

DEPARTMENT OF DEFENSE
FISCAL YEAR (FY) 2014 AMENDED BUDGET ESTIMATES
OVERSEAS CONTINGENCY OPERATIONS REQUEST
FOR
OPERATION ENDURING FREEDOM (OEF)



AIR FORCE MILITARY PERSONNEL
May 2013

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MILITARY PERSONNEL OVERVIEW

The FY 2014 Overseas Contingency Operations Request provides funding so that the United States may continue security stabilization efforts in Afghanistan. These efforts are in addition to ongoing daily military operations around the globe. In response to the attacks on the United States on September 11, 2001, the President invoked his authority (10 US Code 12302) to order to active duty Ready Reserve members and delegated his authority to the Secretary of Defense in Proclamation 7463 of September 14, 2001. This declaration of national emergency has been extended, thereby continuing the authority to order to active duty Ready Reserve members. In order to sustain current military operations, funding is requested to finance the incremental costs (i.e., pay, allowances, subsistence, and other personnel costs) for personnel mobilized for duty and for incremental Active Duty costs in support of Operation Enduring Freedom (OEF). The Air Force's military personnel requirement of \$894.4 million is comprised of the following major costs:

(\$ in Thousands)

<u>Summary by Appropriation</u>	FY 2012	FY 2013	FY 2014
	<u>Actuals</u>	<u>Total</u>	<u>Total</u>
		<u>Request</u>	<u>Request</u>
Military Personnel, Air Force	1,355,048	1,286,783	867,087
Reserve Personnel, Air Force	26,167	25,348	20,432
National Guard Personnel, Air Force	9,658	10,473	6,919
TOTAL MILITARY PERSONNEL	1,390,873	1,322,605	894,438

Note: Reflects the FY 2013 OCO Request

MILITARY PERSONNEL OVERVIEW

Summary By Category
 (\$ in Thousands)

<u>FY 2012 Actuals</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization	1,024,052	-	-	1,024,052
AC Deployment Costs	115,656	-	-	115,656
Subsistence in Kind (SIK)	101,427	-	-	101,427
Permanent Change of Station	5,270	-	-	5,270
Casualty and Disability	66,439	-	-	66,439
Additional Mobilization and Deployment Costs	42,204	-	-	42,204
Pre- and Post-Mobilization Training	-	-	-	-
TOTAL MILITARY PERSONNEL	-	26,167	9,658	35,825
	1,355,048	26,167	9,658	1,390,873

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2013 Total for OCO</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization	1,043,255	-	-	1,043,255
AC Deployment Costs	85,442	-	-	85,442
Subsistence in Kind (SIK)	60,537	-	-	60,537
Permanent Change of Station	5,243	-	-	5,243
Casualty and Disability	69,132	-	-	69,132
Additional Mobilization and Deployment Costs	23,174	-	-	23,174
Pre- and Post-Mobilization Training	-	25,348	10,473	35,821
	1,286,783	25,348	10,473	1,322,605

Note: Reflects the FY 2013 OCO Request

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2014 Total Request</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization	656,533	-	-	656,533
AC Deployment Costs	54,946	-	-	54,946
Subsistence in Kind (SIK)	72,502	-	-	72,502
Permanent Change of Station	4,003	-	-	4,003
Casualty and Disability	50,262	-	-	50,262
Additional Mobilization and Deployment Costs	28,841	-	-	28,841
Pre- and Post-Mobilization Training	-	20,432	6,919	27,351
	867,087	20,432	6,919	894,438

The following table reflects mobilization and deployment assumptions. Mobilization numbers include personnel deployed to theater as well as personnel remaining in CONUS supporting Operation Enduring Freedom.

Average Strength

	<u>FY2012 Actual</u>	<u>FY 2013 Total</u>	<u>FY 2014 Total</u>
Active Air Force	24,272	15,110	17,739
Air Force Reserve Mobilization	3,998	5,589	2,660
Air Force National Guard Mobilization	7,346	5,534	4,490
TOTAL	35,616	26,233	24,889

Note: Reflects the FY 2013 OCO Request

MILITARY PERSONNEL OVERVIEW

Reserve & Guard Mobilization/AC Deployment Costs

\$ 711.5 Million

- Basic military pay and entitlements (e.g., Basic Allowance for Housing (BAH), retired pay accrual and social security contributions, incentive pays, etc.) for Reserve and National Guard members on active duty to provide essential military operation support or backfill for those active personnel deployed overseas
- Special Pays for Mobilized Reserve and National Guard Personnel and Deployed Active Personnel:
 - Imminent Danger Pay (IDP) (\$225 per month)
 - Family Separation Allowance (FSA) (\$250 per month)
 - Hardship Duty Location Pay (\$100 per month)
- Basic Allowance for Subsistence (BAS) for Reserve Component members in support of OEF.

