colleges.	Louisiana: Waiver for tuition to all state funded schools in the state of LA for a period of 5 academic years. Allows soldiers in a period of a six year reenlistment to pursue a degree at the next higher level, up to the masters and professional level	Oklahoma: Waives the state resident tuition rate at state supported schools for in-state residents; or out-of-state residents can waive the non-resident fees, but will be responsible for paying tuition and fees. Applicable for 3-18 credit hours per semester.
Arizona: \$250 per semester hour, not to exceed \$6,500 per state fiscal year	Maine: Up to 100% of tuition and fees at any ME based regionally accredited public post-secondary institution. Accredited private colleges/universities also qualify but are capped at the U of ME tuition rate.	Oregon: Waives tuition at OR public institutions. May be used toward private colleges within the state of OR; only pays tuition rate charged by public colleges. Program is for members who do not have a baccalaureate degree.
Arkansas: \$1,000 per semester, not to exceed 8 semesters for full-time students enrolled in an in-state school. Amount is prorated for less than full-time.	Maryland: State Tuition Wavier provides "up front" waiver of up to 50% for tuition at MD state colleges and universities. State Tuition Assistance reimburses up to 50% of tuition and fees after verification of grade of "C" or better for undergraduate courses.	Pennsylvania: 100% tuition for a PA SSHE school (12-17 credits for full-time students). Full-time '07-'08 students receive \$2,588 per semester with annual cap of \$5,176. Participants must have six year Guard obligation. Part-time students (3 to 11 credits) w/o bachelor's degree receive 100% of tuition up to \$1,725 per semester. Students w/ a bachelor's degree receive 50% of tuition up to \$862 per semester.
California: None at this time.	Massachusetts: 100% of tuition and fees for MA state college, university, or community college program	Puerto Rico: Tuition Assistance from bachelor's to doctorate degree
Colorado: Up to 100% tuition assistance at CO state sponsored schools. Minimum 2.0 GPA is required.	Michigan: 50% reimbursement of tuition costs up to \$2,000 per academic year at all in-state schools	Rhode Island: Up to 5 courses per semester at state school w/ tuition waived. Participants must have min of 1 yr commitment after the end of each semester. 1class per summer session authorized tuition free, w/ min of 1 yr commitment after the end of each session.
Connecticut: 100% tuition waiver of the	Minnesota: Reimburses grades O5 and	South Carolina: Up to \$4,500 per

tuition costs at any in-state school	below up to 100% of the tuition at any VA approved school. The maximum benefit is 100% of the undergraduate per credit rate at the University of Minnesota, Twin Cities Campus.	academic year for attendance at state public and independent schools; cap of \$18,000 per service member. Available for 1st undergraduate degree only.
Delaware: Up to 100% tuition at state college/ university or average of in-state tuition at private college or university in DE	Mississippi: Up to \$250 per hour, maximum \$4,500 per year to state supported colleges NG soldiers not authorized FTA. GPA of 2.0 is required. Associate and/or bachelor's degree only.	South Dakota: Benefit not to exceed 50% of the cost of tuition at a state-supported school
District of Columbia: Up to \$1,500 per fiscal year; PLEASE NOTE: Funding is currently available for Air Guard ONLY	Missouri: Those w/o a bachelor degree and less than 10 years service receive up to 100% of the semester hour cost at the U of MO for a max of 39 credit hours per fiscal year. Those w/ more than 10 but less than 17 years receive 50%. Officers w/o a bachelor degree receive 100% of the semester hour cost at U of MO. 2.5 GPA is required.	Tennessee: State tuition assistance available
Florida: Up to 100% of tuition and fees. State Tuition Exemption Program provides 50% waiver of tuition and fees. Eligible for undergraduate work at state supported schools or vo-tech at community colleges.	Montana: \$75 per credit up \$500 per semester. Can only be used at in-state schools. Must have less than 16 years total service.	Texas: Tuition and fees for up to 12 hours per semester for 10 continuous semesters or 5 years. Spring and fall terms only
Georgia: Up to \$1,280 per quarter; \$1,819 dollars per semester. Soldiers with a baccalaureate degree are not eligible for this program. Scholarships are also available.	Nebraska: 75% of tuition at accredited, not for profit, NE institutions, not to exceed UNL rate. Available for those w/o a bachelor's degree. May use for 10 years from date of enlistment.	Utah: 100% of tuition and fees up to \$250 per semester hour – up to 15 credit hours per semester. Max \$4,500 per year.
Guam: None at this time.	Nevada: 100% tuition at NV state schools. Spring and fall semesters only. Available for traditional classroom education only. 2.0 GPA is required. Textbook reimbursement available for University and Community College System of NV (UCCSN) institutions.	Vermont: Up to \$5,000 scholarships for tuition and fees at in-state schools. Award based on enrollment status and tuition rate for the VT state colleges for current year. 25% off tuition at some selected VT colleges, check with state ESO for a list.
Hawaii: 100% of tuition at any U of HI college or university; spring and fall semesters only. Program for members in grades up to O-3 who are in good standing	New Hampshire: Tuition waived up to 100% after applying other federal benefits at state supported postsecondary institution. Scholarships available up to \$500 annually.	Virginia: 100% of tuition costs after FTA benefits applied, at VA state supported schools. Max benefit is \$6,000 per year, or \$2,000 per semester. Guard members offered in-state tuition rates if they are receiving State Tuition Assistance. Total tuition assistance for private institutions may not exceed the above rates. Participants receive up to \$350 per semester for textbooks.
Idaho: Partial financial support for in-state institutions	New Jersey: Tuition free enrollment at any NJ State school. Soldiers may register for up to 15 credits per semester.	Virgin Islands: 32 free credits at the University of Virgin Islands
Illinois: 100% college tuition at any state supported school after one year in the IL NG.	New Mexico: 100% per semester towards tuition. GPA of 2.0 is required. Applies to 1st post-secondary degree or vocational training at any state school. Not to exceed 150 semester hours.	Washington: Loan forgiveness program for recipients who complete term of service in the WA NG. Priority for NG students who attend institutions in WA that are accredited by the Northwest Association of Schools and Colleges.
Indiana: Up to 100% of tuition when	New York: 100% of tuition at state	West Virginia: Up to 100% tuition

attending in-state school for first associate or bachelor's degree	institutions. Minimum part-time enrollment required. May receive no more than 8 semesters of full-time study, 4 academic years, or 10 semesters if program requires 5 years to complete. Members may not receive more than 16 semesters of part-time study.	assistance for courses up to \$6,000 per year for in-state institutions
Iowa: Pays 100% not to exceed the cost of attendance at an IA Regent (state university) or community college. May be used at approved private colleges, but awards will not exceed 100% of the Regent full-time rate	North Carolina: Assistance for tuition and fees up to \$4,515.02 per academic year. If tuition is less, difference may be given to reimburse soldiers for required books and materials. Applies only to institutions approved by the NC State Approving Agency	Wisconsin: Up to 100% of tuition charged by a qualifying school (based on the rate at the U of WM) for up to 8 semesters. Grant for approved WI schools or schools approved under Minnesota-Wisconsin student reciprocity agreement.
Kansas: Pays up to 100% of tuition and fees; cannot be used for graduate or professional degrees. Must have less than 20 years total time in service.	North Dakota: Tuition assistance up to 100% combining federal payments with state and school reimbursements	Wyoming: 100% tuition and fees at state colleges and up to \$1,030 per semester for programs offered at VA approved private schools within WY. Will pay for one degree.

Army National Guard Education Benefits

Soldiers in the Army National Guard are eligible for a number of education benefits. In addition to the VA benefits discussed earlier in this chapter, you are also eligible for federal benefits and state-funded tuition assistance (see chart above).

Soldiers can view the Army National Guard’s latest education information and updates through the Virtual Armory’s Web site: <http://www.virtualarmory.com/education/>. Through this site, you can also complete your Federal Tuition Assistance application and submit it online. However, your State Education Service Office is your main point of contact regarding education benefit information.

Federal Tuition Assistance ARNG Program (FTA ARNG)

This program provides tuition assistance to part-time Guard soldiers in support of their professional and personal self-development. It is not a guaranteed benefit; it is offered on a first come, first served basis. The program covers 100% of course costs up to \$250 per credit hour, not to exceed \$4,500 per fiscal year. To be eligible, soldiers must meet the following requirements:

- Must have a valid expense from an accredited school.
- Be a part-time drilling soldier, member on ADSW / ADT, or mobilized commissioned officer
- Eligible beginning the day member joins ARNG, even prior to boot camp or AIT or while yet in High School
- Officers must serve 4 years after course completion
- Enlisted must simply remain in the ARNG during term of courses
- Members receiving an ROTC scholarship are not eligible

GI Bill “Kicker”

The MGIB-SR Kicker is an extra monthly GI Bill Bonus payment paid with the soldier’s MGIB-SR or MGIB-AD basic benefit. Its purpose is to encourage the enlistment and retention of soldiers into designated units/MOSs.

Basic Eligibility

- Be eligible for the MGIB basic benefit (SR or AD)
 - Six year obligation, completion of IADT, HSDG/equivalent
- Enlist/reenlist/extend to have a six year obligation

- Can be done simultaneously with the six year MGIB-SR basic obligation or at anytime during enlistment
- Enlist in a critical skill identified valid, position vacancy in a specified unit

Note: The MGIB Kicker is an ‘incentive’ not an entitlement, ARNG soldiers must apply for and qualify in order to receive it.

MGIB-SR Kicker Categories: (Effective 1 Oct 05)

- Non Prior Service: \$200
- Prior Service Soldiers: \$200
- Current ARNG soldiers: \$200
- Officer Candidates/SMPs: \$350

Note: To qualify for the MGIB-SR Kicker, soldiers must meet the basic criteria and the criteria for their specific category listed above.

Non Prior Service criteria, \$200:

- Test Score Category I-III A (50 or higher on ASVAB)
- Enlist in a critical skill identified valid, position vacancy in a specified unit for your State
- Glossary NPS are eligible for this incentive

Note: The critical skill list for the MGIB-SR Kicker is the same list used –for the NPS enlistment bonus.

Prior Service criteria, \$200:

- Enlist in a critical skill identified valid, position vacancy in a specified unit
- Soldiers who have completed their Military Service Obligation (MSO) and have less than 16 years total time in service may enlist for this incentive at any time

Current ARNG Soldier criteria, \$200:

- Reenlist/extend in any MOS, must be MOSQ
- Served past three ‘consecutive’ years in an active drilling status in the ARNG (time in the ING constitutes a break)
- Current Officers who have not yet obtained their baccalaureate degree are also eligible

Officer Candidate criteria, \$350

- Must have an MOS to be eligible - must be deployable!
- Must have completed Phase I (first 2 week session)
- Not required to have 3 consecutive years of ARNG service
- Soldiers who have completed the Federal or accelerated OCS program and have accepted a commission in the ARNG are eligible if they contract within 90 days of graduation or revert to the Current ARNG Soldier criteria

Note: NPS applicants enlisting under the OCS Enlistment Option are not eligible for the MGIB-SR basic benefit or MGIB-SR Kicker.

Warrant Officer Candidate criteria, \$350:

- Must have been appointed on orders as a warrant officer candidate

- Not required to have 3 consecutive years of ARNG service
- Soldiers who have completed the WOCS program and have accepted an appointment/commission in the ARNG are eligible if they contract within 90 days of graduation or revert to the Current ARNG Soldier criteria

Simultaneous Members (SMP) criteria, \$350:

- Must be enrolled in ROTC Advanced Course (usually MS III or IV)
- Must sign the ROTC advanced course contract (DA Form 597-3)
- Must sign a SMP agreement (NGB Form 594-1)
- Soldiers who have completed the ROTC program and have accepted a commission in the ARNG are eligible if they contract within 90 days of graduation or revert to the Current ARNG Soldier criteria

Benefits of the Kicker Program:

- \$200 Basic Rate (NPS, PS and Current ARNG soldiers)
- \$350 (Officer Candidates, WOCs and SMPs)
- Not subject to federal/state withholding
- Paid monthly with the MGIB basic benefit (SR or AD)
- Kicker entitlement lasts as long as the MGIB basic benefit, up to 36 months maximum
- Payments are prorated when not enrolled full-time
 - Example: \$200 Kicker at 1/2 time enrollment = \$100

To apply for the Kicker program, complete the ARNG MGIB Kicker Contract, which is available from your unit, RRNCO or State MGIB Manager/ESO during enlistment or re-enlistment.

