

PART FIVE

EXPENSE SYSTEM

Chapter 30

STANDARD RATES FOR MILITARY PERSONNEL SERVICES

***30-1. Standard Rates.**

a. These instructions are for the military personnel standard rates to be used in computing costs of military personnel services as an element of operating expense. In addition to being used for programming, budgeting, and accounting, these standard rates, plus the acceleration factors in paragraph 30-5, are used to compute the amounts to be reimbursed by non-DoD federal agencies and non-federal organizations.

b. These instructions do not apply to reimbursable services to foreign governments provided in-country. In these instances, the actual Permanent change of station (PCS) costs, or as otherwise agreed to between governments, continue to be the basis for claiming reimbursement. Post recoupments as shown in figure 30-1.

c. Obtain the annual military personnel standard rates from AFI 65-503, table A20-2, from the internet SAF/FM web site, as follows:

(1) Type “<http://www.saffm.hq.af.mil/SAFFM/>”, using lowercase letters except for the last “SAFFM” which is typed in capital letters. This will give you the SAF/FM home page.

(2) Then click on “SAF/FMC” (the Deputy Assistant Secretary for Cost and Economics), and scroll down and click on “AFI 65-503, Cost and Planning Factors”.

(3) And finally, click on “Table A20-2” for FY 1999 rates.

30-2. Actual Rates. Use actual personnel costs of Air Force Reserves and Air National Guard (ANG) on training duty for any reports required. Do not include costs of Reserves and ANG in military personnel expense reports of operating budgets.

30-3. Responsibility. The Account Control Area distributes military personnel cost to the expense accounts. (See AFM 177-370, section 47, for automated military personnel expense interface procedures.) Organizations responsible for cost systems or reimbursements make their own distribution. Collections for military personnel detailed to other agencies of the government are made by designated activities authorized to bill for such services.

30-4. Components of Military Personnel Standard Rates. Standard rates are a composite of all pay, allowances, and entitlements.

a. Factors included in standard rate:

- (1) Average basic pay.
- (2) Retirement pay liability.
- (3) Basic allowance for quarters.
- (4) Miscellaneous benefits and expenses:
 - (a) Subsistence (cash and in-kind).
 - (b) Station and cost-of-living allowance overseas.
 - (c) Uniform and clothing allowance.
 - (d) Family separation allowance.
 - (e) Separation payments.
 - (f) Social security contribution (FICA).
 - (g) Death gratuities.
 - (h) Servicemen's life insurance.
 - (i) Reenlistment and variable reenlistment bonus.
 - (j) Apprehension of military deserters.
 - (k) Personal money allowances at statutory rates for pay grades 0-10 and 0-9.
 - (l) Variable Housing Allowance.
- (5) Permanent change of station (PCS) expenses.

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- (6) Special entitlements:
 - (a) Flight pay (crew member).
 - (b) Flight pay (noncrew member) and other hazardous duty pay.
 - (c) Foreign and sea duty pay.
 - (d) Special pay for medical, dental, and veterinary officers.
 - (e) Proficiency pay.
 - (f) Special pay--duty subject to hostile fire.
 - (g) Diving duty pay.

b. Factors excluded from standard rate:

- (1) Support of free world forces.
- (2) Cost of government-furnished quarters (FH).
- (3) Medical costs (O&M).

30-5. Acceleration of Standard Rates. Reimbursement transactions must include the costs of military personnel benefits that are not in the standard rates. The acceleration factors for the accrual of leave, holiday, and other personnel costs apply to both non-DoD federal and non-federal reimbursable transactions. The method used to compute reimbursable military personnel costs using these acceleration factors is explained in paragraph 30-7.

a. Other Personnel Costs--6 percent for officers and 18 percent for enlisted personnel, to recoup the value of quarters, subsistence, medical, and other personnel costs not included in the standard rates. This factor recovers military personnel costs financed by appropriations other than the military personnel appropriation. For example:

- (1) Costs of government-furnished quarters for personnel living in family housing or dormitories and not receiving BAQ payments.
- (2) Costs of government subsistence provided to personnel not receiving BAS payments.
- (3) Medical costs funded by the O&M appropriation.

b. Leave and Holiday--14 percent for officers and enlisted personnel, to compensate for wages paid to personnel during leave or holiday period. This factor is applicable only when reimbursements are based on time actually worked. (Do not use this factor if the assignment is full time.)

30-6. Accounting Under Cost Systems:

a. Application. These instructions apply to all cost accounting systems.

b. Procedures for the composite rates:

(1) Account for military personnel expenses in terms of the account classifications prescribed for operating budgets. Expense military personnel of the other services at the rates for their services.

(2) Standard Work Period. Charge military personnel expenses to operating budgets on the basis of full man-months for personnel assigned as of the first day of the current month. This expense includes costs for transients, patients, prisoners, students, and trainees assigned PCS charged according to the budgeting for these personnel as provided in AFI 65-601 (former AFR 172-1).

