



PER DIEM, TRAVEL AND TRANSPORTATION ALLOWANCE COMMITTEE

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PDTATAC/dlw

13 October 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: UTD/CTD for MAP 95-11(I)/CAP 98-11(I) -- Update COLA
Examples and URLs in Appendix J

1. **SYNOPSIS:** Updates COLA examples and URLs in Appendix J that are associated with the redesign and launch of the DTMO website.
2. The attached revision is forwarded for information purposes only. No coordination or comments are required.
3. This revision was initiated by Staff.
4. These changes are scheduled to appear in JFTR change 300, and JTR change 554, dated 1 December 2011.
5. Revisions in this information item are *effective 13 October 2011*.

//Approved//

W. B. TIRRELL, SR.

Chief, Policy and Regulations Branch

Attachment:

Rev 1

Uniformed E-Mail Distribution:

MAP Members T&T Branch PMO-DTS GSA-3FT GSA-OGP(MTT) DTMO PPC

Civilian E-Mail Distribution:

CAP Members T&T Branch PMO-DTS GSA-3FT GSA-OGP(MTT) DTMO CBCA Judges

JFTR/JTR REVISIONS

APP J1:

*D. Payments. A member's COLA payment is determined using data from three individual sources/tables. The three tables include the Annual Compensation Table, Spendable Income Table, and the COLA Index Table in this APP. See this APP, Part 3.

*E. Spendable Income. For COLA, spendable income is that portion of the member's annual compensation used to purchase items in the RPS. Members receive a COLA payment as a *percentage of, and based on, their spendable incomes; COLA is not based on total income*. Spendable income differs according to the member's:

1. Grade,
2. Years of service, and
3. Number of command-sponsored dependents.

F. Required Member Information. To determine a COLA, the following member information is required:

1. Grade,
2. Years of service,
3. Number of command-sponsored dependents,
- *4. Annual compensation - see this APP, Part 3, Table I,
- *5. Average annual spendable income - see this APP, Part 3, Table II, and
- *6. Member's PDS and COLA index - see this APP, Part 3, Table III.

G. Computation Steps

*Step 1: Determine the member's annual compensation based on grade, years of service, and dependency status (see this APP, Part 3, Table I).

*Step 2: Determine the member's average annual spendable income (see this APP, Part 3, Table II),

*a. In table matrix column one, locate the dollar range for the appropriate 'Annual Compensation' amount as determined in Step 1 above,

b. Follow this dollar range (line) to the right to the applicable column for the number of command-sponsored dependents,

*c. This number is the member's 'average annual spendable income'.

*Step 3: Determine the member's COLA index based on PDS (see this APP, Part 3, Table III).

*Step 4: Subtract 100 from the prescribed COLA index and convert the remainder to a percentage, i.e., a remainder of 20 becomes 20% or .20.

*Step 5: Multiply the member's average annual [spendable income](#) from Step 2 above by the percentage from Step 4 above. The result is the member's **annual COLA**. To determine the monthly allowance:

- a. Divide the annual COLA amount by 360 (days),
- b. Carry the result to 5 digits to the right of the decimal,
- c. Multiply the result in item b by the number of days in the month for which the allowance is payable, and
- d. Round the amount to the nearest cent.

COLA CALCULATION EXAMPLE

*Effective 1 July 2011, a member in grade E-8 with 22 years of service is assigned to an OCONUS PDS. The prescribed [COLA index](#) for this locality is 120. The member is accompanied by a spouse and three children and is authorized COLA for July (31 days).

*1. For an E-8 with 22 years of service, the [Annual Compensation Table](#) indicates the member's annual compensation is \$87,593.

*2. The [Spendable Income Table](#) indicates the member's average annual spendable income is \$42,700 (based on the annual compensation amount from Step 1 that falls into the dollar range of \$85,000-\$89,999 and four dependents).

*3. The [COLA index](#) for member's PDS the [COLA Indexes Table](#) is 120.

*4. 100 subtracted from the [COLA index](#) of 120 from Step 3 leaves a remainder of 20 that converts to a decimal multiplier of .20.

*5. Multiply the member's average [annual spendable income](#) (\$42,700) determined in Step 2 by the .20 multiplier from Step 4. This results in an annual COLA of \$8,540 (.20 x \$42,700 = \$8,540)),

- a. Divide \$8,540 by 360 (days) with 5 digits to the right of the decimal ($\$8,540/\text{annum}/360 \text{ days/annum} = \$23.72222/\text{day}$),
- b. Multiply the result by the number of days for which the allowance is payable ($\$23.72222/\text{day} \times 31 \text{ days}/31\text{-day month} = \$735.38882/31\text{-day month}$),
- c. Round to the nearest cent - \$735.39 is the member's payable COLA for July.

JFTR/JTR REVISIONS

APP J2:

*A. Purpose. In some OCONUS areas, a member and/or dependent incurs significant mandatory and excessive expenses for items that a CONUS-based member never purchases. Since the expenses are not incurred in CONUS they cannot be made a part of the ordinary [COLA index](#) calculation. For these expenses, payment is a dollar-for-dollar reimbursement for a specifically authorized expense at designated authorized locations.

B. Criteria. A mandatory and excessive expense incurred periodically (i.e., annually, semiannually, etc.) that must meet all of the criteria below to be an authorized as a COLA - Unique Expense eligible for reimbursement.

PDTATAC does not accept requests from individual members for COLA - Unique Expense authorization. All requests for specific expenses at specific locations must be forwarded through the Major Command level, then via the applicable Service representative (indicated under the heading "Feedback Reporting" in the JFTR introduction) to PDTATAC. The Secretary Concerned or Secretarial Process, at Service discretion, may reimburse COLA Unique Expenses for the locations and specific expenses cited in par. C of this Part with no further PDTATAC action required. There is no requirement for recovery of any amount refunded to a member by the foreign government agency involved.

Each individual mandatory and excessive expense must be:

1. Incurred by a clear **majority** of members assigned at a duty station, and
- *2. An item/expense that exceeds 1% of [Spensible Income](#) for the typical uniformed member, and
3. An item/expense that is not purchased or paid by CONUS-based members, and
4. Specifically authorized/approved by PDTATAC for reimbursement are listed in par. C below, and
5. Verified by a valid receipt, and
6. Paid on or after 1 July 2006. No expenses paid before this date can be reimbursed.

JFTR/JTR REVISIONS

APP J3:

*A. General. For current geographic COLA information, and the following tables, please see the DTMO website at: <http://www.defensetravel.dod.mil/site/travelreg.cfm/>.

*B. Table I - Annual Compensation for Members with and without Dependents. On the DTMO website, select 'Programs & Services', 'Allowances', 'Overseas Cost of Living Allowance (COLA)', 'Overseas COLA Pay Tables', 'paytablesYYYY.pdf'..

*C. Table II - Average Annual Spendable Income. On the DTMO website select 'Programs & Services', 'Allowances', 'Overseas Cost of Living Allowance (COLA)', 'Overseas COLA Spendable Income Tables', 'Spendable-Income-Table(YYYY-MM-DD).pdf.

*D. Table III - Cost-of-Living Allowance Indexes. On the DTMO website select 'Programs & Services', 'Allowances', 'Overseas Cost of Living Allowance (COLA)', 'Overseas COLA Indices', 'YYYY-COLA-Indexes.pdf'.