COMPENSATION/BENEFITS SPOTS:

(*Did you know?*)

1. Subject: Military Pay

- Basic pay has increased 25% since 2001 compared to an average increase of 18% in the private sector.
- Pay for Noncommissioned Officers has increased even more.
    - 33% for typical E7s and E8s
- Including allowances, cash pay for an E7 has gone up more than 35% since 2001.

2. Subject: Housing Allowance

- The tax-free basic allowance for housing has increased 50% since 2001.
- Prior to 2001 service members were expected to pay 20% of rent and utilities out of pocket.
- Today, the average member's out-of-pocket housing costs have been eliminated.

3. Subject: Take-Home Pay

- A civilian would have to earn about $65,000 a year to have the same take-home pay as an E-6 with 10 years of service earning $50,000 in basic pay, BAH and BAS.
    - None of the BAH and BAS are taxable - this means no federal income tax, social security tax, Medicaid tax, state and local income taxes.
    - Military members do not have to pay for their medical care, nor do they have to contribute to their retirement.
- A service member that receives $50,000 in pay and allowances takes home 93% of that amount.
    - A civilian takes home 72%.

4. Subject: Bonuses

- If you have a critical skill, by making the military your career you can receive up to $200,000 in bonuses.
- Don't have a critical skill? The military will train you to get one.
    - Plus the training that you receive is second to none in quality and will enhance your earning capacity when you leave.

5. Subject: Montgomery GI Bill

- Did you know that Montgomery GI Bill will help you pay for your education by providing up to $1,000 per month for 4 years of schooling for an investment of only $100 a month for one year.
- That's up to $36,000 in tax free funds for education expenses for a $1,200 investment.

6. Subject: Retirement

- An E-7 who retires after 20 years of service will receive $1,800,000 in total retired pay over his or her lifetime.
- The lump-sum equivalent at age 38 of this annuity is almost $475,000.
- A spouse can receive 55% of the retired pay for his or her lifetime under the Survivors Benefit Plan (SBP).

7. Subject: Thrift Savings Plan (TSP)

- Enlisted members contributing 5% of basic pay starting the first year of service will have $83,000 in their TSP after 20 years.
    - Which will grow to $440,000 by age 60.
    - If they serve 30 years, they would have $257,000 at retirement which would grow to $658,000 at age 60.
- Officers retiring as O-5s with 20 years will have $163,000 in their TSP account at retirement, which will grow to $643,000 at age 60.

* Assumes 7.5% return and 3% annual military pay raises.

8. Subject: Vacation Days

- All service members have 30 days of annual leave and 10 paid holidays
- Private sector firms average only 16 days of paid leave after 10 years of service.
    - 19.1 days after 25 years.
- Average number of paid holidays is 8 in private industry.

9. Subject: Health Insurance

- All service members receive free health care.
- Civilian employees pay about $2,660 a year - about $225 per month - for health insurance.
    - 97% of those workers have copays/coinsurance or both for doctor visits.
    - Annual deductions range from $80 for HMOs to $861/yr for conventional plans.
    - Charges for hospital stays average $224 per admission.

* Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits 2004.

10. Subject: Non-Pay Benefits

- Commissaries provide savings of 30% for typical grocery purchases.
- Exchanges provide convenient shopping, good prices and never charge sales taxes.
- Subsidized child care facilities are widely available to military members.
    - Only 14% of firms in private industry provide assistance for child care.