

# CONUS COST OF LIVING ALLOWANCE

## OVERVIEW

CONUS COLA is a taxable supplemental allowance designed to offset higher prices in high-cost locations in CONUS that exceed the costs as compared to an average CONUS location by more than 8 percent. Rates can increase or decrease depending on the non-housing prices in a duty location as compared to non-housing prices in an average CONUS location. Approximately \$41 million is paid in CONUS COLA benefiting over 35,000 members

## KEY FACTS

- The purpose of CONUS COLA is not to maintain a member's purchasing power at any given location, but over his/her career. Consequently, not every area that has an index over 100 receives an allowance.
- Compares civilian location costs in all Military Housing Areas (MHA) to average civilian CONUS Costs.
- CONUS COLA varies based on duty station, rank, years of service, and whether or not the Service members have dependents.
- Rates are reviewed and updated January 1 every year.

## HOW CONUS COLA IS CALCULATED

By law, a contractor provides cost data from each MHA for the following categories: transportation, goods and services, income taxes, sales taxes, and miscellaneous expenses (long-term savings, investments, charitable contributions, life insurance). Data is adjusted to account for Basic Allowance for Subsistence, and for cost savings gained from shopping at commissaries and exchanges. This information is compared to the same cost data for an average CONUS location, which serves as a benchmark. The resulting ratio is called an index. By law, a CONUS COLA rate is only prescribed when the index meets a threshold of 108 percent, meaning that the costs for non-housing types of goods and services in a particular location are more than 8 percent more expensive than the average CONUS. An index in excess of 108 percent would qualify for CONUS COLA (e.g., a location that is 10 percent more expensive would qualify for a 2 percent COLA index).

Visit the DTMO website for more information:

- CONUS COLA Locations
- CONUS COLA Calculator
- Payout Tables

[www.defensetravel.dod.mil/site/conus.cfm](http://www.defensetravel.dod.mil/site/conus.cfm)

## Actual Location (LC) vs. Average CONUS (US) Costs

$$\frac{\text{C-O-L Costs}_{LC} - \text{Facilities Savings}_{LC} - \text{BAS}}{\text{C-O-L Costs}_{US} - \text{Facilities Savings}_{US} - \text{BAS}} = \text{Index}$$



- Income Taxes
- Transportation
- Goods & Services
- Sales Taxes
- Miscellaneous



- Commissary and Exchange



- BAS

Learn more at [www.defensetravel.dod.mil/site/conus.cfm](http://www.defensetravel.dod.mil/site/conus.cfm)

\*Information current as of 3/2017



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