The Student Loan Repayment Program

For members that have an existing student loan obligation at the time of enlistment in the Army National Guard, there is a program that may pay up to \$20,000 for a six or eight year enlistment as a member of a unit. In addition, current Army National Guard members who extend their enlistment contract for a minimum period of six years are also eligible for this program providing they meet certain requirements. An Army National Guard recruiter or your respective State Point of Contact can provide more details. To qualify:

- Loans do not have to be pre-existing prior to appointment
- Cannot be in an excess or over-strength position and must be MOS qualified in the duty position
- Must be directly related to Licensure

Health Professionals Loan Repayment

For members that have an existing student loan obligation at the time of joining the ARNG or acquired during time as a member in the Army National Guard, there is a program that may pay up to \$50,000 while a member of the ARNG. In addition, current Army National Guard members who extend their service obligation may also be eligible for this program providing they meet certain requirements. An Army National Guard recruiter or your respective State Point of Contact can provide more details. To qualify:

- Loans do not have to be pre-existing prior to appointment
- Cannot be in an excess or over-strength position and must be MOS qualified in the duty position
- Must be directly related to Licensure

Dedicated ARNG ROTC Scholarships

These scholarships are dedicated exclusively for students wanting to serve in the ARNG. No less than one hundred, two and four year ROTC scholarships are allocated each year. Scholarship recipients incur an eight-year military service obligation with the ARNG upon completion of ROTC and commissioning. The scholarship pays 100 percent of

tuition and fees up to \$17,000.00 per school year. The Reserve GI Bill cannot be used simultaneously with this program.

College First

College First is an ARNG enlistment option that pays for you to go college and guarantees you no deployment during your first two year, provided you meet certain criteria.

Program Benefits:

- Two years of no federal deployment following completion of Initial Active Duty Training (IADT)
- An enlistment bonus of up to \$20,000
- 100% Tuition Assistance
- The Montgomery GI Bill – Selected Reserve (MGIB-SR) - \$309 per month for books and supplies
- The MGIB-SR Kicker – additional \$350 per month for those enlisting in a critical MOS and assigned to a qualified unit

Eligibility Requirements:

- No military experience
- High school graduate or graduating senior
- Score 50 or higher on the Armed Services Vocational Aptitude Battery
- Agree to complete advanced initial training (AIT) immediately following basic combat training
- Accepted by a US Department of Education accredited college or university within 90 days of completing AIT
- Remain a full-time student in good standing for duration of this two-year period
- Meet all other National Guard enlistment requirements

Air National Guard Education Benefits

Federal education benefits through the Montgomery G.I. Bill are available to most unit members provided they enlist for 6 years. These benefits are available to our members after completion of basic training and technical school. This program is a non-contributory benefit, meaning no payment or reduction in pay is required to receive these benefits.

Federal benefits received:

- Montgomery GI Bill chapter 1606; up to \$317 per month to offset college cost of attending college fulltime

Other Air Guard Education Benefits for members enlisting for six years in a critical skills job:

- Montgomery GI Bill kicker up to \$350 per month for full-time college enrollment
- Student loan repayment program; up to \$20,000 paid throughout enlistment. If you have prior military service and elected the active duty MGIB, you may still take advantage of this benefit up to a maximum of 48 months of combined benefits at the full-time rate.

In addition to the federal benefits listed above, each state may offer additional benefits for their members such as: up to 100% tuition assistance, state tax deferment, and reduced auto license fees (see **State Education Benefits** chart above).

Military Transcripts

Army: For everything you want to know about the free AARTS transcript (Army/American Council on Education Registry Transcript System), go to <http://aarts.army.mil>. This transcript includes your military training, your Military Occupational Specialty (MOS), and college level examination scores with the college credit recommended for those

experiences. It is a valuable asset that you should provide to your college or your employer and it is available for Active Army, National Guard and Reserve Soldiers. You can view and print your own transcript at this Web site.

Navy and Marine Corps: Information on how to obtain the Sailor/Marine American Council on Education Registry Transcript (SMART) is available at <https://www.navycollege.navy.mil/>. SMART is now available to document the American Council on Education (ACE) recommended college credit for military training and occupational experience. SMART is an academically accepted record that is validated by ACE. The primary purpose of SMART is to assist service members in obtaining college credit for their military experience. Additional information on SMART can also be obtained from your nearest Navy College Office or Marine Corps Education Center, or contact the Navy College Center.

Air Force: The Community College of the Air Force (CCAF) automatically captures your training, experience and standardized test scores. Transcript information may be viewed at the CCAF web site: <http://www.au.af.mil/au/ccaf/>.

Coast Guard: The Coast Guard Institute (CGI) requires each Service member to submit documentation of all training (except correspondence course records), along with an enrollment form, to receive a transcript. Transcript information can be found at the Coast Guard Institute Home Page: http://www.uscg.mil/hq/cgi/Resources/Institute_Forms/CG_form_1564.html.

Health Care

Reserve Component

Members of the Reserve Component (National Guard and Reserve) may be eligible for health care through TRICARE. If you are on military duty for less than 30 days, you are covered for any injury, illness, or disease incurred or aggravated in the line of duty. Health care coverage for Reserve Component members (including National Guard members on active duty under 32 U.S.C. 502 (f)) on active duty starts after 30 consecutive days of active duty service. You will be eligible to enroll in one of the TRICARE Prime programs.

Coverage – Active Duty for 30 Days or Less

When on military duty for 30 days or less, National Guard and Reserve members are covered medical care under the following circumstances:

- **Line of Duty Care**
 - For any injury, illness or disease that occurred or was aggravated in the line of duty (i.e. weekend drills, any period of active duty, etc.).
 - It is your Service's responsibility to issue line of duty documentation for the injury or illness.
 - Family members are not eligible for line of duty care.
- **TRICARE Reserve Select**
 - If in the Selected Reserve, you may qualify for and purchase this voluntary, premium-based health care plan.
 - Only available when you are not eligible for any other non-premium-based TRICARE health coverage (like when serving on active duty or if covered under the Transitional Assistance Management Program [TAMP]).
 - Family members are also eligible for TRICARE Reserve Select.
 - *Note: If you are eligible for the Federal Employees Health Benefits (FEHB) program as defined in Chapter 89 of the Title 5 U.S.C) or currently covered under the FEHB, either under your own eligibility or through a family member, you are excluded from purchasing the plan.*

Coverage When Activated

When activated (called or ordered to active duty for more than 30 consecutive days) you become eligible for health care coverage under one of the following TRICARE Prime options:

TRICARE Prime: TRICARE Prime is a managed care option offering the most affordable and comprehensive coverage.

Key features:

- Fewer out-of-pocket costs than other TRICARE options.
- Enhanced vision and preventive coverage.
- Priority access for care at military treatment facilities.
- Receive most care from an assigned primary care manager (PCM).

- Your PCM refers you to specialists when necessary.
- No claims to file (in most cases).
- Easy to transfer enrollment when you move.
- Time and distance access standards for care, including wait times for urgent, routine and specialty care.

Eligibility: You may enroll in TRICARE Prime as long as you are not entitled to Medicare based on age (65). (At age 65, you become eligible for TRICARE For Life as long as you have Medicare Parts A and B). The following beneficiaries who live in a Prime Service area may enroll in TRICARE Prime:

- Active duty service members* and their families.
- Retired service members and their families.
- Surviving family members (widowed spouses, children)
- Eligible former spouses.
- Activated National Guard/Reserve members* and their families.
- Retired National Guard and Reserve members and their families (upon reaching age 60)
- Medal of Honor recipients and their families.

**Active duty service members and activated National Guard/Reserve members must enroll in one of the TRICARE Prime options (includes TRICARE Prime, TRICARE Prime Remote, TRICARE Prime Overseas and TRICARE Global Remote Overseas)*

TRICARE Prime Remote: TRICARE Prime Remote (TPR) is a managed care option similar to TRICARE Prime for active duty service members and their eligible family members while they are assigned to remote duty stations in the United States. Remote locations are those that are 50 miles or an hour drive time from a military treatment facility and the ZIP code areas are pre-determined.

Key features:

- Receive most care from an assigned network primary care manager (PCM) who will provide referrals for specialty care.
- If a network PCM is not available, care is received from any TRICARE-authorized provider.
- Fewer out-of-pocket costs.
- Eligible for travel reimbursement if referred for medically necessary care far from home.
- Enhanced coverage for vision and clinical preventive services.
- Time and distance access standards for care.
- No claims to file (in most cases).
- Easy to transfer enrollment when moving to another location in your TRICARE region or to a new TRICARE region.

TRICARE Prime Overseas: TRICARE Prime Overseas is a managed care plan for active duty service members and their eligible family members residing together in overseas locations in which TRICARE Prime Overseas is available. Retirees and retiree family members are not eligible for TRICARE Prime Overseas.

Key features:

- Fewer out-of-pocket costs than TRICARE Standard Overseas.
- Enhanced coverage for vision and clinical preventive services.
- You receive most care from your primary care manager (PCM).
- Your PCM refers you to specialists when necessary.
- No claims to file (in most cases).

- Easy to transfers from one overseas area to another or back to the United States.
- Time and distance access standards for care, including wait times for urgent, routine and specialty care.
- Point of service option available (in certain circumstances) to receive care without requesting a referral from your PCM (resulting in higher out-of-pocket costs)

Eligibility:

- Active duty service members residing in overseas areas in which Prime is offered.
- Active duty family members who:
 - Accompany their sponsor;
 - Are command-sponsored on their permanent change of station orders or relocate on service sponsored/funded orders;
 - Are eligible in the Defense Enrollment Eligibility Reporting System; and
 - Enroll through the nearest TRICARE Service Center.

TRICARE Global Remote Overseas: TRICARE Global Remote Overseas (TGRO) is a TRICARE Prime option offered in designated remote overseas locations for active duty service members and their families. TRICARE has partnered with International SOS to identify the best local providers and facilities and develop a network of licensed, qualified physicians in remote overseas areas. The TGRO contractor's careful selection of providers is the first step in ensuring quality care. Only physicians who are licensed and who have graduated from an accredited medical school are included in the core network.

Key features:

- Fewer out-of-pocket costs than TRICARE Standard Overseas.
- You receive most care from your primary care manager (PCM).
- Your PCM or TGRO Call Center refers you to specialists when necessary and will tell you when you need to go to another city, country or the U.S. for quality care.
- No claims to file (in most cases).

Eligibility:

- Permanently-assigned active duty service members living in designated remote locations.
- Command-sponsored active duty family members living with their active duty sponsors in designated remote locations
- Activated National Guard and Reserve members living in designated remote locations when their orders are for more than 30 consecutive days.
- Command-sponsored family members of activated National Guard and Reserve living with their sponsors in designated remote locations

Reserve Component Family Members

When members of the Reserve Component are called to active duty for more than 30 consecutive days, your family's health care needs are covered under several TRICARE options: TRICARE Prime, TRICARE Prime Remote for Active Duty Family Members, TRICARE Extra, and TRICARE Standard.

TRICARE Prime:

Prime is available to family members if you are on active duty for more than 30 consecutive days. If your family would like to select this option, they are required to enroll. Upon enrollment, your family is given priority access to care at a Military Treatment Facility. If your family's application for enrollment is received on or before the 20th day of the month, their coverage is effective on the first day of the following month. If the enrollment application is received after the 20th day of the month, the effective date will be the first day of the next month. With Prime, your

family will work with a primary care manager who will arrange your family’s health care needs. Your family will also have access to additional wellness and preventive care services.

TRICARE Prime Remote for Active Duty Family Members (TPRADFM):

If you are stationed in an area more than 50 miles (or approximately one hour driving time) from a military treatment facility that is adequate to provide care, TPR and TPRADFM may be available to you and your family members. Like any other TRICARE Prime program, an enrollment application is required. Your family members may choose to enroll into TRICARE Prime Remote for Active Duty Family Members (TPRADFM) if they live with you in a TPR zip code before your activation or when you receive a delayed-effective-date activation order and they continue living at that address; transfers of TPRADFM enrollment to another TPR site are not authorized. You can find out if you live in a TPR zip code by using the “ZIP Code Search for Eligibility” tool available at www.tricare.osd.mil/tpr. TPR information on the program is available at www.tricare.osd.mil/tpr.

TRICARE Extra and TRICARE Standard:

If your family chooses not to enroll in TRICARE Prime or TPRADFM, they are eligible for the TRICARE Extra or TRICARE Standard program options. Both options offer flexibility in choosing a provider; your family is responsible for annual deductibles and cost – shares. The annual deductible is \$50 - \$300 depending on your status. If you are called in support of a contingency operation, your family’s deductible will be waived. The chart below highlights the differences between Extra and Standard:

	TRICARE Extra	TRICARE Standard
Provider Type	TRICARE Network Provider	Not in network, but still authorized provider
Cost-Share	15% after deductibles are met	20% after deductibles are met (nonparticipating providers may also “balance bill” up to 15% above the TRICARE allowable charge)
Claims	Provider files claim	You may be required to pay the provider and file a claim with TRICARE for reimbursement
Availability	United States only	United States and Overseas

TRICARE Dental Programs

TRICARE Dental (TDP) is a voluntary dental insurance program available for Selected Reserve, Individual Ready Reserve, and all eligible uniformed services family members. To be eligible, Reserve Component members must have 12 months of service commitment remaining and participate in the dental program for at least 12 months, after which enrollment is month to month.

Through TDP, your care may be provided from a network of more than 50,000 providers and you may use nonparticipating dental providers at an additional cost. TDP pays a percentage of your bill, depending on the service provided, and you pay the remaining balance. Members in grades E-1 to E-4 pay a reduced cost-share for certain services. TDP will cover up to \$1,200 annually per enrollee per contract year for non-orthodontic services. There is a \$1,500 lifetime maximum payment for orthodontic services per enrollee.

Selected Reserve Component members pay for 40% of the monthly premium and the Government pays for the rest. Other RC members are responsible for the full premium. If you serve on active duty for more than 30 consecutive days, you are eligible for dental care at MTFs free of charge and will automatically be disenrolled from TDP.

