



MANPOWER AND  
RESERVE AFFAIRS

## OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

1500 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1500

NOV - 1 2018

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
MILITARY PERSONNEL AND QUALITY OF LIFE  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
MILITARY MANPOWER AND PERSONNEL  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR  
FORCE MANAGEMENT AND PERSONNEL  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Fiscal Year 2019 Adjustments to Military Retired and Retainer Pay, Survivor  
Annuities and Premiums

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

The attachment specifies COLAs for retired and retainer pay, survivor annuities, and premium determinations effective December 1, 2018, unless specified otherwise. These COLAs reflect the required adjustment for cost-of-living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers for the four quarters ending with the third calendar quarter of 2018 (July, August, and September 2018).

A handwritten signature in black ink, appearing to read "Lernes J. Hebert".

Lernes J. Hebert

Acting Deputy Assistant Secretary  
(Military Personnel Policy)

Attachment:

As stated

cc:

Deputy Chief of Staff for Personnel, U.S. Army  
Deputy Chief of Naval Operations for  
Manpower, Personnel, Training  
and Education, U. S. Navy  
Deputy Chief of Staff for Manpower, Personnel  
and Services, U.S. Air Force  
Deputy Commandant for Manpower and Reserve  
Affairs, U.S. Marine Corps  
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  
Department of Defense Chief Actuary  
Deputy General Counsel (Fiscal)  
Director, Defense Health Agency

**FISCAL YEAR 2019 ADJUSTMENTS TO RETIRED/RETAINER PAY,  
SURVIVOR ANNUITIES AND PREMIUMS**

The following Cost-of-Living Adjustments (COLAs) are effective December 1, 2018, based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) through the third quarter calendar year 2018. The term "retired pay" includes retainer pay and the term "members" includes former members. Where applicable, the appropriate section of United States Code (U.S.C.) is cited.

**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>Retired Pay Based on Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2018	<b>2.8 percent</b>	1401a(b)(2)
January 1 – December 31, 2018	<b>2.4 percent</b>	1401a(c)

2. The retired pay COLA for those who first became a member of a Uniformed Service on or after September 8, 1980, including those members covered by the Blended Retirement System (BRS), 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, 2018	<b>2.8 percent</b>	1401a(b)(2)
January 1 - March 31, 2018	<b>2.4 percent</b>	1401a(d)
April 1 - June 30, 2018	<b>1.5 percent</b>	1401a(d)
July 1 - September 30, 2018	<b>0.3 percent</b>	1401a(d)
October 1 - December 31, 2018	<b>0.0 percent</b>	1401a(d)

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 U.S.C. 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, 2018	<b>1.8 percent</b>	1401a(e)
January 1 - March 31, 2018	<b>1.6 percent</b>	1401a(e)
April 1 - June 30, 2018	<b>1.0 percent</b>	1401a(e)
July 1 - September 30, 2018	<b>0.1 percent</b>	1401a(e)
October 1 - December 31, 2018	<b>0.0 percent</b>	1401a(e)

### COLAs for Survivor Annuities

4. Retired Serviceman's Family Protection Plan annuities payable on December 1, 2018, under the provisions of Subchapter I of Chapter 73, Title 10, U.S.C., to the spouse or child of a member who died on or before March 20, 1974 will be increased by **2.8 percent** (ref: 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, U.S.C., will be increased by the same percentage specified in paragraphs 1, 2, or 3 above by which the retired pay of the person providing the annuity would have been increased at such time if the person were alive and otherwise entitled to such pay. (ref: 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 be increased **2.8 percent** (ref: Public Law (P.L.) 100-456, section 653(c)).
7. Annuities for Certain Military Surviving Spouses (ACMSS) payable monthly under the provisions of section 644, P.L. 105-85, November 18, 1997, will be increased **2.8 percent** from \$255.80 to **\$262.96** effective December 1, 2018. (ref: P.L. 105-85, sec 644).

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

8. Previous amounts with respect to which the 2.5 percent factor of the SBP premium (cost) formula apply will be adjusted effective December 1, 2018, in conjunction with the adjustments in retired pay made under the provisions of Section 1401a of Title 10, U.S.C. (ref: 10 U.S.C. 1452(a)(4)(B)). The Defense Finance and Accounting Service will perform necessary calculations to determine actual premiums based on the individual circumstances of each case.
9. The amount with respect to which the 2.5 percent factor of the SBP premium (cost) is applied will be increased **2.6 percent effective January 1, 2019**, from \$822 to **\$843**. The threshold premium is **\$21.08**. Therefore, the Low-Cost Threshold premium is **\$21.08** plus 10% of the difference between retired pay and the threshold amount. The breakeven base amount is **\$1,806.43**. (ref: 10 U.S.C. 1452(a)(4)(A)).

### Increase in the Special Survivor Indemnity Allowance (SSIA)

10. In accordance with provisions of Section 1450(m) of Title 10, U.S.C., as amended by section 621 of P.L. 115-91 and section 622 of P.L. 115-232, the maximum amount of SSIA payable will be increased by **2.8 percent effective December 1, 2018**. The new SSIA rate will be **\$318**. (ref: 10 U.S.C. 1450(m))