



Coast Guard HR Flag Voice 168

PAY AND BENEFIT IMPROVEMENTS FOR FISCAL YEAR 2002

The National Defense Authorization Act (NDAA) for FY 2002 contains a number of very significant improvements to military compensation (ref ALCOAST 005/02). Following is a summary of the major changes to pay and benefits.

Please give this Flag Voice the widest dissemination to all our members!

Pay:

Largest increase in Basic Pay since 1982! A minimum 6.0% increase for all enlisted members and a minimum 5.0% for all officers effective 1 Jan 2002. Additional targeted increases have been included for mid-career enlisted and junior officers.

Cadet pay increased to \$734.10 and future increases are linked to 35 percent of an ensign with less than two years of service.

Allowances:

The national out-of-pocket offset used to determine the Basic Allowance for Housing (BAH) rates was reduced from 15% to 11.3% (continuing buy-down from 18+%). BAH for most pay grades in many military housing areas (MHA) increased where the median cost of rental housing increased relative to 2001. NO BAH decreased in the areas where the rental housing costs decreased relative to 2001. The new Basic Allowance for Housing (BAH) rates are now available on line at the BAH query web site: <http://www.dtic.mil/perdiem/bahform.html>.

Enlisted BAS becomes an entitlement for all enlisted following basic training. BAS will be paid as a monthly entitlement instead of a daily basis. At locations where dining facilities are available, enlisted BAS will be \$241.60 per month and \$262.50 per month at locations where dining facilities are not available. See ALCOAST 596/01 for details.

Family Separation Allowance (FSA) will be payable to all members who elect to serve unaccompanied tours due to inability of dependents to accompany the member for certified medical reasons. This provision is effective 1 Jan 02 regardless of the date the eligible unaccompanied tour of duty began, although payments shall not be made for any period before 1 Jan 02.

Hazardous Duty Incentive Pay (HDIP) for maritime visit, board, search and seizure teams

may be authorized on or after 1 Jan 2002 following additional regulations from DoD (i.e., Persian Gulf operations).

Permanent Change of Station (PCS) benefits:

Dislocation Allowance (DLA) rates for all pay grades increased 6.9% effective 1 Jan 02.

DLA now authorized for members with dependents ordered from home to their first permanent duty station (PDS) for orders issued on or after 1 Jan 02.

Partial DLA of \$500 may be authorized when a member with dependents is ordered to occupy or vacate government family housing not in conjunction with a PCS move.

DLA at the without dependent rate is authorized for one member of a member married to member (M2M) couple both of whom are without other dependents, for PCS orders issued on or after 1 Jan 02, when they are jointly assigned to government family housing.

TLE is now authorized for officers reporting to their first PDS when required to occupy temporary lodgings. (Was already authorized for enlisted members.)

Maximum TLE increased from \$110 to \$180 per day for all members with orders issued on or after 1 Jan 02

Pet quarantine fee reimbursement incurred in connection with the mandatory quarantine of a household pet currently being quarantined or beginning on or after 28 Dec 01 **increased from \$275 to \$550.**

Bonuses: Career Status Bonus (CSB) authorized to be paid in up to five yearly equal installments. Effective 28 Dec 01, any member who has elected to receive a \$30,000 CSB (also known as "REDUX bonus") and has not received that bonus may elect to have the bonus paid in up to five equal installments. Such CSB payments may be deposited into the members' TSP accounts or paid directly to the member. CSB installments will be paid on the earlier of the annual anniversary date or 15 January of each year.

Thrift Savings Plan: Some members, who participate in the Thrift Savings Plan during tax years 2002 through 2006, may be eligible for a Saver's Tax Credit on their Federal income tax return for each year they contribute to the plan. For married members with an adjusted gross income of no more than \$50,000, the maximum credit is \$2,000. For single members with an adjusted gross income of no more than \$25,000, the maximum credit is \$1,000. However, the amount of the tax credit may be offset by any taxable distribution paid directly to them by the TSP.

Specific Reserve Compensation changes:

Reservists serving on active duty for over 30 days but less than 365 days may sell more than 60 days leave in their career. This only applies to active duty periods that begin on or after 1 Oct 01.

Reserve officers in the rank of ensign, lieutenant junior grade, or lieutenant who have earned 1460 retirement points while in an enlisted or warrant officer status will be entitled to pay (basic and drill) and BAH (when on active duty) in the higher O1E, O2E, and O3E pay grades effective 1 Dec 01.

Retiree and Survivor Benefits changes:

All members who die in the line-of-duty will be considered 100% disabled. Survivors will now be eligible for Survivor Benefit Plan (SBP) annuities as though the deceased members were retired under total disability retirement rules. This allows survivors to receive SBP annuities whether or not the member completed twenty years or more of active duty service. This provision is effective 10 Sep 01.

Retirees who perform military funeral honor details under orders may be paid a \$50 allowance in addition to full receipt of retired pay.

Special compensation for severely disabled retirees is extended to members rated at 60% disabled by the Coast Guard, or the Department of Veteran Affairs (DVA) within 4 years of retirement. Effective 1 Feb 02, disabled retirees so rated will be eligible for an additional \$50 monthly payment from the Coast Guard for each month they receive DVA disability compensation for a 60 percent rating.

Miscellaneous Travel Benefit: Members may now retain and use Frequent Flyer miles (FFM) for personal use. The law now allows agencies to prescribe regulations with respect to the retention of promotional items received as a result of traveling at Government expense. Effective 31 Dec 01 the restrictions in the Joint Federal Travel Regulations (JFTR) concerning the use of FFM for personal travel were removed.

Regards, FL Ames

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