Your family members are eligible to enroll in TDP, even if you don’t. Your family is responsible to pay the full premium, except when you are on active duty for more than 30 consecutive days. If that occurs, they will only be responsible for 40% of the premium.

TRICARE Pharmacy

Reserve Component members and their families may utilize the TRICARE Pharmacy to fill prescriptions. Prescriptions may be filled at any MTF pharmacy for free if the medication is stocked. MTF pharmacies will accept a prescription from any TRICARE authorized provider. For prescriptions that are used on a regular basis, you can use TRICARE’s Mail Order Pharmacy to fill them. For a small copay, you may also elect to have your prescriptions filled at any network pharmacy. Below is list of pharmacy copayments:

Place of Service	Your Costs
Military Treatment Facility (MTF) Pharmacy	\$0
TRICARE Mail Order Pharmacy	\$3 – generic drugs (up to 90 day supply) \$9* – brand name (up to 90 day supply)
TRICARE Network Retail Pharmacy	\$3 – generic drugs (up to 30 day supply) \$9* - brand name (up to 30 day supply)
Non-network Pharmacy	\$9* or 20% of total cost, whichever is greater** (up to a 30 day supply)

**Some prescriptions may be classified as “non-formulary.” If this is the case, you will be responsible for a \$22 cost-share with TMOP or TRICARE Network Retail Pharmacy. In non-network pharmacies, you will be responsible for a \$22 cost-share or 20%, whichever is greater.*

***Existing deductibles and POS cost-shares apply for beneficiaries enrolled in TRICARE Prime.*

Activation for a Contingency Operation

If you are ordered to serve on active duty in support of a contingency operation for more than 30 consecutive days, you and your family may be eligible for TRICARE coverage for up to 90 days prior to your activation date. Also, you and your family are eligible for transitional health care benefits for up to 180 days.

Employer Sponsored Health Insurance

With the enactment of the Uniformed Services Employment and Reemployment Rights Act of 1994, you have rights concerning your employer paid health care plan. When you are on active duty, your family members may continue their health care coverage under your employer paid plan for up to 18 months. However, you must notify your employer that you wish to continue your coverage. Failure to do so could result in your family being dropped from the plan. If you continue your employer paid health care coverage for your family while you are on active duty for more than 30 consecutive days, you may be responsible for paying some or all of the plan’s premium, which includes your employee share, the employer’s share and a two percent administrative fee. If you are on active duty for 30 days or less, your employer may not charge you more than the employee’s share for the coverage. If you decide to drop your employer paid health care coverage while on active duty, you and any previously covered family members are eligible to be reinstated when you return to work, without a waiting period and without penalty for pre-existing conditions.

TRICARE FAQs:

1. Do TRICARE benefits stop for the Reserve component (RC) member and family members when released from active duty?

RC members ordered to active duty for more than 30 consecutive days and their family members are eligible for the Continued Healthcare Benefit Program (CHCBP) upon release from active duty or when no longer eligible for healthcare under the Military Health System. The CHCBP provides health care benefits similar to TRICARE Standard for up to 18 months to RC members and their family. Eligible members must enroll in the CHCBP within 60 days after release from active duty or loss of eligibility for military health care. The member is responsible for quarterly premiums of \$933 per individual or \$1966 per family. RC members ordered to active duty in support of a contingency operation for more than 30 days are

eligible for transitional TRICARE coverage under the Transitional Assistance Management Program (TAMP). Transitional health care benefits are for 180 days for those separating on or after November 6, 2003. Your Service branch is responsible for determining if you and your family are eligible for transitional benefits.

2. What happens if my orders are canceled before I report for Active Duty?

If you are issued a delayed-effective-date active-duty order and your orders are canceled before you report to active duty, TRICARE coverage for you and your family members terminates on the effective date the orders are canceled. It is very important that you understand that protections under the Uniformed Services Employment Reemployment Rights Act (USERRA) that ensure your employer-sponsored health plan can be reinstated do not go into effect until the you actually report to active duty. Therefore, you are strongly encouraged to consider retaining their employer health plan coverage for you and your family until you actually report for active duty, at which time you all are fully covered by USERRA.

3. What is the “Early” TRICARE Eligibility benefit for Reserve Component (RC) members?

The “Early” TRICARE Eligibility allows certain members of the National Guard and Reserves activated in support of a contingency operation for more than 30 days and their eligible family members to receive "early" access to TRICARE medical and dental benefits beginning on the later date of either the date their delayed-effective-date active-duty orders were issued or up to 90 days before the period of active duty is to begin.

4. Where can Reserve component (RC) family members get more information on their TRICARE options?

There are numerous sources of information on TRICARE benefits. There is a toll free TRICARE Information Center at 1-888 DoD CARE (1-888-363-2273) that provides basic and region-specific information TRICARE also has a website at www.tricare.osd.mil that addresses TRICARE options and regional information. TRICARE and Family Readiness information can be found on the Reserve Affairs website at www.defenselink.mil/ra. Commanders can access the National Guard and Reserve Family Readiness Program Toolkit at www.defenselink.mil/ra/family/toolkit/. For information on the TRICARE Dental Program call 1-888-622-2256. To update information in DEERS contact the closest personnel center. For information on location and hours of operation, go to www.dmdc.osd.mil/rsl/ or call the DEERS Telephone Center at 1-800-538-9552.

5. Should a Reserve component (RC) member with a comprehensive employer-sponsored healthcare plan choose TRICARE for his or her family?

This is a family decision. Each family must weigh the advantages of each healthcare plan based on the family’s healthcare needs. The Uniformed Services Employment and Reemployment Rights Act (USERRA) law entitles the RC member to retain his or her civilian employer sponsored healthcare plan for up to 18 months. However, the member may be required to pay both the employee’s and employer’s share of the premium and a 2% administrative charge if ordered to active duty for 31 days or more (total - 102% of the premium). This varies with each employer. If the member elects to drop his or her employer-sponsored healthcare plan, upon return to work with the same employer, the reservist-employee and the family must be reinstated into the employer plan without a waiting period or penalty for pre-existing conditions (except for a service connected condition—the military is responsible for providing healthcare related to that condition). For more information, view the Employer Support of the Guard and the Reserve Web page at www.esgr.org/members/thelaw.asp.

6. Am I eligible for health care in the military health care system under TRICARE when I retire from the Reserve component (RC) (National Guard/Reservist)?

Retired Reserve Component members, National Guard and Reservists, do not become eligible for space available care in a military treatment facility or TRICARE until they begin to receive retiree pay, typically at the age of 60. You can check your eligibility status in DEERS by contacting the nearest Uniformed Services ID card facility (to locate the nearest facility go to <http://www.dmdc.osd.mil/rsl/> or call the Defense Manpower Data Center Support Office (DSO) at 1-800-538-9552. For more information regarding TRICARE benefits, you can call the toll free number for your regional contactor (<http://www.tricare.osd.mil>).

Retirement

National Guard and Reserve service members who complete a minimum of 20 “qualifying” years of service (creditable retirement years) become eligible for retired pay at age 60.

A qualifying year, under this system, is a year in which the service member earns at least 50 retirement points during their retirement year. Inactive point credit is earned for inactive duty training, Reserve membership, equivalent instruction, and correspondence courses.

By law, members may receive credit for up to 60 inactive points for retirement years that ended before September 23, 1996, up to 75 inactive points for retirement years ending on or after September 23, 1996 and before October 30, 2000, and up to 90 points in the retirement year that includes October 30, 2000 and in any subsequent year of service. Points from these sources may be added to points earned from active duty and active duty for training for a maximum total of 365 or 366 points per retirement year. Points are credited on the following basis:

- One point for each day of active service (active duty or active duty for training).
- 15 points for each year of membership in a Reserve Component (Guard and Reserve).
- One point for each unit training assembly.
- One point for each day in which a member is in a funeral honors duty status.
- Satisfactory completion of accredited correspondence courses at one point for each three credit hours earned.

Visit the Army Reserve Retired Pay Calculator at:

<https://www.hrc.army.mil/site/reserve/soldierservices/retirement/retirementcalc.asp> to estimate your retirement pay.

Eligibility

The Secretary of the military department concerned (~~Secretary of Transportation~~ [U.S Department of Homeland Security](#) for the Coast Guard) notifies, in writing, members of the Reserve Forces who have completed the eligibility requirements for retirement and receipt of retired pay at age 60. Notice is sent to the member within one year of reaching eligibility. Reserve Component members generally have three options upon receiving notice of eligibility:

1. Remain in the Ready Reserve and continue to perform inactive duty training, annual training and active duty for training depending on their training and pay category, or remain on the active status list of the Standby Reserve and continue to perform unpaid training for the purpose of accumulating retirement points.
2. Transfer to the Retired Reserve. A member in this category may participate in inactive duty training provided:
 - a. Such training is at no expense to the Government.
 - b. Members are not entitled to pay or retirement points.
 - c. No official record of such participation is maintained.
3. Request discharge from the Reserve Components.

Note: Regardless of the option chosen, the member is entitled to receive retired pay at age 60, but must apply for it.

Reserve Component Retirement Pay Systems

Upon reaching age 60, a Guard or Reserve retiree may begin receiving retired pay. Retired pay applications generally are sent out at age 58 except for Air National Guard and Coast Guard members, who receive applications six months before age 60. Retired reserve and Guard members must apply for retired pay, the same as their active-duty counterparts. It does not automatically start at age 60.

Those who apply later will get pay retroactive to the day they were eligible — if they state that date as the date retired pay is to begin — until age 66. After that, a penalty of one day’s pay for each day of delay is applied.

Which System

To decide which system applies to you, you must determine the date that you FIRST entered the military. This date is called the DIEMS (Date of Initial Entry to Military Service) or DIEUS (Date of Initial Entry to Uniformed Services). The date you first entered the military is the first time you enlisted or joined the active or Reserves. This date is fixed – it does not change. Departing the military and rejoining does not affect your DIEMS.

Some individuals have unique circumstances that complicate determining their DIEMS. Here are a few examples:

- The DIEMS for Academy graduates who entered the Academy with no prior service is the date they reported to the Academy, not the date they graduated.
- Beginning an ROTC scholarship program or enlisting as a Reserve in the Senior ROTC program sets the DIEMS, not the graduation or commissioning date.
- Members who entered the military, separated, and then rejoined the military have a DIEMS based on entering the first period of military service.
- The DIEMS for members who enlisted under the delayed entry program is when they entered the delayed entry program, not when they initially reported for duty.
- For those who joined the Reserves and later joined the active component, their DIEMS is the date they joined the Reserves.

Be aware that your pay date may be different than your DIEMS. Also, your DIEMS does not determine when you have enough time in the service to retire---it only determines which retirement system applies to you.

Not all services have their DIEMS dates properly defined in their personnel records. If you have unusual circumstances and are unsure of when your DIEMS date is or believe your records show an incorrect DIEMS date, contact your personnel office to discuss your particular situation.

Now, based upon the date you initially entered the military, you can determine which retirement system applies to you.

Retirement System	Criteria to Receive
Final Pay	Entry before September 8, 1980
High-3	Entry on or after September 8, 1980, but before August 1, 1986 OR Entered on or after August 1, 1986, AND did not choose the Career Status Bonus and REDUX retirement system
CSB/REDUX	Entered on or after August 1, 1986, AND elected to receive the Career Status Bonus (if you do not elect to receive the Career Status Bonus, you will be under the High-3 retirement system)

Final Pay Retirement System

Final Pay applies to those who entered the Service before September 8, 1980.

Each year of service is worth 2.5% toward the retirement multiplier. Hence, $2.5\% \times 20 \text{ years} = 50\%$ and $2.5\% \times 30 \text{ years} = 75\%$. The longer an individual stays on active duty the higher the multiplier and the higher the retirement pay, up to the maximum of 75 percent.

This multiplier is applied against the final basic pay of the individual's career. Also, remember only basic pay is used in retirement calculations in all retirement systems. Allowances and special pays do not affect retired pay.

Compute your retired pay based on length of service by multiplying the basic monthly pay for your retired grade at the time of retirement by the years of creditable active federal service at the rate of 2.5 percent for each whole year of service. That means you get 50% for 20 years of service up to a maximum of 100% for 40 years.**

Cost of Living Adjustments (COLAs) are given annually based on the increase in the Consumer Price Index (CPI), a measure of inflation. Under the Final Pay System, the annual COLA is equal to CPI. This is a different index than the one used for active duty annual pay raises. The index used for active duty pay raises are based upon average civilian wage increases. Thus, retirement pay COLAs and annual active duty pay raises will differ.

****Note:** Recent changes now allow retirement pay to reach up to 100 percent of the basic monthly pay for those who serve 40 years.

High-3 Year Average Retirement System

This system applies to members who first entered Service after September 8, 1980, but before August 1, 1986. It also applies to individuals who entered on or after August 1, 1986, who do not elect the REDUX retirement system with the Career Status Bonus at their 15th year of service.

Each year of service is worth 2.5% toward the retirement multiplier. Hence, $2.5\% \times 20 \text{ years} = 50\%$ and $2.5\% \times 30 \text{ years} = 75\%$. The longer an individual stays on active duty the higher the multiplier and the higher the retirement pay, up to the maximum of 75 percent.