Subsistence-in-Kind Costs

\$ 72.5 Million

- Funds requested provide Subsistence-in-Kind (SIK) (food and drink) for all Active and Reserve Component members in support of OEF.

Permanent Change of Station

\$ 4.0 Million

- The Permanent Change of Station (PCS) program pays for travel, transportation, storage, and dislocation allowances for reassignment of military members and their families traveling individually or as part of an organized unit in support of Operation Enduring Freedom (OEF). Costs are for the dislocation allowance, shipment of household goods, temporary and non-temporary storage of household goods, temporary lodging expense, and member mileage and per diem.

Casualty and Disability Benefits

\$ 50.3 Million

Casualty Benefits pay for the following benefits associated with the death or traumatic injury of Service members:

- Reimbursement to the Department of Veterans Affairs for Service members' Group Life Insurance (SGLI) claims in excess of the projected level which is largely based on prior year execution.
- Reimbursement to the Department of Veterans Affairs for Traumatic Injury Protection claims under the Servicemembers' Group Life Insurance (SGLI).
- Funding is for SGLI/T-SGLI insurance premiums the Department of Defense pays on behalf of service members.
- Funding is for Death Gratuities payments to survivors of members who die while on active duty.

Additional Mobilization and Deployment Costs

\$ 28.8 Million

- Additional Mobilization/Deployment Benefits for unemployment benefits to ex-service members discharged or released under honorable conditions and Stop Loss Retroactive Pay (FY 2012 only).

Pre- and Post-Mobilization Programs

\$ 27.4 Million

- Pre & Post Mobilization Training: Continuing overseas contingency operations have highlighted the need for additional funding to accelerate qualification and certification training for many assigned personnel who are not currently at authorized skill levels
- Yellow Ribbon Reintegration Program: Section 582 of the FY08 NDAA established a national combat veteran reintegration program for Guard and Reserve members and their families.

AIR FORCE M-1

FY 2014 Overseas Contingency Operations Request

	FY 2012 Actuals	FY 2013 Estimate	FY 2014 Estimate
MILITARY PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS			
BASIC PAY	187,507	220,573	131,007
RETIRED PAY ACCRUAL	45,564	53,829	32,097
BASIC ALLOWANCE FOR HOUSING	54,732	68,601	39,926
BASIC ALLOWANCE FOR SUBSISTENCE	6,537	7,873	4,696
SPECIAL PAYS	22,166	23,638	7,394
ALLOWANCES	14,961	10,097	8,449
SOCIAL SECURITY TAX	14,344	16,877	10,022
TOTAL BUDGET ACTIVITY 1	345,811	401,488	233,591
BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
BASIC PAY	361,292	332,878	229,591
RETIRED PAY ACCRUAL	87,794	81,235	56,250
BASIC ALLOWANCE FOR HOUSING	144,031	145,832	95,564
SPECIAL PAYS	90,322	75,965	29,262
ALLOWANCES	45,675	29,568	25,480
SOCIAL SECURITY TAX	27,639	25,468	17,564
TOTAL BUDGET ACTIVITY 2	756,753	690,946	453,711
BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
BASIC ALLOWANCE FOR SUBSISTENCE	37,144	36,263	24,177
SUBSISTENCE-IN-KIND	101,427	60,537	72,502
TOTAL BUDGET ACTIVITY 4	138,571	96,800	96,679

