DIRECTORATE OF MILITARY COMPENSATION POLICY • ALLOWANCES BRANCH

CONUS COST OF LIVING ALLOWANCE

How CONUS COLA is Calculated

By law, a contractor provides cost data for the following categories:

- Transportation
- Goods and services
- Income taxes
- Sales taxes
- 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 average CONUS, which serves as a benchmark. The resulting ratio is called an index. By law, an index in excess of 108 percent qualifies for CONUS COLA (e.g., a location that is 10 percent more expensive than average CONUS qualifies for a 2 percent COLA index).

Overview

The Cost of Living Allowance in the Continental United States (CONUS COLA) a taxable supplemental allowance designed to offset high prices in the highest cost locations that are at least 8 percent more expensive than average CONUS. 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. CONUS COLA is paid to over 12,000 members at a cost of $20 million annually. For CONUS COLA policies, see the Department of Defense Financial Management Regulation (FMR), Volume 7A, Chapter 67.

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.

Helpful Resources

CONUS COLA Calculator
https://www.defensetravel.dod.mil/site/conusCalc.cfm

CONUS COLA Locations
https://www.defensetravel.dod.mil/site/conusloc.cfm

CONUS COLA Policies in the DoD FMR:
https://comptroller.defense.gov/Portals/45/documents/fmr/current/07a/07a_67.pdf

FAQs: https://www.defensetravel.dod.mil/site/faqconus.cfm