

# MQFP® Study Guide 1.1: Active Duty Pay and Allowances

## Learning Objectives:

### 1.1 Active Duty Pay and Allowances

a. Demonstrate the ability to navigate current and past military pay tables to determine base pay, basic allowance for housing (BAH), and basic allowance for subsistence (BAS)

Most active duty service members receive at least three types of pay:

- (1) Base pay - based on rank and time in service
- (2) BAH - based on rank, duty station zip code, and whether or not the service member has dependents
- (3) BAS - a flat rate determined by whether the service member is a commissioned officer or an enlisted service member.

#### **Exercise 1:** Calculate Base Pay

Using the enlisted pay table for the year 2023, determine the base pay for a Petty Officer Third Class (E-4) with 3 years of service.

#### **Exercise 2:** Calculate Basic Allowance for Housing (BAH)

A Staff Sergeant (E-6) without dependents is stationed at Joint Base Lewis-McChord, WA (zip code 98433). Using the 2023 BAH rates, calculate the monthly BAH amount.

#### **Exercise 3:** Calculate Basic Allowance for Subsistence (BAS)

What is the current monthly rate for Basic Allowance for Subsistence (BAS) for all enlisted service members?

b. Explain overseas housing allowance (OHA), OCONUS COLA, CONUS COLA, and family separation allowance (FSA).

Overseas Housing Allowance (OHA) is authorized to enable personnel stationed OCONUS to lease privately owned housing in the local economy. It's composed of three elements: rent payments; utilities and maintenance; and a move in allowance.

OCONUS COLA is a cost of living adjustment (COLA) provided to service members stationed outside the continental US (OCONUS) to defray the higher costs of goods and services. This is a non-taxable allowance and the value may change as current exchange rates change.

CONUS COLA is an allowance provided to service members stationed in certain high cost of living areas in the US (ie. New York City; San Francisco; etc) to help defray the higher costs of goods and services in those areas.

Family Separation Allowance (FSA) - This allowance is a flat monthly rate paid to service members who are involuntarily separated from their dependents for more than 30 continuous days. The purpose of FSA is to offset extra expenses resulting from the service member's separation from his/ her family.

**Exercise 4:** Understanding Overseas Housing Allowance (OHA)

What is the purpose of Overseas Housing Allowance (OHA), and how is it different from Basic Allowance for Housing (BAH)?

**Exercise 5:** Identifying OCONUS COLA

You are stationed at an overseas location, and your Commanding Officer informs you that you are eligible for OCONUS COLA. What does OCONUS COLA stand for, and what does it aim to compensate for?

**Exercise 6:** Family Separation Allowance (FSA) Eligibility

Under what circumstances is a service member eligible to receive Family Separation Allowance (FSA)?

c. Describe the various types of special, incentive, and bonus pays available to active duty service members.

Special, incentive, and bonus pays are used to address specific manning requirements. Special, incentive, and bonus pays may be offered for certain occupational specialties, certain skills, retention goals, or to provide additional compensation for service in particularly dangerous locations.

There are over 60 types of special and incentive pays. The MQFP® exam covers a small subset. Complete exercise 7 below to familiarize with some of the special and incentive pays.

**Exercise 7:** Identifying Special Pays:

Match the following special pays with their descriptions:

1. Hazardous Duty Incentive Pay (HDIP)
2. Career Enlisted Flyer Incentive Pay (CEFIP)
3. Reenlistment Bonus
4. Selective Reenlistment Bonus (SRB)

a) A monetary incentive provided to service members who hold specific assignments that require unique skills or qualifications.

- b) A financial incentive given to service members who agree to extend their service contract for a specific period.
- c) Provided to service members who perform duties that involve a higher level of risk or exposure to hazardous conditions.
- d) Offered to enlisted service members who hold certain aircrew positions and complete specific flight-related training.

**Quiz: (Multiple Choice)**

1. What is the purpose of Overseas Housing Allowance (OHA)?
  - a) To provide additional pay for service members with dependents stationed overseas.
  - b) To compensate for the higher cost of living in overseas locations.
  - c) To offset the cost of housing for service members stationed in high-cost areas within the U.S.
  - d) To incentivize service members to extend their service contract.
  
2. Which of the following pays compensates service members for performing duties that involve a higher level of risk or exposure to hazardous conditions?
  - a) Basic Allowance for Housing (BAH)
  - b) Basic Allowance for Subsistence (BAS)
  - c) Hazardous Duty Incentive Pay (HDIP)
  - d) Special Duty Assignment Pay (SDAP)
  
3. True or False: Family Separation Allowance (FSA) is provided to service members who are required to be away from their dependents for more than 60 days consecutively.
  - a) True
  - b) False
  
4. Which type of pay is given to service members who possess specific skills that are in high demand within the military?
  - a) Special Skills Bonus (SSB)
  - b) Career Enlisted Flyer Incentive Pay (CEFIP)
  - c) Overseas Housing Allowance (OHA)

d) Selective Reenlistment Bonus (SRB)

**References:**

- Defense Finance and Accounting Service (DFAS) website: <https://www.dfas.mil/>
- Defense Travel Management Office (DTMO) website: <https://www.defensetravel.dod.mil/>
- Department of Defense Financial Management Regulation (DoD FMR).

\*Answer Key can be found at: <https://mqfp.org/study-guides/8> \*