Note: Reflects the FY 2013 OCO Request

AIR FORCE M-1

FY 2014 Overseas Contingency Operations Request

	FY 2012 Actuals	FY 2013 Estimate	FY 2014 Estimate
MILITARY PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 5: PERMANENT CHANGE OF STATION			
OPERATIONAL TRAVEL	5,270	5,243	4,003
TOTAL BUDGET ACTIVITY 5	5,270	5,243	4,003
BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
UNEMPLOYMENT COMPENSATION	41,904	23,174	28,841
DEATH GRATUITIES	600	2,000	600
SGLI EXTRA HAZARD PAYMENTS	45,227	51,269	33,750
TRAUMATIC SGLI	20,612	15,863	15,912
STOP LOSS RETROACTIVE PAYMENTS	300	-	-
TOTAL BUDGET ACTIVITY 6	108,643	92,306	79,103
* TOTAL MILITARY PERSONNEL	1,355,048	1,286,783	867,087
RESERVE PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	26,167	25,348	20,432
TOTAL RESERVE PERSONNEL, AIR FORCE	26,167	25,348	20,432
NATIONAL GUARD PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	9,658	10,473	6,919
TOTAL NATIONAL GUARD PERSONNEL, AIR FORCE	9,658	10,473	6,919
GRAND TOTAL AIR FORCE MILITARY PERSONNEL	1,390,873	1,322,605	894,438

Note: Reflects the FY 2013 OCO Request

ACTIVE AIR FORCE MILITARY PERSONNEL COSTS

RESERVE MOBILIZATION AND ACTIVE DEPLOYMENT COSTS

Pay and Allowances of Officers

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Basic Pay

FY 2014
 (\$ in Thousands)
 131,007

Part I - Purpose and Scope

The funds requested provide for the monthly basic compensation for mobilized Air National Guard (ANG) and Air Force Reserve (AFR) officers.

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard officer personnel. The FY 2013 military pay raise reflects a 1.70 percent base pay raise effective 1 January 2013 and 1.00 percent effective 1 January 2014.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Pay (Reserve/Guard Mobilization)	2,316	80,962	<u>187,507</u>	2,666	82,709	<u>220,573</u>	1,573	83,285	<u>131,007</u>
Total			187,507			220,573			131,007

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Retired Pay Accrual

FY 2014
 (\$ in Thousands)
 32,097

Part I - Purpose and Scope

The funds requested provide for Retired Pay Accrual payments to the Department of Defense's Military Retirement Fund, in accordance with 10 U.S.C 1466 for mobilized Reserve and Guard officer personnel.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 24.40 percent of basic pay for FY 2013 and 24.50 percent for FY 2014 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	2,316	19,674	<u>45,564</u>	2,666	20,191	<u>53,829</u>	1,573	20,405	<u>32,097</u>
Total			45,564			53,829			32,097

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Basic Allowance for Housing

FY 2014
 (\$ in Thousands)
 39,926

Part I - Purpose and Scope

The funds requested provide Basic Allowance for Housing (BAH) for mobilized Reserve and Guard officer personnel in accordance with 37 U.S.C. 403.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The FY 2013 BAH increase is 3.30 percent effective 1 January 2013 and the FY 2014 BAH increase is 4.20 percent effective 1 January 2014.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Housing	2,316	23,632	54,732	2,666	25,732	68,601	1,573	25,382	39,926
Total			54,732			68,601			39,926

Appropriation: Military Personnel, Air Force
Budget Activity 1: Pay and Allowances of Officers
Budget Line Item: Basic Allowance for Subsistence

FY 2014
 (\$ in Thousands)
4,696

Part I - Purpose and Scope

The funds requested provide Basic Allowance for Subsistence (BAS) for mobilized Reserve and Guard officer personnel in accordance with 37 U.S.C. 402.

Part II - Justification of Funds Requested

All officers, regardless of dependency status and pay grade, are paid a monthly BAS at the same statutory rate. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The FY 2013 increase is 1.10 percent and FY 2014 BAS increase is 3.40 percent effective 1 January of each year.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Subsistence	2,316	2,823	<u>6,537</u>	2,666	2,953	<u>7,873</u>	1,573	2,985	<u>4,696</u>
Total			6,537			7,873			4,696

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Special Pays, Incentive Pays and Allowances

FY 2014
 (\$ in Thousands)
15,843

Part I - Purpose and Scope

The funds requested provide for payments to officers for the following special pays in support of Operation Enduring Freedom.

Family Separation Allowance (FSA): Paid at the rate of \$250 per month to members with dependents who are on duty away from home for a period of more than 30 continuous days in accordance with 37 U.S.C. 427.