This multiplier is applied against the average basic pay for the highest 36 months of the individual's career. This typically, though not always, equals the average basic pay for the final three years of service. Also, remember only basic pay is used in retirement calculations in all retirement system options. Allowances and special pays do not affect retired pay.

Compute your retired pay using the same formula as the Final Pay system above, except you use the average basic pay for your three highest paid years (36 months) rather than final basic pay. Under the **High 36** system you get 50% for 20 years of service up to a maximum of 100% for 40 years.**

****Note:** Recent changes now allow retirement pay to reach up to 100 percent of the basic monthly pay for those who serve 40 years.

CSB/REDUX Retirement System

The CSB/REDUX retirement system applies to those members on active duty or full-time National Guard who entered Service on or after August 1, 1986, AND who elected to receive the \$30,000 Career Status Bonus at their 15th year of service. The REDUX retirement system and Career Status Bonus is a "package deal." It is the combination of these two items that can be advantageous to many individuals. The REDUX portion determines retirement income (the longer one's career, the higher that income) and the \$30,000 Career Status Bonus provides current cash – available for investing, major purchases, or setting up a business after retirement.

REDUX System Details

The REDUX multiplier calculation and annual cost of living adjustments differ from the other systems. Also, REDUX has a catch-up increase at age 62 that brings the REDUX retired pay back to the same amount paid under the High-3 System. REDUX is the only military retirement system with a readjustment feature.

Each of the first 20 years of service is worth 2.0% toward the retirement multiplier. But each year after the 20th is worth 3.5%. Hence, $2.0\% \times 20 \text{ years} = 40\%$. But a 30-year career is computed by 2.0% times the first 20 years plus 3.5% for the 10 years beyond 20, resulting in the maximum of 75%. The table below summarizes the initial multiplier at various years of service under REDUX.

Under REDUX, the longer an individual stays on active duty the closer the multiplier is to what it would have been under High-3 up to the 30-year point where the multipliers are equal.

In precisely the same way as High-3, this multiplier is applied against the average basic pay for the highest 36 months of the individual's basic pay. This typically, though not always, equals the average basic pay for the final three years of service. Also, remember this is basic pay; allowances and special pays do not affect retired pay.

Cost of Living Adjustments (COLAs) for retired pay are given annually based on the increase in the Consumer Price Index (CPI), a measure of inflation. Under REDUX, the COLA is equal to CPI minus 1%.

A feature unique to REDUX is a re-computation of retirement pay at age 62. Two adjustments are made. The first adjusts the multiplier to what it would have been under High-3. For example, a 20-year retiree's new multiplier would become 50%, a 24-year retiree's multiplier would become 60% but a 30-year retiree's would remain 75%. This new multiplier is applied against the individual's original average basic pay for his or her highest 36 months. Then the second adjustment is done. Full CPI for every retirement year is applied to this amount to compute a new base retirement salary. At age 62, the REDUX and High-3 retirement salaries are equal. But, REDUX COLAs for later years will again be set at CPI minus 1%.

The \$30,000 Career Status Bonus

Those members who elect the CSB/REDUX retirement system at their 15th year of service receive a \$30,000 Career Status Bonus. To receive this bonus, the member must agree to complete a twenty-year active duty career with length-of-service retired pay under the 1986 Military Retirement Reform Act -- 1986 MRRA or REDUX. Continuation beyond twenty years is possible, subject to Service personnel management actions. However, the member's commitment with the CSB is only to the 20-year point. The entire \$30,000 bonus, or first installment payment for those electing a multi-year payment option, is paid shortly after the member makes the CSB/REDUX election and commits to the 20-years-of-service obligation. (Exact mechanics should be provided by your Service near the point you have 14 and 1/2 years of service.)

If the member doesn't complete the obligation of the twenty-year career, the member must repay a pro-rated share of the bonus.

Defense Authorization Act - Change in Retirement Pay

The 2008 Defense Authorization Act made a significant and long-sought change in retirement pay eligibility for reserve component members. Reservists can begin drawing retirement pay three months earlier than age 60 for every 90 days of active-duty under certain mobilization authorities in support of a contingency operation, down to a limit of age 50.

The Senate originally proposed to make this provision retroactive to qualifying service performed after Sept. 11, 2001, but the House would not go along. In the end, Congress applied the provision only to qualifying mobilizations that were ongoing as of, or began after, Jan. 28, the date that the law was enacted.

Contacts

For more information or to request a retirement application form, contact:

- Air Force Reserve and Air National Guard - Air Reserve Personnel Center Retirements Branch (HQ ARPC/DPPR), 6760 E. Irvington Place, Denver, CO 80280-1900; (800) 525-0102, ext. 71270/71272; e-mail: dppr@arpc.denver.af.mil; <http://www.arpc.afrc.af.mil>.
- Army Reserve and National Guard - U.S. Army Human Resources Command, Attn: ARPC-PSP-T, 1 Reserve Way, St. Louis, MO 63132-5200; (800) 318-5298; DSN 892-0000; <https://www.hrc.army.mil/site/reserve>.
- Coast Guard Reserve. Coast Guard Personnel Service Center, 444 S.E. Quincy St., Topeka, KS 66683-3591; (800) 772-8724; (785) 339-3415; <http://www.uscg.mil/hq/psc/ras.htm>.
- Marine Corps Reserve. Marine Corps Mobilization Command, 15303 Andrews Road, Kansas City, MO 64147-1207; (800) 255-5082, ext. 3395/3396/3397/ 3398; <http://mobcom.mfr.usmc.mil>.
- Navy Reserve. Navy Reserve Personnel Center, 5722 Integrity Drive, Building 239, Millington, TN 38054; (866) 250-4778; <http://www.npc.navy.mil/CareerInfo/ReservePersonnelManagement/ReserveRetirements>.

Social Security

Earnings for active duty military service or active duty training have been covered under Social Security since 1957. Social Security has covered inactive duty service in the armed forces Reserves (such as weekend drills) since 1988.

Social Security and Medicare Taxes

While you are in military service, you pay Social Security taxes just as civilian employees do. In 2008, the tax rate is 7.65 percent, up to a maximum of \$102,000. If you earn more, you continue to pay the Medicare portion of the tax (1.45 percent) on the rest of your earnings.

How Your Work Qualifies You for Social Security

To qualify for benefits, you must have worked and paid Social Security taxes for a certain length of time. In 2008, you will receive four credits if you earn at least \$4,200. The amount needed to get credit for your work goes up each year. The number of credits you need to qualify for Social Security benefits depends on your age and the type of benefit for which you are eligible. No one needs more than 10 years of work.

Extra Earnings

Your Social Security benefit depends on your earnings, averaged over your working lifetime. Generally, the higher your earnings, the higher your Social Security benefit. Under certain circumstances, special earnings can be credited to your military pay record for Social Security purposes. The extra earnings are for periods of active duty or active duty for training. These extra earnings may help you qualify for Social Security or increase the amount of your Social Security benefit. Social Security will add these extra earnings to your earnings record when you file for benefits.

If you served in the military from 1940 through 1956, including attendance at a service academy, you did not pay Social Security taxes. However, we will credit you with \$160 a month in earnings for military service from September 16, 1940, through December 31, 1956, if:

- You were honorably discharged after 90 or more days of service, or you were released because of a disability or injury received in the line of duty; or
- You are applying for survivors benefits based on a veteran's work and the veteran died while on active duty.

You cannot receive these special credits if you are receiving a federal benefit based on the same years of service, unless you were on active duty after 1956. If you were on active duty after 1956, you can get the special credit for 1951 through 1956, even if you are receiving a military retirement based on service during that period

If you served in the military from 1957 through 1977, you are credited with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.

If you served in the military from 1978 through 2001, you are credited with an additional \$100 in earnings, up to a maximum of \$1,200 a year, for every \$300 in active duty basic pay. After 2001, additional earnings are no longer credited.

If you began your service after September 7, 1980, and did not complete at least 24 months of active duty or your full tour, you may not be able to receive the additional earnings.

NOTE: In all cases, the additional earnings are credited to the earnings that are averaged over your working lifetime, not directly to your monthly benefit amount.

Your Benefits

In addition to retirement benefits, Social Security pays survivors benefits to your family when you die. You also can get Social Security benefits for you and your family if you become disabled. For more information about these benefits, call toll-free at 1-800-772-1213, from 7 a.m. to 7 p.m., Monday through Friday.

When you apply for Social Security benefits, you will be asked for proof of your military service (DD Form 214) or information about your reserve or National Guard service.

When You are Eligible for Medicare

If you have health care insurance from the Department of Veterans Affairs (VA) or under the TRICARE or CHAMPVA program, your health benefits may change or end when you become eligible for Medicare. You should contact the VA, the Department of Defense or a military health benefits advisor for more information.

Work and Receive Retirement Benefits

You can retire as early as age 62. But, if you do, your Social Security benefits will be reduced permanently. If you decide to apply for benefits before your full retirement age, you can work and still get some Social Security benefits. There are limits on how much you can earn without losing some or all of your retirement benefits. These limits change each year. When you apply for benefits, we will tell you what the limits are at that time and whether work will affect your monthly benefits.

When you reach your full retirement age, you can earn as much as you are able and still get all of your Social Security benefits.

The full retirement age is 66 for people born in 1943 through 1954, and it will gradually increase to age 67 for those born in 1960 and later. To help you decide the best time to retire, contact Social Security for a copy of *Retirement Benefits* (Publication No. 05-10035).

Contacting Social Security

For more information visit www.socialsecurity.gov or call toll-free, 1-800-772-1213 (for the deaf or hard of hearing, call the TTY number, 1-800-325-0778). Specific questions can be answered from 7 a.m. to 7 p.m., Monday through Friday. Automated phone service is available 24 hours a day.

Survivor Benefits

Dealing with the death of a family member in the military is never easy, but surviving family members are entitled to certain benefits that can help ease financial difficulties.

Reserve Component Survivor Benefit Plan (RCSBP)

The Reserve Component Survivor Benefit Plan (RCSBP) is designed to provide you, as a retirement-qualified Reservist, an opportunity to provide a guaranteed lifetime annuity for your survivor(s) in the event of your death. The annuity is based upon the retired pay earned by you. Your retired pay cannot be continued after your death: only you may draw the retired pay that you earned. Under the RCSBP, if you have 20 qualifying years of service, you have three options for enrollment, and you may designate to whom you desire the annuity to be paid. The designee(s) may be your:

- Spouse
- Former spouse
- Child
- Person with an insurable interest

A Reserve Component member, upon being notified of eligibility to receive retired pay at age 60, is automatically covered at the maximum level unless the member, with spouse concurrence, if married, elects a lesser amount of coverage or no coverage. Such an election must be made within 90 days of receiving the 20 year letter.

Like the active duty version of the SBP, Survivor benefits (annuities) can be as much as 55 percent of the retired pay are receiving (or would have received) at the time of death.

Coverage

You may designate your spouse only, former spouse only, children only, spouse and children, former spouse and children, or an insurable interest as the person(s) to receive the RCSBP annuity.

Spouse

The widow or widower of the deceased service member who was married to the service member at the time of the service member's death and who:

1. Was married to the service member for at least one year prior to the service member's death
2. Was married to the service member at the time of RCSBP
3. Is the parent of a child born after the RCSBP election was made

Spouse coverage applies not only to the spouse a member has at time of enrollment, but also automatically to any subsequent spouse the member might acquire, unless the member elects to decline coverage for a subsequent spouse within one year of the date of marriage (concurrence of the subsequent spouse is not required, but that spouse will be notified of the member's declination).

Former Spouse

A member who has a former spouse upon becoming eligible to elect a survivor annuity may elect coverage for a former spouse. If the member has more than one former spouse, the member must specify which former spouse is being covered. An election for a former spouse prevents payment of an annuity to a current spouse. A former spouse

who was not a member's former spouse on the date a member became eligible to participate in SBP must have been married to the member for at least one year in order to be named as a former spouse beneficiary.

Child

A child of the deceased service member is eligible for coverage when he/she is

- Single and under the age of 18, or
Between the age ages of 18 and 23 and enrolled in a full-time course of study or training in a recognized education institution, or
- Incapable of self-support due to mental or physical disability that existed before the child's 18th birthday or was incurred before age 23 while the child was engaged in a full-time course of study or training.

Child includes a member's natural child through a current or former marriage, an adopted child, a stepchild, grandchild, or foster child. Children other than natural must be shown, by means of court/legal documents, to be a dependent of the service member.

Insurable Interest

A member who does not have a spouse or dependent child when eligible to make a program election may elect to provide coverage for a person with an insurable interest in the member. Insurable Interest is defined as a person who has a logical and/or lawful reason to expect financial benefit from the continued life of the service member. The expectation is founded on the relationship between the parties (financial, blood, marriage or mutual affection). Examples of blood or marriage interests are stepparents, grandparents, half-brothers and sisters, cousins, nephews and nieces. An unmarried service member may, at the time of election, choose to designate an Insurable Interest as the annuitant.