(3) Personnel Loaned and Borrowed. Adjust operating expenses of lending and borrowing organizations covered by the same operating budget for the cost of borrowed military labor, whenever this factor has a significant effect on organizational or functional expenses or when individuals are borrowed on a regular basis. Adjust for periods of 1 week or more within the same operating budget.

(4) Actual Time Variance. Noncombatant or nontactical units that require more precise data for local management and other cost accounting purposes, particularly for performance measurement and service unit charges, charge military personnel expenses at standard rates. Account for the difference between the amount of military personnel expense charged to subsidiary cost accounts on a productive or actual time basis, and the amount of assignment as of the first day of the month in overhead-type expense variance accounts. Maintain the variance accounts at the highest expense account level consistent with effective control, which frequently may be at the performing cost center or responsibility center.

(5) Overtime Variance. The standard workweek for computing costs of military personnel services is 40 hours. Overtime costs may be needed locally under subsidiary cost systems to obtain accurate functional costs, as well as for performance measurement. When overtime is costed, record the charges for actual man-hours and charges to the operating budget on the basis of assignment on the 1st day of the month in expense variance accounts as stated in (4) above.

(6) Other Duties. Charge the cost of services for the 40-hour standard workweek for PEC, functional category, and organizational unit where the primary duties are performed, regardless of time spent during the week on extraneous duties, details to boards and committees, on-the-job training, and annual and sick leave. When significant, however, identify costs attributable to the performance of special military or incidental duties to help the commander or manager appraise the use of military personnel.

(7) Reimbursement Billings. As a general policy, show the costs of military personnel services on a memorandum basis on all billings between DoD components when such components are not financed by the same operating budget. Do not record these costs as a part of the reimbursable program of the billing organization; recipients of the billings do not charge as expenses. Billings to DoD stock (funds) activities and billings for sales of stock (fund) activity material do not include memorandum military personnel costs. Compute billings for reimbursable services to non-DoD activities as provided in paragraph 30-1.

(8) Industrial (Fund) Activity Billings. The Depot Maintenance Industrial (Fund) Activity will include in its rates an amount to cover the costs of military personnel performing industrial activity work. The billing document will not disclose the amount applicable to military personnel costs. HQ AFMC will be responsible for capturing the amount applicable to military costs and reimbursing the Air Force Military Personnel appropriation for this amount. Military personnel costs billed to non-DoD activities will be required to be accelerated in accordance with paragraph 30-5 and figure 30-1. The Airlift Service and Laundry and Dry Cleaning, Industrial Activity rates will not include military personnel costs for DoD customers.

30-7. Reimbursable Agreements. In formal agreements with non-DoD federal agencies and non-federal organizations, provide for reimbursements of military personnel costs per policy in AFI 65-601, volume 1, chapter 7. In general, where reimbursement is required, formal agreements must provide for reimbursements to recover military personnel costs equal to the sum of the standard rates plus acceleration factors in paragraph 30-5 for leave, holiday, and other personnel costs. Do not use any other reimbursement rates without authorization by SAF/FMPB and the Assistant Secretary of Defense (Comptroller). Compute the reimbursement rates for reimbursable billings for part-time assignments as follows:

- a. Multiply the military personnel standard rate by 1.14 to arrive at a standard rate accelerated by the leave and holiday factor.
- b. Multiply the above factor by 1.06 for officers or 1.18 for enlisted to arrive at a standard rate accelerated by both the leave and holiday factor and the other personnel costs factor.
- c. Round the product obtained to the nearest cent. This is the accelerated standard rate for charging non-DoD federal agencies and non-federal agencies for reimbursable military personnel costs.

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Recoupment For:	Deposit To: (Note 1)
1. Pay and allowances at standard rates (note 2)	57*3500
a. Identified by officer or enlisted (note 4)	Project 51A, 51B, 53A, 53B
b. Not identified	Project 500
2. Acceleration for leave and holiday costs (notes 2 and 3)	
a. Identified by officer or enlisted (note 4)	Project 51A, 51B, 53A, 53B
b. Not identified	Project 500
3. Other personnel costs (notes 2 and 3) acceleration	57*3400 30* 45 042896
	04 C** 599 380100
 NOTES:	
1. When the amount is collected into an appropriation, cite the one current when the services were performed.	
2. Charge all non-DoD federal organizations and non-federal customers (accounts receivable sales codes 55, 70, 71, 72, 73, 76, 84, 85, 86, 87, 90, 92, 93, 94, 95, 98, and 99).	
3. Charge all non-federal customers (accounts receivable sales codes 55, 70, 71, 72, 73, 76, 90, 92, 93, 94, 95, 98, and 99).	
4. See paragraph 27-56a(2) and AFMAN 65-604 (formerly AFR 172-1, volume IV).	

Figure 30-1. Recording Recoveries of Military Personnel Costs.