Hostile Fire/Imminent Danger Pay (IDP): Paid to members who serve in designated areas subject to specific dangers. The FY 2005 NDAA Section 623 made the monthly rate of \$225 Permanent. Members eligible for IDP were paid the full monthly rate of \$225 for any complete or partial month they served in a qualifying area. The FY 2012 NDAA modified IDP payments, limiting eligibility to only the actual days served in a qualifying area. Effective 1 January 2012, service members will receive \$7.50 for each day they are on official duty in an IDP area up to the maximum monthly rate of \$225.

Hardship Duty Pay (HDP): Paid at the rate of \$100 per month to personnel performing duty in a location that is designated by the Secretary of Defense as hardship duty in accordance with 37 U.S.C. 305.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment. Summary cost computations provided in the following table:

	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	1,640	3,000	4,920	1,251	3,000	3,752	701	3,000	2,102
Hostile Fire/Imminent Danger Pay	1,842	2,700	4,973	2,666	2,700	7,198	233	2,700	628
Hardship Duty Pay	2,015	1,200	2,418	2,440	1,200	2,928	812	1,200	974
Subtotal Mobilization Incremental Cost	5,497		12,311	6,357		13,878	1,745		3,704
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	3,347	3,000	10,041	2,115	3,000	6,345	2,116	3,000	6,347
Hostile Fire/Imminent Danger Pay	3,759	2,700	10,151	3,475	2,700	9,383	699	2,700	1,887
Hardship Duty Pay	3,853	1,200	4,624	3,441	1,200	4,129	3,254	1,200	3,905
Subtotal Deployed Active Incremental Cost	10,960		24,816	9,031		19,857	6,069		12,139
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	4,987	3,000	14,961	3,366	3,000	10,097	2,816	3,000	8,449
Hostile Fire/Imminent Danger Pay	5,601	2,700	15,124	6,141	2,700	16,581	931	2,700	2,515
Hardship Duty Pay	5,868	1,200	7,042	5,881	1,200	7,057	4,066	1,200	4,879
Grand Total Incremental Cost	16,457		37,127	15,388		33,735	7,814		15,843

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Social Security Tax

FY 2014
 (\$ in Thousands)
 10,022

Part I - Purpose and Scope

The funds requested provide the Air Force employer contribution for mobilized Reserve and Guard officer personnel as required by the provisions of 26 U.S.C. 3111 for (a) Old-age, Survivors, Disability Insurance and (b) Hospital Insurance.

Part II - Justification of Funds Requested

The Federal Insurance Contribution Act (FICA) tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old-age, Survivor, and Disability Insurance (OASDI), or more commonly known as Social Security, rate of tax is 6.2 percent and the Hospital Insurance (HI), or commonly known as Medicare, rate of tax is 1.45 percent. The maximum amount of earnings per individual that tax is payable are:

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2012	\$110,100	No upper limit
2013	\$113,700	No upper limit
2014	\$117,900	No upper limit

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	<u>FY 2012 Actuals</u>			<u>FY 2013 Estimate</u>			<u>FY 2014 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	2,316	6,161	14,344	2,666	6,327	16,877	1,573	6,371	10,022
Total			14,344			16,877			10,022

Pay and Allowances of Enlisted

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Basic Pay

FY 2014
 (\$ in Thousands)
 229,591

Part I - Purpose and Scope

The funds requested provide for the monthly basic compensation for mobilized Air National Guard and Air Force Reserve enlisted personnel.

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard enlisted personnel. The FY2013 military pay raise is 1.70 percent base pay raise effective 1 January 2013 and 1.00 percent effective 1 January 2014.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	<u>FY 2012 Actuals</u>			<u>FY 2013 Estimate</u>			<u>FY 2014 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Pay (Reserve/Guard Mobilization)	9,028	40,019	<u>361,292</u>	8,457	39,360	<u>332,878</u>	5,577	41,167	<u>229,591</u>
Total			361,292			332,878			229,591

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Retired Pay Accrual

FY 2014
 (\$ in Thousands)
 56,250

Part I - Purpose and Scope

The funds requested provide for Retired Pay Accrual payments to the Department of Defense's Military Retirement Fund, in accordance with 10 U.S.C 1466 for mobilized Reserve and Guard enlisted personnel.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 24.40 percent of basic pay for FY 2013 and 24.50 percent for FY 2014 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	9,028	9,725	87,794	8,457	9,606	81,235	5,577	10,086	56,250
Total			87,794			81,235			56,250