Coverage Options

Option A: No Participation	The service member elects not to participate in the RCSBP. The service member reserves the right to enroll in the RCSBP when he/she: <ol style="list-style-type: none"> 1. Marries [election must be made within one year of the marriage] 2. Attains age sixty (60) and receives retired pay 3. Agrees with spouse, in writing, not to enroll in the RCSBP
Option B: Coverage; No Annuity Until 60	The service member elects coverage, but does not desire that the annuity be paid to the widow/widower until the service member would have attained age sixty (60).
Option C: Coverage; Immediate Annuity	The service member elects coverage requiring that the annuity payments to the widow/widower begin immediately upon the death of the service member.

The spouse must sign and agree to any election reply that does not provide immediate and maximum coverage for the spouse.

Costs

The cost of participation in the RCSBP is borne by you when you start to receive retired pay at age 60. Upon your death, that cost is transferred to the annuitant. **Once you make an election you may not, by law, cancel your participation in RCSBP.** The cost of the RCSBP is based upon your age and the age of your annuitant at the time of election, the option you select, the base amount that you select and your retired pay.

To calculate your approximate RCSBP costs use the following steps.

1. Compute your retired pay using the retired pay formula:
[(Your total retirement points / 360) x 0.025] x monthly active duty pay for your rank and years of

service = your monthly gross retired pay

RCSBP is comprised of two costs: the base SBP cost that all active and reserve service members pay (called the BASE cost); and the RC cost which is the cost for carrying your annuity without payment until you attain age sixty.

- Your BASE cost is: 0.025 of the first \$675 (threshold amount *) of your retired pay (\$16.88), plus 10 percent of all remainder retired pay over \$675, if your projected retired pay will be \$1,320 or less per month (See Example 1).

Example 1:

You project that your retired pay will be \$800 a month.

You know that the BASE cost will be \$16.88 for the first \$675 of your retired pay, and 10% of all pay over \$675.

$\$800 - \$675 = \$125$	$\$125 \times 0.10 = \12.50	$\$16.88 + \$12.50 = \$29.38$ Base SBP Cost
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- If your retired pay is projected to be more than \$1,320 per month, the BASE cost will be 0.065% of the projected monthly pay (See Example 2).

Example 2:

You project that your monthly retired pay will be more than \$1,320 each month.

$\$1400 \times 0.065 = \91.00 Base SBP Cost
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- The second part of the RCSBP cost is again based on your monthly retired pay, as well as your age and the age(s) of your annuitant(s) at the time you make the election. There are too many formulas and variables to be inserted in this brief descriptive area. Refer to the SBP Fact Sheet provided with your Notification of Eligibility for Retired Pay at Age 60 (Twenty Year Letter) or contact Retirement and Separations at 800-318-5298, choose 4.

*Note: The SBP threshold amount effective 1 January 2008 is \$675.00. The threshold amount (as well as the SBP base amount) will increase at the same time and by the same percentage as future basic pay.

RCSBP Annuity Amounts

RCSBP pays your designated annuitant 55 percent of your retired pay until the annuitant attains the age of 62. At that time, the annuitant is eligible for social security and the annuity payment calculate using a percentage for the remainder of the annuitant's life.

Calculate Survivor Benefit Plan Application

You can now calculate your estimated Reserve Component Survivor Benefit Plan online at <https://www.hrc.army.mil/site/Reserve/soldierservices/retirement/survivorbenefitpaycalc.asp>. For information on using the interactive [Calculate Survivor Benefit Plan Application](#) for retirement benefits and costs, read the "[How to Estimate Your Reserve Component Survivor Benefit Plan](#)" section available at <https://www.hrc.army.mil/site/Reserve/soldierservices/retirement/detailscalcSBP.asp>.

Veterans Benefits and Programs

Reserve and National Guard Eligibility

Reservists who served on active duty establish veteran status and may be eligible for the full-range of VA benefits, depending on the length of active military service and a discharge or release from active duty under conditions other than dishonorable. In addition, Reservists not activated may qualify for some VA benefits.

National Guard members can establish eligibility for VA benefits if activated for federal service during a period of war or domestic emergency. Activation for other than federal service does not qualify Guard members for all VA benefits. Claims for VA benefits based on federal service filed by members of the National Guard should include a copy of the military orders, presidential proclamation or executive order that clearly demonstrates the federal nature of the service.

Health Care

Eligibility for most VA benefits is based upon discharge from active military service under other than dishonorable conditions. Active service means full-time service, other than active duty for training, as a member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or as a commissioned officer of the Public Health Service, Environmental Science Services Administration or National Oceanic and Atmospheric Administration, or its predecessor, the Coast and Geodetic Survey. Generally, men and women veterans with similar service may be entitled to the same VA benefits.

Dishonorable and bad conduct discharges issued by general courts-martial may bar VA benefits. Veterans in prison and parolees must contact a VA regional office to determine eligibility. VA benefits will not be provided to any veteran or dependent wanted for an outstanding felony warrant.

Reservists and National Guard members activated for federal service can qualify for VA health care, but generally must be enrolled to receive services. Reservists and National Guard members who served on active duty in a theater of combat operations during a period of war after the Gulf War, or in combat against a hostile force after Nov. 11, 1998, are eligible for enrollment in Priority Group 6 unless otherwise eligible for enrollment in a higher priority group and free health care services for conditions potentially related to combat service for two years following separation from active duty. For information, call 1-877-222-VETS (8387).

Enrollment

For most veterans, entry into the VA health care system begins by applying for enrollment. To apply, complete VA Form 10-10EZ, Application for Health Benefits, which may be obtained from any VA health care facility or regional benefits office, online at <http://www.va.gov/1010ez.htm> or by calling 1-877-222-VETS (8387). Once enrolled, veterans can receive services at VA facilities anywhere in the country.

Veterans who are enrolled for VA health care are afforded privacy rights under federal law. VA's Notice of Privacy Practices is available at the VA health care Web site listed above.

The following three categories of veterans are not required to enroll, but are urged to do so to permit better planning of health resources:

1. Veterans with a service-connected disability of 50 percent or more.

2. Veterans seeking care for a disability the military determined was incurred or aggravated in the line of duty, but which VA has not yet rated, within 12 months of discharge.
3. Veterans seeking care for a service-connected disability only.

Priority Groups

During enrollment, veterans are assigned to priority groups VA uses to balance demand with resources. Changes in available resources may reduce the number of priority groups VA can enroll. If this occurs, VA will publicize the changes and notify affected enrollees. If this occurs, VA will publicize the changes and notify affected enrollees. Below are descriptions of the VA priority groups:

Group 1: Veterans with service-connected disabilities rated 50 percent or more and/or veterans determined by VA to be unemployable due to service-connected conditions.

Group 2: Veterans with service-connected disabilities rated 30 or 40 percent.

Group 3: Veterans with service-connected disabilities rated 10 and 20 percent, veterans who are former Prisoners of War (POW) or were awarded a Purple Heart, veterans awarded special eligibility for disabilities incurred in treatment or participation in a VA Vocational Rehabilitation program, and veterans whose discharge was for a disability incurred or aggravated in the line of duty.

Group 4: Veterans receiving aid and attendance or housebound benefits and/or veterans determined by VA to be catastrophically disabled. Some veterans in this group may be responsible for co-pays.

Group 5: Veterans receiving VA pension benefits or eligible for Medicaid programs, and non service-connected veterans and non compensable, zero percent service-connected veterans whose gross annual household income and net worth are below the established VA means test thresholds.

Group 6: Veterans of the Mexican border period or World War I; veterans seeking care solely for certain conditions associated with exposure to radiation or exposure to herbicides while serving in Vietnam; for any illness associated with combat service in a war after the Gulf War or during a period of hostility after Nov. 11, 1998; for any illness associated with participation in tests conducted by the Defense Department as part of Project 112/Project SHAD; and veterans with zero percent service-connected disabilities who are receiving disability compensation benefits.

Group 7: Non service-connected veterans and non-compensable, zero percent service-connected veterans with gross annual household income above VA's national means test threshold and below VA's geographic means test threshold, or with income below both the VA national threshold and the VA geographically based threshold, but whose net worth exceeds VA's ceiling (currently \$80,000) who agree to pay co-pays.

Group 8: All other non service-connected veterans and zero percent, non-compensable service-connected veterans who agree to pay co-pays. (Note: Effective Jan. 17, 2003, VA no longer enrolls new veterans in priority group 8).

Special Access to Care

Service Disabled Veterans: Veterans who are 50 percent or more disabled from service-connected conditions, unemployable due to service-connected conditions, or receiving care for a service-connected disability receive priority in scheduling of hospital or outpatient medical appointments.

Combat Veterans: Veterans who served in combat locations during active military service after Nov. 11, 1998, are eligible for free health care services for conditions potentially related to combat service for two years following separation from active duty. For additional information call 1-877-222-VETS (8387).

Financial Information

Financial Assessment

Most veterans not receiving VA disability compensation or pension payments must provide information on their gross annual household income and net worth to determine whether they are below the annually adjusted financial thresholds.

This financial assessment includes all household income and net worth, including Social Security, retirement pay, unemployment insurance, interest and dividends, workers' compensation, black lung benefits and any other income. Also considered are assets such as the market value of property that is not the primary residence, stocks, bonds, notes, individual retirement accounts, bank deposits, savings accounts and cash.

VA also compares veterans' financial assessment with geographically based income thresholds. If the veteran's gross annual household income is above VA's national means test threshold and below VA's geographic means test threshold, or is below both the VA national threshold and the VA geographically based threshold, but their gross annual household income plus net worth exceeds VA's ceiling (currently \$80,000) the veteran is eligible for an 80-percent reduction in inpatient co-pay rates.

Services Requiring Co-pays

Some veterans must make co-pays to receive VA health care.

Inpatient Care: Veterans with income above the means test threshold and below VA's geographically based income threshold (Priority Group 7) are responsible for paying 20 percent of the Medicare deductible for the first 90 days of inpatient hospital care during any 365-day period. For each additional 90 days, they are charged 10 percent of the Medicare deductible. In addition, they are charged \$2 a day for hospital care.

Non service-connected veterans and non-compensable, zero percent service-connected veterans with gross annual household incomes above the VA national and geographic income thresholds will be charged the full Medicare deductible for the first 90 days of care during any 365-day period and \$10 per day. For each additional 90 days, they are charged one half of the Medicare deductible and the per diem charge.

Extended Care: With certain exceptions, veterans must pay co-pays for extended care. The co-pay amount is based on each veteran's financial situation and is determined upon application for extended care services.

Medication: Most veterans are currently charged \$8 for a 30-day or less supply of medication for treatment of conditions that are not service-connected.

Outpatient Care: A three-tiered co-pay system is used for all outpatient services. The co-pay is \$15 for a primary care visit and \$50 for some specialized care. Certain services do not require a co-pay.

Outpatient Visits Not Requiring Co-pays

Co-pays do not apply to publicly announced VA health fairs or outpatient visits solely for preventive screening and/or immunizations, such as immunizations for influenza and pneumococcal, or screening for hypertension, hepatitis C, tobacco, alcohol, hyperlipidemia, breast cancer, cervical cancer, colorectal cancer by fecal occult blood testing, education about the risks and benefits of prostate cancer screening and smoking cessation counseling (individual or group). Laboratory, flat film radiology, and electrocardiograms are also exempt from co-pays.

Billing Insurance Companies

VA is required to bill private health insurance providers for medical care, supplies and prescriptions provided for non service-connected conditions. Generally, VA cannot bill Medicare, but can bill Medicare supplemental health insurance for covered services.

All veterans applying for VA medical care are required to provide information on their health insurance coverage, including coverage provided under policies of their spouses. Veterans are not responsible for paying any remaining balance of VA's insurance claim not paid or covered by their health insurance, and any payment received by VA may be used to offset "dollar for dollar" a veteran's VA co-pay responsibility.

Travel Costs

Certain veterans may be reimbursed for travel costs to receive VA medical care. Reimbursement is paid at \$.11 per mile -- or \$.17 per mile if called for a repeat Compensation & Pension (C&P) exam -- and is subject to a deductible of \$3 for each one-way trip and an \$18-per-month maximum payment. Two exceptions to the deductible are travel for C&P exam and special modes of transportation, such as an ambulance or a specially equipped van.

Eligibility: Payments may be made to the following:

1. Veterans whose service-connected disabilities are rated 30 percent or more.
2. Veterans traveling for treatment of a service connected condition.
3. Veterans who receive a VA pension.
4. Veterans traveling for scheduled compensation or pension examinations.
5. Veterans whose gross household income does not exceed the maximum annual VA pension.
6. Veterans whose medical condition requires a special mode of transportation, if they are unable to defray the costs and travel is pre-authorized. Advance authorization is not required in an emergency if a delay would be hazardous to life or health

VA Medical Programs

Veteran Health Registries

Certain veterans can participate in a VA health registry and receive free medical examinations, including laboratory and other diagnostic tests deemed necessary by an examining clinician. VA maintains health registries to provide special health examinations and health-related information. To participate, contact the nearest VA health care facility or visit: <http://www.va.gov/environagents/>.

Gulf War Registry: For veterans who served in the Gulf War and Operation Iraqi Freedom (OIF).

Depleted Uranium Registries: VA maintains two registries for veterans possibly exposed to depleted uranium. The first is for veterans who served in the Gulf War, including OIF. The second is for veterans who served elsewhere, including Bosnia and Afghanistan.

