



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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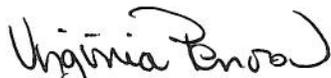
PERSONNEL AND  
READINESS

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING  
SERVICE

SUBJECT: Adjustments to Military Retired and Retainer Pay, Survivor Annuities and  
Premiums effective December 1, 2010

This memorandum and attachment provide detailed guidance regarding Cost-of-Living Adjustments (COLAs) and other computation procedures applicable to military retired and retainer pay and survivor annuities. Retired pay and survivor entitlements are to be adjusted and computed as prescribed herein.

The attachment specifies COLAs for retired and retainer pay, survivor annuities, and premium determinations effective December 1, 2010, unless specified otherwise. These COLAs reflect the required adjustment for cost-of-living as measured by the change in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers from the base index established with the last increase to the COLA during the third quarter 2008 (July, August, September 2008) through the current base quarter of 2010 (July, August, September 2010). Although the computed change in the CPI is negative .6 percent, the COLA cannot be negative and is thus established at zero. Since there is no increase to this year's COLA, the base index quarter for next year will remain the third calendar quarter of 2008 which will be compared to the third calendar quarter of 2011.

  
Virginia S. Penrod  
Deputy Under Secretary  
(Military Personnel Policy)

Attachment:  
As stated

cc:  
Deputy Chief of Staff for Personnel, U.S. Army  
Deputy Chief of Naval Operations (Manpower and Personnel), U. S. Navy



Deputy Chief of Staff for Personnel, U.S. Air Force  
Deputy Chief of Staff Manpower and Reserve Affairs, U.S. Marine Corps  
Deputy Assistant Secretary of the Army (Human Resources)  
Deputy Assistant Secretary of the Navy (Military Personnel Policy)  
Deputy Assistant Secretary of the Air Force (Force Management and Personnel)  
Assistant Commandant for Human Resources, U.S. Coast Guard  
Director, Division of Commissioned Personnel, U.S. Public Health Service  
Director, National Oceanic and Atmospheric Administration Corps Operations-NC  
DoD Chief Actuary  
Deputy General Counsel (Fiscal)

**ADJUSTMENTS TO RETIRED/RETAINER PAY,  
SURVIVOR ANNUITIES AND PREMIUMS  
EFFECTIVE DECEMBER 1, 2010**

The following Cost-of-Living Adjustments (COLAs) are effective December 1, 2010, based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter 2008 through the third quarter 2010. The term "retired pay" includes retainer pay and the term "members" includes former members.

**COLAs for Retired Pay**

1. The retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980, is specified according to the effective date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	<b>0.0 percent</b>	1401a(b)(2)
January 1 - December 31, 2010	<b>0.0 percent</b>	1401a(c) & 1401a(f)

2. The retired pay COLA for those who first became a member of a Uniformed Service on or after September 8, 1980, is specified according to the effective date of their retirement, as follows:

<u>Retirement Effective:</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	<b>0.0 percent</b>	1401a(b)(2)
January 1 - March 31, 2010	<b>0.0 percent</b>	1401a(d) & 1401a(f)
April 1 - June 30, 2010	<b>0.0 percent</b>	1401a(d) & 1401a(f)
July 1 - September 30, 2010	<b>0.0 percent</b>	1401a(d) & 1401a(f)
October 1 - December 31, 2010	<b>0.0 percent</b>	1401a(d) & 1401a(f)

3. The retired pay COLA for those who first became a member of a Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of section 354 of title 37 United States Code is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	<b>0.0 percent</b>	1401a(e)
January 1 - March 31, 2010	<b>0.0 percent</b>	1401a(e) & 1401a(f)
April 1 - June 30, 2010	<b>0.0 percent</b>	1401a(e) & 1401a(f)
July 1 - September 30, 2010	<b>0.0 percent</b>	1401a(e) & 1401a(f)
October 1 - December 31, 2010	<b>0.0 percent</b>	1401a(e) & 1401a(f)

**ADJUSTMENTS TO RETIRED/RETAINER PAY,  
SURVIVOR ANNUITIES AND PREMIUMS  
EFFECTIVE DECEMBER 1, 2010**

**COLAs for Survivor Annuities**

4. Retired Serviceman's Family Protection Plan annuities under the provisions of subchapter I of chapter 73, title 10, United States Code, to the spouse or child of a member who died on or before March 20, 1974 will **NOT** be increased. (authority: 10 U.S.C. 1434 (e)).
5. Annuities under the Survivor Benefit Plan (SBP) and Reserve Component Survivor Benefit Plan (RCSBP) under the provisions of subchapter II of chapter 73, title 10, United States Code; will **NOT** be increased. (authority: 10 U.S.C. 1451 (g)).
6. COLAs for supplemental annuities paid to certain low income widows of members who were deceased before November 1, 1953 will **NOT** be increased. (authority: section 653(c), Public Law 100-456).
7. Annuities for Certain Military Surviving Spouses (ACMSS) payable monthly under the provisions of section 644, Public Law 105-85, November 18, 1997, will **NOT** be increased and thus will remain **\$229.89**. (authority: Public Law 105-85, sec 644).

**Increase in the SBP Low-Cost Premium Threshold**

8. Amounts with respect to which the 2.5 percent factor of the SBP premium (cost) formula apply for members who initially participated in the plan on or before December 1, 2010, will **NOT** be adjusted. (authority: 10 U.S.C. 1452(a)(4)(B)).
9. The amount with respect to which the 2.5 percent factor of the SBP premium (cost) formula applies for members who initially participate in the plan on or after January 1, 2011 will be issued upon enactment of legislation establishing the 2011 military pay raise. (authority: 10 U.S.C. 1452(a)(4)(A)).

## Coordination

SUBJECT: Fiscal Year 2011 Adjustments to Military Retired and Retainer Pay,  
Survivor Annuities and Premiums

<u>Office</u>	<u>Name</u>	<u>Signature</u>	<u>Date</u>
DFAS	Nick Madden	on file	10/25/2010
OSD-OGC	Carolyn Howell	by email	10/29/2010

Comments/Resolution: Minor changes made