Appropriation: Military Personnel, Air Force
Budget Activity 2: Pay and Allowances of Enlisted
Budget Line Item: Basic Allowance for Housing

<u>FY 2014</u>
(\$ in Thousands)
95,564

Part I - Purpose and Scope

The funds requested provide Basic Allowance for Housing (BAH) for mobilized Reserve and Guard enlisted personnel in accordance with 37 U.S.C. 403.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The FY 2013 BAH increase is 3.30 percent effective 1 January 2013 and the FY 2014 BAH increase is 4.20 percent effective 1 January 2014.

Detailed cost computations are provided in the following table:

	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Total Incremental Costs</u>									
Basic Allowance for Housing	9,028	15,954	144,031	8,457	17,244	145,832	5,577	17,135	95,564
Sub Total			144,031			145,832			95,564

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Special Pays, Incentive Pays and Allowances

FY 2014
 (\$ in Thousands)
54,742

Part I - Purpose and Scope

The funds requested provide for payments to enlisted members for the following special pays in support of Operation Enduring Freedom.

Family Separation Allowance (FSA): Paid at the rate of \$250 per month to members with dependents who are on duty away from home for a period of more than 30 continuous days in accordance with 37 U.S.C. 427.

Hostile Fire/Imminent Danger Pay (IDP): Paid at the rate of \$225 per month to personnel subject to hostile fire or in an area in which they are in imminent danger of being exposed to hostile fire in accordance with 37 U.S.C. 310. Per the FY12 NDAA, HFP will accrue on a daily basis.

Hardship Duty Pay (HDP): Paid at the rate of \$100 per month to personnel performing duty in a location that is designated by the Secretary of Defense as hardship duty in accordance with 37 U.S.C. 305. The monthly rate may not exceed \$1,500 per month.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of service members eligible for each type of payment and rate of payment. Summary cost computations provided in the following table:

	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	4,956	3,000	14,868	3,087	3,000	9,261	1,942	3,000	5,825
Hostile Fire/Imminent Danger Pay	7,514	2,700	20,288	8,457	2,700	22,834	877	2,700	2,367
Hardship Duty Pay	8,334	1,200	10,001	6,544	1,200	7,853	3,119	1,200	3,743
Subtotal Mobilization Incremental Cost	20,804		45,157	18,088		39,948	5,937		11,935
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	10,269	3,000	30,807	6,769	3,000	20,307	6,552	3,000	19,655
Hostile Fire/Imminent Danger Pay	15,079	2,700	40,715	11,635	2,700	31,414	2,794	2,700	7,543
Hardship Duty Pay	16,098	1,200	19,318	11,553	1,200	13,864	13,008	1,200	15,609
Subtotal Deployed Active Incremental Cost	41,447		90,840	29,957		65,585	22,353		42,807
Grand Total Special/Incentive Pays									
Family Separation Allowance	15,225	3,000	45,675	9,856	3,000	29,568	8,493	3,000	25,480
Hostile Fire/Imminent Danger Pay	22,593	2,700	61,003	20,092	2,700	54,248	3,670	2,700	9,910
Hardship Duty Pay	24,432	1,200	29,319	18,097	1,200	21,717	16,127	1,200	19,352
Grand Total Incremental Cost	62,251		135,997	48,045		105,533	28,290		54,742

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Social Security Tax

FY 2014
 (\$ in Thousands)
 17,564

Part I - Purpose and Scope

The funds requested provide the Air Force employer contribution for mobilized Reserve and Guard enlisted personnel as required by the provisions of 26 U.S.C. 3111 for (a) Old-age, Survivors, Disability Insurance and (b) Hospital Insurance.