Agent Orange Registry: For veterans possibly exposed to dioxin or other toxic substances in herbicides used during the Vietnam War, while serving in Korea in 1968 or 1969, or as a result of testing, transporting, or spraying herbicides for military purposes.

Ionizing Radiation Registry: For veterans possibly exposed to atomic radiation during the following activities: atmospheric detonation of a nuclear device; occupation of Hiroshima or Nagasaki from Aug. 6, 1945, through July 1, 1946; internment as a prisoner of war in Japan during World War II; serving in official military duties at the gaseous diffusion plants at Paducah, KY.; Portsmouth, OH; or the K-25 area at Oak Ridge, TN., for at least 250 days before

Feb. 1, 1992, or in Longshot, Milrow or Cannikin underground nuclear tests at Amchitka Island, Alaska, before Jan. 1, 1974; or treatment with nasopharyngeal (NP) radium during military service.

Readjustment Counseling

VA provides readjustment counseling at 207 community-based Vet Centers located in all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands to help combat veterans readjust to civilian life.

Eligibility: Veterans are eligible if they served on active duty in a combat theater during World War II, the Korean War, the Vietnam War, the Gulf War, or the campaigns in Lebanon, Grenada, Panama, Somalia, Bosnia, Kosovo, Afghanistan, Iraq and the Global War on Terror. Veterans, who served in the active military during the Vietnam Era, but not in the Republic of Vietnam, must have requested services at a Vet Center before Jan. 1, 2004.

Services: Vet Center staff provides individual, group, family, military sexual trauma, and bereavement counseling. Services include treatment for post-traumatic stress disorder (PTSD) or help with any other military related issue that affects functioning within the family, work, school or other areas of everyday life, plus a wide range of other services including outreach, education, medical referral, homeless veteran services, employment, VA benefit referral, and the brokering of non-VA services.

Bereavement Counseling: Bereavement Counseling is available to all family members including spouses, children, parents and siblings of service members who die while on active duty. This includes federally activated members of the National Guard and reserve components. Bereavement services may be accessed by calling (202) 273-9116 or e-mail vet.center@va.gov.

For additional information, contact the nearest Vet Center or visit: <http://www.vetcenter.va.gov/>.

Prosthetic and Sensory Aids

Veterans receiving VA care for any condition may receive VA prosthetic appliances, equipment and services, such as home respiratory therapy, artificial limbs, orthopedic braces and therapeutic shoes, wheelchairs, powered mobility, crutches, canes, walkers and other durable medical equipment and supplies.

VA will provide hearing aids and eyeglasses to veterans who receive increased pension based on the need for regular aid and attendance or being permanently housebound, receive compensation for a service-connected disability or are former POWs. Otherwise, hearing aids and eyeglasses are provided only in special circumstances, and not for normally occurring hearing or vision loss. For additional information, contact the prosthetic representative at the nearest VA health care facility.

Home Improvements and Structural Alterations

VA provides up to \$4,100 for service-connected veterans and up to \$1,200 for non service-connected veterans to make home improvements necessary for the continuation of treatment or for disability access to the home and essential lavatory and sanitary facilities. For application information, contact the prosthetic representative at the nearest VA health care facility.

Services for Blind Veterans

Blind veterans may be eligible for services at a VA medical center or for admission to a VA blind rehabilitation center. In addition, blind veterans enrolled in the VA health care system may receive:

1. A total health and benefits review.
2. Adjustment to blindness training.
3. Home improvements and structural alterations.

4. Specially adapted housing and adaptations.
5. Automobile grant.
6. Low-vision aids and training in their use.
7. Electronic and mechanical aids for the blind, including adaptive computers and computer-assisted devices such as reading machines and electronic travel aids.
8. Guide dogs, including cost of training the veteran to use the dog.
9. Talking books, tapes and Braille literature.

Mental Health Care

Veterans eligible for VA medical care may apply for general mental health treatment including specialty services such as Post Traumatic Stress Disorder and substance abuse treatment. Contact the nearest VA health care facility to apply.

Work Restoration Programs

VA provides vocational assistance and therapeutic work opportunities through several programs for veterans receiving VA health care. Each program offers treatment and rehabilitation services to help veterans live and work in their communities.

Participation in the following VA Work Restoration Programs cannot be used to deny or discontinue VA compensation or pension benefits.

Incentive Therapy: is a pre-vocational program available at 70 VA Medical Centers and frequently serves as a mainstay for seriously disabled veterans for whom employment is not considered viable in the foreseeable future. Participants receive a token payment for services provided.

Compensated Work Therapy (CWT): is a vocational program available at 141 VA Medical Centers. Veterans receive an individualized vocational assessment, rehabilitation planning and work experience with the goal of job placement in the community. The program works closely with community-based organizations, employers and state and federal agencies to establish transitional work experiences, supported employment opportunities, direct job placement and supportive follow-up services.

CWT/Transitional Residence: provides work-based, residential treatment in a stable living environment. This program differs from other VA residential bed programs in that participants use their earnings to contribute to the cost of their residences and are responsible for planning, purchasing and preparing their own meals. The program offers a comprehensive array of rehabilitation services including home, financial and life skills management.

Domiciliary Care

Domiciliary care provides rehabilitation and long-term, health-maintenance care for veterans who require minimal medical care but do not need the skilled nursing services provided in nursing homes. A Domiciliary also provides rehabilitative care for veterans who are homeless.

Eligibility: VA may provide domiciliary care to veterans whose annual gross household income does not exceed the maximum annual rate of VA pension or those the Secretary of Veterans Affairs determines have no adequate means of support. Co-pays for extended care services apply to domiciliary care. Call the nearest VA benefits or health care facility for more information.

Outpatient Dental Treatment

VA outpatient dental treatment includes the full spectrum of diagnostic, surgical, restorative and preventive procedures.

Eligibility: The following veterans are eligible to receive dental care:

1. Veterans with service-connected, compensable dental conditions.
2. Former POWs.
3. Veterans with service-connected, non-compensable dental conditions as a result of combat wounds or service injuries.
4. Veterans with non service-connected dental conditions determined by VA to be aggravating a service-connected medical problem.
5. Veterans with service-connected conditions rated permanently and totally disabling or 100 percent by reason of un-employability.
6. Veterans in a VA vocational rehabilitation program.
7. Certain enrolled homeless veterans.
8. Veterans with non service-connected dental conditions that received dental treatment while an inpatient in a VA facility.
9. Veterans requiring treatment for dental conditions clinically determined to be complicating a medical condition currently under treatment.

Recently discharged veterans who served on active duty 90 days or more and who apply for VA dental care within 90 days of separation from active duty, may receive a one time dental treatment if their certificate of discharge does not indicate that they received necessary dental care within a 90-day period prior to discharge.

Outpatient Pharmacy Services

Eligibility: VA provides free outpatient pharmacy services to:

1. Veterans with a service-connected disability of 50 percent or more.
2. Veterans receiving medication for service-connected conditions.
3. Veterans whose annual income does not exceed the maximum annual rate of the VA pension.
4. Veterans enrolled in priority group 6 who receive medication for service-connected conditions.
5. Veterans receiving medication for conditions related to sexual trauma while serving on active duty.
6. Certain veterans receiving medication for treatment of cancer of the head or neck.
7. Veterans receiving medication for a VA-approved research project.
8. Former POWs.

Medication Co-pays: Other veterans will be charged a co-pay of \$8 for each 30-day or less supply of medication. For veterans enrolled in Priority Groups 2 through 6, the maximum co-pay amount for calendar year 2007 is \$960.

Co-pays apply to prescription and over-the-counter medications, such as aspirin, cough syrup or vitamins, dispensed by a VA pharmacy. However, veterans may prefer to purchase over-the-counter drugs, such as aspirin or vitamins, at a local pharmacy rather than making the co-pay. Co-pays are not charged for medications injected during the course of treatment or for medical supplies, such as syringes or alcohol wipes.

Nursing Home Care

VA provides nursing home services through three national programs: VA owned and operated nursing homes, state veterans' homes owned and operated by the state, and contract community nursing homes. Each program has its own admission and eligibility criteria.

VA Nursing Homes: VA owned and operated homes typically admit residents requiring short-term skilled care or who have a 70 percent or more service-connected disability.

State Veterans' Home Programs: The state veterans' home program is a cooperative venture between the states and VA whereby the states petition VA for matching construction grants and once granted, the state, the veteran, and VA

pay a portion of the per diem. The per diem is set in legislation. State veterans homes accept all veterans in need of long-term or short-term nursing home care. Specialized services offered are dependent upon the capability of the home to render them.

Community Nursing Home Program: VA maintains contracts with community nursing homes through every VA medical center. The purpose of this program is to meet the nursing home needs of veterans who require long-term nursing home care in their own community, close to their families.

Eligibility: The general admission criteria for nursing home placement requires that a resident must be medically stable, i.e. not acutely ill, have sufficient functional deficits to require inpatient nursing home care, and is assessed by an appropriate medical provider to be in need of institutional nursing home care. Furthermore, the veteran must meet the required VA eligibility criteria for nursing home care or the contract nursing home program and the eligibility criteria for the specific state veterans home. For VA nursing home care, a veteran may be subject to a co-payment determined by information supplied by completing a VA Form 10-10EZ. VA social workers are available to assist veterans in interpreting their eligibility and co-pay requirements if indicated.

Long-Term Care Services: In addition to nursing home care, VA offers a variety of other long-term care services either directly or by contract with community-based agencies. Such services include adult day health care, inpatient or outpatient respite care, inpatient or outpatient geriatric evaluation and management, hospice and palliative care, and home based primary care. Veterans receiving these services may be subject to a co-pay.

Emergency Medical Care in Non-VA Facilities

VA may reimburse or pay for medical care provided to enrolled veterans by non-VA facilities only in cases of medical emergencies where VA or other federal facilities were not feasibly available. Other conditions also apply. To determine eligibility or initiate a claim, contact the VA medical facility nearest to where the emergency service was provided.

Home Loan Guaranty

National Guard members and Reservists are eligible for a VA home loan if they have completed at least six years of honorable service, are mobilized for active duty service for a period of at least 90 days, or were discharged because of a service-connected disability.

Reservists who do not qualify for VA housing loan benefits may be eligible for loans on favorable terms insured by the Federal Housing Administration (FHA), part of HUD.

VA home loan guaranties are issued to help eligible service members, veterans, Reservists and unmarried surviving spouses obtain homes, condominiums, residential cooperative housing units, and manufactured homes, and to refinance loans. For additional information or to obtain VA loan guaranty forms, visit <http://www.homeloans.va.gov/>.

Loan Uses: A VA guaranty helps protect lenders from loss if the borrower fails to repay the loan. It can be used to obtain a loan to:

1. Buy or build a home.
2. Buy a residential condominium.
3. Buy a residential cooperative housing unit.
4. Repair, alter or improve a home.
5. Refinance an existing home loan.
6. Buy a manufactured home with or without a lot.
7. Buy and improve a manufactured home lot.
8. Install a solar heating or cooling system or other weatherization improvements.

9. Buy a home and install energy-efficient improvements.

Eligibility: In addition to the periods of eligibility and conditions of service requirements, applicants must have a good credit rating, sufficient income, a valid Certificate of Eligibility, and agree to live in the property.

To obtain a Certificate of Eligibility, complete VA Form 26-1880 -- “Request for a Certificate of Eligibility for VA Home Loan” -- and mail to: VA Eligibility Center, P.O. Box 20729, Winston-Salem, NC 27120.

Applicants may also have their lenders obtain a Certificate of Eligibility for them through VA’s Automated Certificate of Eligibility (ACE) system. In many cases, ACE can generate an online certificate immediately. However, not all cases can be processed this way. For more information, visit <http://www.homeloans.va.gov/eligibility.htm>.

Periods of Eligibility

World War II: (1) active duty service after Sept. 15, 1940, and prior to July 26, 1947; (2) discharge under other than dishonorable conditions; and (3) at least 90 days service unless discharged early for a service-connected disability.

Post-World War II: (1) active duty service after July 25, 1947, and prior to June 27, 1950; (2) discharge under other than dishonorable conditions; and (3) 181 days continuous active duty service unless discharged early for a service-connected disability.

Korean War: (1) active duty after June 26, 1950, and prior to Feb. 1, 1955; (2) discharge under other than dishonorable conditions; and (3) at least 90 days total service, unless discharged early for a service-connected disability.

Post-Korean War: (1) active duty between Jan. 31, 1955, and Aug. 5, 1964; (2) discharge under conditions other than dishonorable; (3) 181 days continuous service, unless discharged early for a service-connected disability.

Vietnam: (1) active duty after Aug. 4, 1964, and prior to May 8, 1975; (2) discharge under conditions other than dishonorable; and (3) 90 days total service, unless discharged early for a service-connected disability. For veterans who served in the Republic of Vietnam, the beginning date is Feb. 28, 1961.

Post-Vietnam: (1) For veterans whose enlisted service began before Sept. 8, 1980, or whose service as an officer began before Oct. 17, 1981; (2) active duty for 181 continuous days, all of which occurred after May 7, 1975; and (3) discharge under conditions other than dishonorable or early discharge for service-connected disability.

