



U.S. Department of Defense

The 14th Quadrennial Review of Military Compensation

The QRMC is a complete review of the principles and concepts of the compensation system for Service members. This review is directed by the President every four years.

THREE FOCUS AREAS



Military Compensation



Entitlements for Deployed Members & Compensation Critical Subspecialties



New Realities of Military Service

REVIEWS

Compensation Level
Basic Pay Table
Allowance Calculations*

Entitlements for Deployed Members
Compensation for Critical Specialties

Dual-Income Households
Role of Household Income in Service member retention decisions

FINDINGS

1 The **military compensation package is strongly competitive** with civilian labor market.

2 **Reducing pay volatility and variability** will benefit Service members and the Department. Improvements in data collection and processing can more accurately determine allowances.

3 Targeted **non-cash compensation may offer better returns on investment** for Service members and military families.

RECOMMENDATIONS

Raise the Regular Military Compensation (RMC) Benchmark to the 75th Percentile

Improve Communication with Members

Improve Constructive Credit for Lateral Entrants

Update Basic Allowance For Housing Methodology

Improve COLA/OCOLA Methodology

Regularly Review Deployment Entitlements

Expand Targeted Non-Cash Compensation for Military Spouses, such as Retirement Savings Options and Support for Childcare and Employment Initiatives

Institute a Quality-of-Life Review

Implementation of QRMC Recommendations Ensures Total Compensation Remains Competitive

*Allowance calculations reviewed include Basic Allowance for Housing (BAH), Basic Allowance for Subsistence (BAS), Cost of Living Allowance (COLA), and Overseas COLA (OCOLA).

DATA HIGHLIGHTS

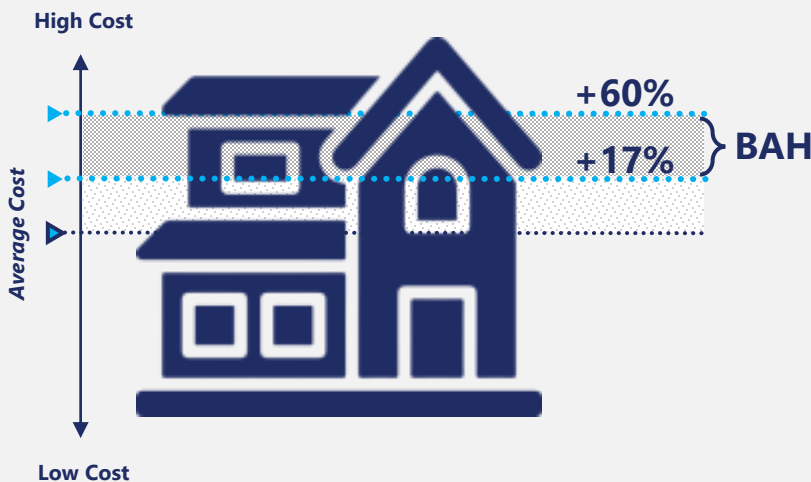
MILITARY COMPENSATION IS STRONGLY COMPETITIVE WITH THE CIVILIAN MARKET

Over Their Careers, Service Members are Paid in the Upper Quartile Compared To Civilians with Similar Education and Experience.

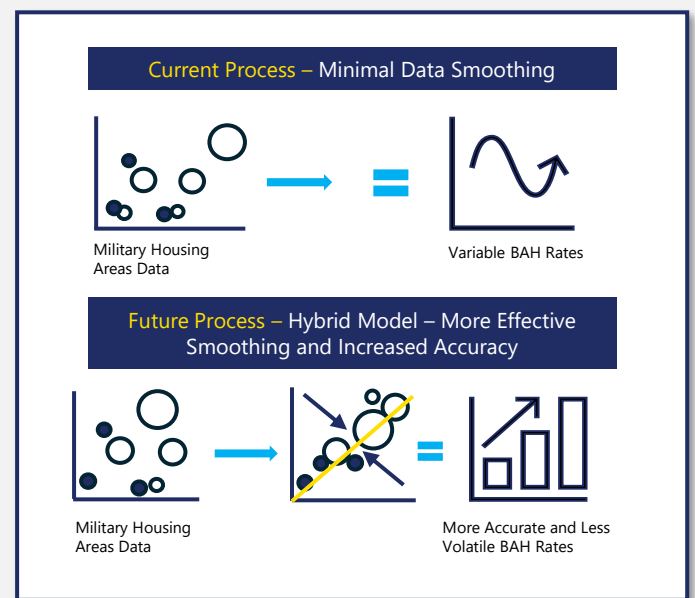


Military pay among Junior Enlisted Personnel is higher than 90th percentile of earnings for civilians with similar education and experience.

BAH Provides 17% to 60% More Than The Civilian Average Cost of Housing and Utilities for Most Pay Grades.



Updating the Method of Calculating BAH Produces More Reliable, More Accurate, and Less Volatile Rates Over Time.



NEXT STEPS

The Department is **committed to sustaining a strong, competitive total compensation package**, which includes regular military compensation, non-cash compensation, and benefits. The 14th QRMC also recommends the Department:



Establish a periodic Quality of Life Review to effectively target investments in non-cash compensation and benefits for Service members and their families.



Provide Service members resources on compensation at key points in the military lifecycle (recruitment, promotion, etc.), focused on how the Department determines pay and allowances, and differences between RMC and individualized compensation.