Part II - Justification of Funds Requested

The Federal Insurance Contribution Act (FICA) tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old-age, Survivor, and Disability Insurance (OASDI), or more commonly known as Social Security, rate of tax is 6.2 percent and the Hospital Insurance (HI), or commonly known as Medicare, rate of tax is 1.45 percent. The maximum amount of earnings per individual that tax is payable are:

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2012	\$110,100	No upper limit
2013	\$113,700	No upper limit
2014	\$117,900	No upper limit

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	<u>FY 2012 Actuals</u>			<u>FY 2013 Estimate</u>			<u>FY 2014 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	9,028	3,061	27,639	8,457	3,011	25,468	5,577	3,149	17,564
Total			27,639			25,468			17,564

**BASIC ALLOWANCE FOR
SUBSISTENCE OF ENLISTED
PERSONNEL**

Appropriation: Military Personnel, Air Force
 Budget Activity 4: Pay and Allowances of Enlisted
 Budget Line Item: Basic Allowance for Subsistence

FY 2014
 (\$ in Thousands)
 96,679

Part I - Purpose and Scope

The funds requested for this budget activity are for the payment of authorized Basic Allowances for Subsistence (BAS) and Subsistence-in-Kind (SIK) for mobilized Reserve and Guard enlisted personnel. Subsistence-in-Kind includes the cost of procuring subsistence for garrison dining facilities (Subsistence in Messes), operational rations, and augmentation rations. The Air Force provides subsistence in messing facilities and operational rations for members of all military services participating in Operation Enduring Freedom (OEF).

Part II - Justification of Funds Requested

Basic Allowance for Subsistence is paid to all enlisted members (except recruits and holdees) in accordance with 37 U.S.C 402. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The FY 2013 and FY 2014 increases are 1.10 percent and 3.40 percent respectively effective 1 January of each year.

Subsistence-in-Kind is the cost of bulk subsistence for dining facilities operated in support of OEF. This requirement is dependent on the number of personnel using the dining facilities and the cost of food. This is an additional cost above the BAS since members are authorized to continue receiving their BAS even though food is provided in theater. Operational Rations are rations used for field subsistence. Operational rations include the Meal-Ready-to Eat (MRE), Unitized Group Rations (UGR) that include "heat and serve" and A-ration varieties, and other operational rations served determine costs for operational rations.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Subsistence	9,028	4,111	37,144	8,457	4,288	36,263	5,577	4,335	24,177
Subsistence-in-Kind	28,610	3,545	101,427	21,461	2,821	60,537	19,657	3,688	72,502
Total			138,571			96,800			96,679

PERMANENT CHANGE OF STATION

Appropriation: Military Personnel, Air Force
 Budget Activity 5: Permanent Change of Station (PCS)
 Budget Line Item: Operational Travel Between Duty Stations

FY 2014
 (\$ in Thousands)
 4,003

Part I - Purpose and Scope

The Permanent Change of Station (PCS) program pays for travel, transportation, storage, and dislocation allowances for reassignment of military members and their families traveling individually or as part of an organized unit in support of Operation Enduring Freedom. Costs are for the dislocation allowance, shipment of household goods, temporary and non-temporary storage of household goods and member mileage and per diem.

Part II - Justification of Funds Requested

PCS cost are paid to all entitled officer and enlisted members. The rates are derived as a product of preceding year rate increased by non-pay inflation of 2.10 percent for FY 2013 and 1.90 percent for FY 2014.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Operational Travel Between Duty Stations	318	16,554	5,270	916	5,727	5,243	232	17,223	4,003
Total			5,270			5,243			4,003

CASUALTY AND DISABILITY BENEFITS

Appropriation: Military Personnel, Air Force
 Budget Activity 6: Other Military Personnel Costs
 Budget Line Item: Casualty and Disability Benefits

FY 2014
 (\$ in Thousands)
50,262

Part I - Purpose and Scope

The funds requested will provide for the incremental Service Members Group Life Insurance (SGLI) for Air Force personnel in support of Operation Enduring Freedom, in accordance with the provisions of Title 38 U.S.C. 1965-1980A and Death Gratuity payments under the provisions of Title 10 U.S.C. 1475-91.

Part II - Justification of Funds Requested

SGLI: Cost estimates are provided by the Director of the Department of Veterans Affairs' Insurance Services. The VA notifies the Under Secretary of Defense (Comptroller) of the installments that will be required from the military services. Section 606 of the FY 2008 National Defense Authorization Act directs the Department to pay the full premium for coverage under SGLI program during service in Operation Enduring Freedom. The amount the Department pays is \$27.00 per month for each member.

Death Gratuity: Funds requirements are based on mortality rates, historical trends and the statutory gratuity amount. The rate was increased from \$12,420 to \$100,000 by the FY 2006 NDAA, P.L. 109-13.