24-Month Rule: If service was between Sept. 8, 1980, (Oct. 16, 1981, for officers) and Aug. 1, 1990, veterans must generally complete 24 months of continuous active duty service or the full period (at least 181 days) for which they were called or ordered to active duty, and be discharged under conditions other than dishonorable.

Exceptions are allowed if the veteran completed at least 181 days of active duty service but was discharged earlier than 24 months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability.

Gulf War: Veterans of the Gulf War era must generally complete 24 months of continuous active duty service or the full period (at least 90 days) for which they were called to active duty, and be discharged under conditions other than dishonorable.

Exceptions are allowed if the veteran completed at least 90 days of active duty but was discharged earlier than 24 months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability. Reservists and National Guard members are eligible if they were activated after Aug. 1, 1990, served at least 90 days, and received an honorable discharge.

Active Duty Personnel: Until the Gulf War era is ended, persons on active duty are eligible after serving 90 continuous days.

Guaranty Amount

The VA guaranty varies with the size of the loan, and is issued to protect lenders so they may make loans to eligible borrowers. Because the lenders are able to obtain this guaranty from VA, borrowers do not need to make a down payment, provided they have enough home loan entitlement.

The maximum guaranty amount is equal to 25 percent of the Freddie Mac conforming loan limit for a single family home. This limit changes yearly, but is set at \$417,000 for calendar year 2007 (\$625,000 for Hawaii, Alaska, Guam and the U.S. Virgin Islands).

2007 Home Loan Guaranty Entitlement

Loan Amount	Percent of Loan Guaranteed	Maximum Guaranty Amount
\$0.00 - \$45,000	50%	\$22,500
\$45,001 - \$56,250	50% - 40%	\$22,500
\$56,251 - \$144,000	40% - 25%	\$36,000
\$144,001 or more	25%	\$104,250
Manufactured Home or Lot	40%	\$20,000

The total loan amount may include the Funding Fee (described on next page), as well as up to \$6,000 of home improvements to make the home more energy efficient.

An eligible borrower who wishes to use a VA-guaranteed loan to refinance an existing mortgage generally can borrow up to 90 percent of the home's appraised value. (However, a loan to reduce the interest rate on an existing VA-guaranteed loan may include the entire outstanding balance of the prior loan, the costs of energy-efficient modifications, as well as up to two discount points of loan closing fees.) An eligible borrower who wishes to obtain a VA-guaranteed loan to purchase a manufactured home or lot can only borrow up to 95 percent of the home's purchase price.

VA Appraisal

No loan can be guaranteed by VA without first being appraised by a qualified VA fee appraiser. A buyer, seller, real estate agent or lender can request a VA appraisal by completing VA Form 26-1805, Request for Determination of Reasonable Value. The requester pays for the appraisal according to a fee schedule approved by VA.

The VA appraisal estimates the value of the property. It is not an inspection and does not guarantee the house is free of defects. VA guarantees the loan, not the condition of the property.

Closing Costs

Payment in cash is required on all closing costs, including title search and recording fees, hazard insurance premiums and prepaid taxes. For refinancing loans, all such costs may be included in the loan, as long as the total loan does not exceed 90 percent of the reasonable value of the property. Interest rate reduction loans may include closing costs and a maximum of two discount points.

All loans, except those made to disabled veterans and unmarried surviving spouses of veterans who died as a result of service, are charged a VA funding fee. This fee is based on the loan amount and may be included in the loan.

2007 Funding Fees

Loan Category	Service Members & Veterans Pay	Reservists Pay
Purchase or construction loans with down payments of less than 5%, refinancing loans, and home improvement loans	2.15%	2.40%
Purchase or construction loans with down payments of at least 5% but less than 10%	1.50%	1.75%
Purchase or construction loans with down payments of 10% or more	1.25%	1.50%
Manufactured home loans	1.00%	1.00%
Interest rate reduction loans	0.50%	0.50%
Assumption of VA-guaranteed loans	0.50%	0.50%
Second or subsequent use of entitlement with no down payment	3.30%	3.30%

Required Occupancy

To qualify for a VA guaranty, a veteran or the spouse of a service member must certify that he or she intends to live in the home. When refinancing a VA-guaranteed loan solely to reduce the interest rate, a veteran need only certify to prior occupancy.

Financing, Interest Rates and Terms

Veterans obtain VA-guaranteed loans through the usual lending institutions, including banks, savings and loan associations and mortgage brokers. VA-guaranteed loans can have either a fixed interest rate or an adjustable rate, where the interest rate may adjust up to one percent annually and up to five percent over the life of the loan.

Veterans may also choose a different type of adjustable rate mortgage called a hybrid ARM, where the initial interest rate remains fixed for three to 10 years. If the rate remains fixed for less than five years, the rate adjustment cannot be more than one percent annually and five percent over the life of the loan.

For a hybrid ARM with an initial fixed period of five years or more, the initial adjustment may be up to two percent. Adjustments thereafter are limited to one percent annually and six percent over the life of the loan.

If the lender charges discount points on the loan, the veteran may negotiate with the seller as to who will pay points or if they will be split between buyer and seller. Points paid by the veteran may not be included in the loan (with the exception that up to two points may be included in interest rate reduction loans). The loan may be for as long as 30 years and 32 days.

Loan Assumption Requirements and Liability

VA loans made on or after March 1, 1988, are not assumable without the prior approval of VA or its authorized agent (usually the lender collecting the monthly payments). To approve the assumption, the lender must ensure that the purchaser is a satisfactory credit risk and will assume all of the veteran’s liabilities on the loan.

If approved, the purchaser will have to pay a funding fee that the lender sends to VA, and the veteran will be released from liability to the federal government. A release of liability does not mean that a veteran's guaranty entitlement is restored. That occurs only if the buyer is a veteran – and agrees to substitute his or her entitlement for that of the seller.

If a veteran allows assumption of a loan without prior approval, then the lender may demand immediate and full payment of the loan, and the veteran may be liable if the loan is foreclosed and VA has to pay a claim under the loan guaranty.

Loans made prior to March 1, 1988, are generally freely assumable, but veterans should still request VA's approval in order to be released of liability. Veterans whose loans were closed after Dec. 31, 1989, usually have no liability to the government following a foreclosure, except in cases involving fraud, misrepresentation, or bad faith, such as allowing an unapproved assumption.

Repossessed Homes

VA acquires properties as a result of foreclosures. The properties are marketed by Ocwen Loan Servicing, LLC, through listing agents using local Multiple Listing Services. A listing of "VA Properties for Sale" may be found at: <http://www.ocwen.com/reo/home.cfm>. Contact a real estate agent for information on purchasing a VA acquired property.

Loans for Native American Veterans

Eligible Native American veterans can obtain a loan from VA to purchase, construct or improve a home on Federal Trust land, or to reduce the interest rate on such a VA loan. The maximum loan amount is equal to the Freddie Mac conforming loan limit for a single-family home. This limit changes yearly. In 2007, the limit is \$417,000 for the continental United States and \$625,500 for Hawaii, Alaska, and Guam.

Veterans who are not Native American, but who are married to Native American non-veterans, may be eligible for a direct loan under this program. To be eligible for such a loan, the qualified non-Native American veteran and the Native American spouse must reside on Federal Trust land, and both the veteran and spouse must have a meaningful interest in the dwelling or lot.

A funding fee must be paid to VA, unless the veteran is exempt from such a fee because they receive either VA disability compensation or military retirement pay. The fee, which is 1.25 percent for loans to purchase, construct or improve a home, and 0.5 percent to refinance an existing loan, may be paid in cash or included in the loan.

The following may not be included in the loan: VA appraisal, credit report, loan processing fee, title search, title insurance, recording fees, transfer taxes, survey charges or hazard insurance.

Safeguards for Veterans

The following safeguards have been established to protect veterans:

1. Homes completed less than a year before purchase with VA financing and inspected during construction by either VA or the Department of Housing and Urban Development (HUD) must meet VA requirements.
2. VA may suspend from the loan program those who take unfair advantage of veterans or discriminate because of race, color, religion, sex, disability, family status or national origin.
3. The builder of a new home (or manufactured home) is required to give the purchasing veteran a one-year warranty that the home has been constructed to VA-approved plans and specifications.
4. In cases of new construction completed under VA or HUD inspection, VA may compensate a veteran borrower for correction of structural defects seriously affecting livability if requested within four years of a home loan guaranty.

5. The borrower obtaining a loan may only be charged the fees and other charges prescribed by VA as allowable.
6. The borrower can prepay without penalty the entire loan or any part not less than one installment or \$100.
7. VA encourages holders to extend forbearance if a borrower becomes temporarily unable to meet the terms of the loan.

Life Insurance

National Guard members and Reservists are eligible to receive Service members' Group Life Insurance, Veterans' Group Life Insurance, and Family Service members' Group Life Insurance. They may also be eligible for Traumatic Service members' Group Life Insurance or Service-Disabled Veterans Insurance if called to active duty and injured with a service-connected disability, and Veterans' Mortgage Life Insurance if approved for a Specially Adapted Housing Grant.

For complete details on government life insurance, visit the VA Internet site: <http://www.insurance.va.gov/> or call toll-free 1-800-669-8477. Specialists are available between the hours of 8:30 a.m. and 6 p.m., Eastern Time, to discuss premium payments, insurance dividends, address changes, policy loans, naming beneficiaries and reporting the death of the insured.

If the insurance policy number is not known, send whatever information is available, such as the veteran's VA file number, date of birth, Social Security number, military serial number or military service branch and dates of service to:

Department of Veterans Affairs
Regional Office and Insurance Center
Box 42954
Philadelphia, PA 19101

Service Members' Group Life Insurance (SGLI)

The following are automatically insured for \$400,000 under SGLI:

1. Active-duty members of the Army, Navy, Air Force, Marines and Coast Guard.
2. Commissioned members of the National Oceanic and Atmospheric Administration and the Public Health Service.
3. Cadets or midshipmen of the service academies.
4. Members, cadets and midshipmen of the ROTC while engaged in authorized training.
5. Members of the Ready Reserves.
6. Members who volunteer for assignment to a mobilization category in the Individual Ready Reserve or Inactive National Guard.

Individuals may elect to be covered for a lesser amount or not at all. Part-time coverage may be provided to Reservists who do not qualify for full-time coverage. Premiums are automatically deducted from the service members' pay. At the time of separation from service, SGLI can be converted to either Veterans' Group Life Insurance (VGLI) or a commercial plan through participating companies. SGLI coverage continues for 120 days after separation at no charge.

Coverage of \$10,000 is also automatically provided for dependent children of members insured under SGLI with no premium required.

Traumatic Service Members' Group Life Insurance

Members of the armed services serve our nation heroically during times of great need, but what happens when they experience great needs of their own because they have sustained a traumatic injury? Traumatic Service members' Group Life Insurance (TSGLI) helps severely injured service members through their time of need with a one-time

payment. The amount varies depending on the injury, but it could be the difference that allows their families to be with them during their recovery; helps them with unforeseen expenses; or gives them a financial head start on life after recovery.

TSGLI is an insurance program that is bundled with Service members' Group Life Insurance (SGLI) and an additional \$1.00 has been added to the service member's SGLI premium to cover TSGLI. After Dec. 1, 2005, all service members who are covered by SGLI are eligible for TSGLI coverage, regardless of where their qualifying traumatic injury occurred. However, TSGLI claims require approval. In addition, there is a retroactive program that covers service members who sustained a qualifying traumatic injury while in theater supporting Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), or while on orders in a Combat Zone Tax Exclusion (CZTE) area from Oct. 7, 2001, through Nov. 30, 2005.

For more information, visit the Web site at <http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm>, or call 1-800-237-1336 (Army); 1-800-368-3202 (Navy); 1-703-432-9277 (Marine Corps); 1-210-565-3310 or 2410 (Air Force); and 1-202-267-1648 (Coast Guard).

Family Service Members' Group Life Insurance (FSGLI)

FSGLI provides up to \$100,000 of life insurance coverage for spouses, not to exceed the amount of SGLI the insured member has in force. FSGLI is a service members' benefit, and the member pays the premium and is the beneficiary of the policy. If a service member drops his or her SGLI coverage, leaves the military or divorces the spouse, the spouse's policy can be converted to a private life insurance policy within 120 days of the date SGLI coverage ended or the date of divorce.

Veterans' Group Life Insurance

SGLI may be converted to Veterans' Group Life Insurance (VGLI), which provides renewable term coverage to:

1. Veterans with full-time SGLI coverage upon release from active duty or the Reserves.
2. Veterans with part-time SGLI coverage who incur a disability or aggravate a pre-existing disability during a reserve period that renders them uninsurable at standard premium rates.
3. Members of the Individual Ready Reserve and Inactive National Guard.

SGLI can be converted to VGLI up to the amount of coverage the service member had when separated from service. Veterans who submit an application and the initial premium within 120 days of leaving the service will be covered regardless of their health. After 120 days, veterans can still convert to VGLI if they submit an application, pay the initial premium, and show evidence of insurability within one year of termination of SGLI coverage.

Service members who are totally disabled at the time of separation are eligible for free SGLI Disability Extension of up to two years. Those covered under the SGLI Disability Extension are automatically converted to VGLI at the end of their extension period. VGLI is convertible at any time to a permanent plan policy with any participating commercial insurance company.