Detailed cost computations are provided in the following table:

Total Incremental Costs	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
SGLI	-	-	35,152	-	-	43,940	-	-	28,288
T-SGLI (Prospective)	-	-	20,612	-	-	15,863	-	-	15,912
SGLI/T-SGLI Insurance Premium	31,095	324	10,075	22,602	324	7,329	16,857	324	5,462
Death Gratuities	<u>6</u>	100,000	<u>600</u>	<u>20</u>	100,000	<u>2,000</u>	<u>6</u>	100	<u>600</u>
Total	31,101		66,439	22,622		69,132	16,863		50,262

ADDITIONAL MOBILIZATION AND DEPLOYMENT COSTS

Appropriation: Military Personnel, Air Force
Budget Activity 6: Other Military Personnel Costs
Budget Line Item: Unemployment Compensation, Paid To Ex-Service Members

FY 2014

(\$ in Thousands)
28,841

Part I - Purpose and Scope

Unemployment benefits are for payments to ex-Service members who are discharged or released under honorable conditions as prescribed in Title 5, United States Code, 8521 through 8525.

Part II - Justification of Funds Requested

The funds are for payments of unemployment benefits to eligible ex-active duty service members and demobilized Guard and Reserve personnel as prescribed in Section 8521(a), Paragraph 1 of Title 5, U.S.C. Generally, eligibility is defined as at least 365 days of continuous active service in the Armed Forces whereupon the individual is discharged under honorable conditions or demobilized. Active duty personnel must complete a first full-term of active service or be discharged before a first-term is completed under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude. Additionally, eligibility is subject to numerous applicable state laws.

The Department of Labor is the Executive Agency, as administered by individual states, for the Federal Government's share of applicable unemployment compensation. Costs estimates are based on Department of Labor factors derived from projected economic assumptions and Department of Defense historical experience.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Unemployment Compensation			41,904			23,174			28,841
Total			41,904			23,174			28,841

Appropriation: Military Personnel, Air Force
Budget Activity 6: Other Military Personnel Costs
Budget Line Item: Stop Loss Retroactive Pay

FY 2014 Estimate
 FY 2013 Estimate
 FY2012 Actual **\$300**
(\$ in Thousands)

Part I - Purpose and Scope

Public Law 111-32, Section 310 appropriated \$534.4 million in FY 2009 supplemental appropriations to make payment of claims to members of the Armed Forces, including members of the reserve components, and former and retired members under the jurisdiction of the Secretary who, at any time during the period beginning on September 11, 2001, and ending on September 30, 2009, served on active duty while the members' enlistment or period of obligated service was extended, or whose eligibility for retirement was suspended, pursuant to section 123 or 12305 of title 10, United States Code, or any other provision of law (commonly referred to as a "stop-loss authority") authorizing the President to extend an enlistment or period of obligated service, or suspend an eligibility for retirement, of a member of the uniformed services in time of war or of national emergency declared by Congress or the President.

Part II - Justification of Funds Requested

The amount to be paid to or on behalf of an eligible member, retired member, or former member described above shall be \$500 per month for each month or portion of a month during the period specified above that the member was retained on active duty as a result of application of the stop-loss authority. Section 310 stated that the military departments may not pay claims that are submitted more than 1 year after the date on which the implementing rules for claims take effect. The program would have expired on October 21, 2010; however, the deadline was extended several times under the Continuing Resolutions in FY 2011. Public Law 112-10, of April 15, 2011, extended the claim submission deadline until October 21, 2011. At this time, no new claims can be submitted for consideration. These funds are available for obligation until expended on claims receiver prior to the deadline, but not yet processed for payment.

The Air Force share of the \$534.4 million for this program is \$108.2 million. As of September 30, 2012, \$30.0 million has been obligated (cumulatively) and recorded as an Overseas Contingency Operation (OCO) obligation.

Detailed cost computations are provided in the following table:

Total Incremental Costs	FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Stop Loss Retroactive Pay, Officer	16	2,938	47	-	-	-	-	-	-
Stop Loss Retroactive Pay, Enlisted	85	2,976	253	-	-	-	-	-	-
Total	101		300	-		-	-		-

AIR FORCE RESERVE MILITARY PERSONNEL COSTS

**RESERVE PRE- AND POST-
DEPLOYMENT MOBILIZATION
TRAINING**

Appropriation: Reserve Personnel, Air Force
 Budget Activity 1: Reserve Component Training and Support
 Budget Line Item: Special Training

FY 2014
 (\$ in Thousands)
 20,432

Part I - Purpose and Scope

Funding in these programs support Pre and Post Mobilization Training and the Yellow Ribbon Reintegration Program for Reserve members returning from deployments.

Part II - Justification of Funds Requested

Pre and Post Mobilization Training (Special Training): The continuing overseas contingency operations have highlighted the need for additional funding to accelerate qualification and certification training for many assigned personnel who are not currently at authorized skill levels, reducing the availability of deployable personnel in critical skill sets such as Security Forces. Training will include On-The-Job skill and proficiency development and those formal schools necessary for individuals to achieve early readiness certification. This allows the Air Force Reserve to increase readiness levels and readily fill deployment requirements.

Yellow Ribbon Reintegration Program: The FY 2014 OCO Supplemental Request supports the members' pay and allowance and travel costs for reintegration training through the pre and post deployment phases. The "strength" represents the total number of participants attending various events. Section 582 of the FY 2008 National Defense Authorization Act directs the establishment of "a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral and proactive outreach opportunities through the entire deployment cycle." The pre-deployment phase (from first notification of mobilization until deployment of the mobilized unit) focuses on educating members, families and affected communities on combat deployment. The post-deployment phase (from arrival at home station until 180 days following demobilization) consists of reintegration activities at the 30-60-90 day interval after unit demobilization. The focus is on reconnecting members and their families with the service providers (i.e. TRICARE, JAG, Department of Veterans Affairs, etc.) to ensure a clear understanding of the entitled benefits. In addition, combat stress and transition and how members and their families can address these issues is also integral to this post-deployment phase.

Detailed cost computations are provided in the following table:

Total Incremental Costs		FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
		Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Special Training	Pre/Post Mobilization	2,222	6,857	15,234	1,454	7,117	10,348	1,251	7,139	8,932
Special Training	Yellow Ribbon - Training	3,840	1,863	7,153	11,551	922	10,650	4,225	1,933	8,168
Special Training	Yellow Ribbon - Travel	3,840	984	3,780	10,164	428	4,350	3,253	1,024	3,332
Total				26,167			25,348			20,432

AIR GUARD MILITARY PERSONNEL COSTS

GUARD PRE- AND POST-DEPLOYMENT MOBILIZATION TRAINING

FY 2014
 (\$ in Thousands)
 6,919

Appropriation: National Guard Personnel, Air Force
Budget Activity 1: Reserve Component Training and Support
Budget Line Item: Special Training

Part I - Purpose and Scope

Funding in this program supports the Yellow Ribbon Reintegration Program for Air National Guard members returning from deployments.

Part II - Justification of Funds Requested

Yellow Ribbon Reintegration Program: The FY 2014 OCO Request supports the members’ pay and allowance and travel costs for reintegration training through the pre- and post- deployment phases. The “strength” represents the total number of participants attending various events.

Section 582 of the FY 2008 National Defense Authorization Act directs the establishment of “a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral and proactive outreach opportunities through the entire deployment cycle.” The pre-deployment phase (from first notification of mobilization until deployment of the mobilized unit) focuses on educating Members, families and affected communities on combat deployment. The post-deployment phase (from arrival at home station until 180 days following demobilization) consists of reintegration activities at the 30-60-90 day interval after unit demobilization. The focus is on reconnecting members and their families with the service providers (i.e. TRICARE, JAG, Department of Veterans Affairs, etc.) to ensure a clear understanding of the entitled benefits. In addition, combat stress and transition and how members and their families can address these issues is also integral to this post-deployment phase.

Detailed cost computations are provided in the following table:

<u>Total Incremental Costs</u>		FY 2012 Actuals			FY 2013 Estimate			FY 2014 Estimate		
		Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
SpecialTraining	Yellow Ribbon - Training	21,272	428	9,104	22,522	439	9,887	14,815	440	6,519
SpecialTraining	Yellow Ribbon - Travel	21,272	26	554	22,522	26	586	14,815	27	400
	Total	21,272		9,658	22,522		10,473	14,815		6,919