Accelerated Death Benefits

SGLI, FSGLI and VGLI policyholders who are terminally ill (prognosis of nine months or less to live) can receive up to 50 percent of their coverage amount in advance. This option may be requested one time only.

Service-Disabled Veterans' Insurance

A veteran who was discharged under other than dishonorable conditions and who has a service-connected disability but is otherwise in good health may apply to VA for up to \$10,000 in life insurance coverage under the Service-Disabled Veterans' Insurance (S-DVI) program. Applications must be submitted within two years from the date of

being notified of the approval of a new service-connected disability by VA. This insurance is limited to veterans who left service on or after April 25, 1951.

Veterans who are totally disabled may apply for a waiver of premiums and additional supplemental coverage of up to \$20,000. However, premiums cannot be waived on the additional insurance. To be eligible for this type of supplemental insurance, veterans must meet all of the following four requirements:

1. Be under age 65.
2. Meet the requirements for total disability.
3. Have an S-DVI policy with premiums waived due to total disability.
4. Apply for additional insurance within one year from the date of notification of waiver approval on the S-DVI policy.

Veterans' Mortgage Life Insurance

Veterans' Mortgage Life Insurance (VMLI) is available to severely disabled veterans who have been approved for a Specially Adapted Housing Grant. Maximum coverage is \$90,000, and is only payable to the mortgage company. Protection is issued automatically, provided the veteran submits information required to establish a premium and does not decline coverage. Coverage automatically terminates when the mortgage is paid off.

If a mortgage is disposed of through sale of the property, VMLI may be obtained on the mortgage of another home.

Insurance Dividends

World War I, World War II, and Korean-era veterans with active policies beginning with the letters V, RS, W, J, JR, JS, or K are issued tax-free dividends annually on the policy anniversary date. Policyholders do not need to apply for dividends, but may select from among the following dividend options:

1. Cash: The dividend is paid directly to the insured either by a mailed check or by direct deposit.
2. Paid-Up Additional Insurance: The dividend is used to purchase additional insurance coverage.
3. Credit or Deposit: The dividend is held in an account for the policyholder with interest. Withdrawals from the account can be made at any time. The interest rate may be adjusted each year.
4. Net Premium Billing Options: These options use the dividend to pay the annual policy premium. If the dividend exceeds the premium, the policyholder has options to choose how the remainder is used. If the dividend is not enough to pay an annual premium, the policyholder is billed for the balance.
5. Dividend Options: Dividends can also be used to repay a loan or pay premiums in advance, be left on-account as a deposit earning interest, or paid to a bank account.

Other Insurance Information

The following information applies to policies issued to World War II, Korean, and Vietnam-era veterans and any Service-Disabled Veterans Insurance policies. Policies in this group are prefixed by the letters K, V, RS, W-J, JR, JS, or RH.

Reinstating Lapsed Insurance: Lapsed term policies may be reinstated within five years from the date of lapse. A five-year term policy that is not lapsed at the end of the term is automatically renewed for an additional five years. Lapsed permanent plans may be reinstated within certain time limits and with certain health requirements. Reinstated permanent plan policies require repayment of all back premiums, plus interest.

Converting Term Policies: Term policies are renewed automatically every five years, with premiums increasing at each renewal. Premiums do not increase after age 70. Term policies may be converted to permanent plans, which have fixed premiums for life and earn cash and loan values.

Paid-up Insurance Available on Term Policies: Effective September 2000, VA provides paid-up insurance on term policies whose premiums have been capped. Veterans who have National Service Life Insurance (NSLI) term insurance (renewal age 71 or older) and stop paying premiums on their policies will be given a termination dividend. This dividend will be used to purchase a reduced amount of paid-up insurance, which insures the veteran for life and no premium payments are required. The amount of insurance remains level. This does not apply to S-DVI (RH) policies.

Disability Provisions: National Service Life Insurance (NSLI) policyholders who become totally disabled before age 65 should ask VA about premium waivers.

Borrowing on Policies: Policyholders with permanent plan policies may borrow up to 94 percent of the cash surrender value of their insurance. Interest is compounded annually. The loan interest rate is variable and may be obtained by calling toll-free 1-800-669-8477.

Burial and Memorial Benefits

VA provides a burial flag for the memorialization of members or former members of the Selected Reserve who served their initial obligation, or were discharged for a disability incurred or aggravated in line of duty, or died while a member of the Selected Reserve.

Eligibility

Veterans discharged from active duty under conditions other than dishonorable and service members who die while on active duty, as well as spouses and dependent children of veterans and active duty service members, may be eligible for VA burial and memorial benefits. The veteran does not have to pre-decease a spouse or dependent child for them to be eligible.

With certain exceptions, active duty service beginning after Sept. 7, 1980, as an enlisted person, and after Oct. 16, 1981, as an officer, must be for a minimum of 24 consecutive months or the full period of active duty (as in the case of Reservists or National Guard members called to active duty for a limited duration). Eligibility is not established by active duty for training in the Reserves or National Guard.

Reservists and National Guard members, as well as their spouses and dependent children, are eligible if they were entitled to retired pay at the time of death, or would have been if they were over age 60.

VA national cemetery directors verify eligibility for burial in their cemeteries. A copy of the veteran's discharge document that specifies the period(s) of active duty and character of discharge, along with the deceased's death certificate and proof of relationship to the veteran (for eligible family members) are all that are usually needed to determine eligibility.

This chapter contains information on the full range of VA burial and memorial benefits. Readers with questions should contact the nearest national cemetery, listed by state in the VA Facilities section of this book, call 1-800-827-1000, or visit the Web site at <http://www.cem.va.gov/>.

VA National Cemeteries

Burial in a VA national cemetery is available for eligible veterans, their spouses and dependents at no cost to the family and includes the gravesite, grave-liner, opening and closing of the grave, a headstone or marker, and perpetual care as part of a national shrine. For veterans, benefits also include a burial flag (with case for active duty) and military funeral honors. Family members and other loved ones of deceased veterans may request Presidential Memorial Certificates.

VA operates 124 national cemeteries, of which 84 are open for new interments and 20 of these accept only cremated remains. Burial options are limited to those available at a specific cemetery but may include in-ground casket, or interment of cremated remains in a columbarium, in ground or in a scatter garden. Contact the nearest national cemetery to determine if it is open for new burials and which options are available.

Seven new national cemeteries are scheduled to open in the next few years near the cities of Bakersfield, Calif.; Birmingham, Ala.; Greenville, S.C.; Jacksonville, Fla.; Philadelphia, Pa.; Sarasota, Fla.; and West Palm Beach, Fla.

The funeral director or the next of kin makes interment arrangements by contacting the national cemetery in which burial is desired. VA normally does not conduct burials on weekends. Gravesites cannot be reserved; however VA will honor reservations made under previous programs.

Surviving spouses of veterans who died on or after Jan.1, 2000, do not lose eligibility for burial in a national cemetery if they remarry. Burial of dependent children is limited to unmarried children under 21 years of age, or under 23 years of age if a full-time student at an approved educational institution. Unmarried adult children who become physically or mentally disabled and incapable of self-support before age 21, or age 23 if a full-time student, are also eligible for burial.

Headstones and Markers

Veterans, active duty service members, retired Reservists, and National Guard service members are eligible for an inscribed headstone or marker to mark their grave at any cemetery -- national, state veterans, or private. The headstone or marker will be delivered at no cost, anywhere in the world. Spouses and dependent children are eligible for a government headstone or marker only if they are buried in a national or state veterans' cemetery.

Flat markers are available in bronze, granite or marble. Upright headstones come in granite or marble. In national cemeteries, the style chosen must be consistent with existing monuments at the place of burial. Niche markers are available to mark columbaria used for inurnment of cremated remains.

Headstones and markers previously provided by the government may be replaced at the government's expense if badly deteriorated, illegible, vandalized or stolen. To check the status of an application for a headstone or marker for a national or state veterans' cemetery, call the cemetery. To check the status of one being placed in a private cemetery, call 1-800-697-6947.

Inscription: Headstones and markers must be inscribed with the name of the deceased, branch of service, and year of birth and death. They also may be inscribed with other markings, including an authorized emblem of belief and, space permitting, additional text including military rank; war service such as "World War II;" complete dates of birth and death; military awards; military organizations; civilian or veteran affiliations; and words of endearment.

Private Cemeteries: To apply for a headstone or marker for a private cemetery, mail a completed VA Form 40-1330 (available at <http://www.va.gov/vaforms/va/pdf/VA40-1330.pdf>), Application for Standard Government Headstone or Marker for Installation in a Private Cemetery or a State Veterans' Cemetery, and a copy of the veteran's military discharge document and death certificate to Memorial Programs Service (41A1), Department of Veterans Affairs, 5109 Russell Rd., Quantico, VA 22134-3903. Or fax documents to 1-800-455-7143.

For veteran deaths occurring on or after Sept. 11, 2001, VA will provide a government headstone or marker even if the grave is already marked with a private one. Before ordering, check with the cemetery to ensure that the additional headstone or marker will be accepted. Any placement fee will not be reimbursed by VA.

"In Memory Of" Markers: VA provides memorial headstones and markers, bearing the inscription "In Memory Of" as the first line, to memorialize those whose remains were not recovered or identified, were buried at sea, donated to science or cremated and scattered. Eligibility is the same for regular headstones and markers. There is no fee when the

“In Memory Of” marker is placed in a national cemetery. Any fees associated with placement in another cemetery will not be reimbursed by VA.

Presidential Memorial Certificates

Certificates are issued upon request to recognize the military service of honorably discharged deceased veterans. Next of kin, relatives and friends may request them in person at any VA regional office or by mail: Presidential Memorial Certificates (41A1C), Department of Veterans Affairs, 5109 Russell Rd., Quantico, VA 22143-3903. Or fax documents to 202-565-8054.

No form is required and there is no time limit for requesting a certificate(s), but requests should include a copy of the veteran’s discharge document and death certificate and clearly indicate to what address the certificate(s) should be sent. Information and a sample certificate can be found at <http://www.cem.va.gov/cem/pmc.asp>.

Burial Flags

VA will furnish a U.S. burial flag for memorialization of:

1. Veterans who served during wartime or after Jan. 31, 1955.
2. Veterans who were entitled to retired pay for service in the Reserves, or would have been entitled if over age 60.
3. Members or former members of the Selected Reserve who served their initial obligation, or were discharged for a disability incurred or aggravated in line of duty, or died while a member of the Selected Reserve.

Reimbursement of Burial Expenses

VA will pay a burial allowance up to \$2,000 if the veteran’s death is service-connected. In such cases, the person who bore the veteran’s burial expenses may claim reimbursement from VA.

In some cases, VA will pay the cost of transporting the remains of a service-connected veteran to the nearest national cemetery with available gravesites. There is no time limit for filing reimbursement claims in service-connected death cases.

Burial Allowance: VA will pay a \$300 burial and funeral allowance for veterans who, at time of death, were entitled to receive pension or compensation or would have been entitled if they weren’t receiving military retirement pay. Eligibility also may be established when death occurs in a VA facility, a VA-contracted nursing home or a state veterans nursing home. In non service-connected death cases, claims must be filed within two years after burial or cremation.

Plot Allowance: VA will pay a \$300 plot allowance when a veteran is buried in a cemetery not under U.S. government jurisdiction if: the veteran was discharged from active duty because of disability incurred or aggravated in the line of duty; the veteran was receiving compensation or pension or would have been if they weren’t receiving military retired pay; or they died in a VA facility.

The \$300 plot allowance may be paid to the state for the cost of a plot or interment in a state-owned cemetery reserved solely for veteran burials if the veteran is buried without charge. Burial expenses paid by the deceased’s employer or a state agency will not be reimbursed.

Military Funeral Honors

Upon request, DOD will provide military funeral honors consisting of folding and presentation of the United States flag and the playing of “Taps.” A funeral honors detail consists of two or more uniformed members of the armed forces, with at least one member from the deceased’s branch of service.

Family members should inform their funeral directors if they want military funeral honors. DOD maintains a toll-free number (1-877-MIL-HONR) for use by funeral directors only to request honors. VA can help arrange honors for burials at VA national cemeteries. Veterans' service organizations or volunteer groups may help provide honors. For more information, visit <http://www.militaryfuneralhonors.osd.mil/>.

Veterans Cemeteries Administered by Other Agencies

Arlington National Cemetery: Administered by the Department of the Army. Eligibility is more restrictive than at VA national cemeteries. For information, call (703) 607-8000, write Superintendent, Arlington National Cemetery, Arlington, VA 22211, or visit <http://www.arlingtoncemetery.org/>.

State Veterans Cemeteries: Sixty-three state veterans' cemeteries offer burial options for veterans and their families. These cemeteries have similar eligibility requirements but usually require some residence. Some services, particularly for family members, may require a fee. Contact the state cemetery or state veterans affairs office for information. To locate a state veterans' cemetery, visit <http://www.cem.va.gov/cem/scg/lsvc.asp>.

Department of the Interior: Administers two active national cemeteries: Andersonville National Cemetery in Georgia and Andrew Johnson National Cemetery in Tennessee. Eligibility is similar to VA cemeteries.

